

## 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 Tennessee. 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 Tennessee than in your own state.
2. **Mandatory Minimum Payment:** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Spousal Acknowledgement:** Your spouse must sign a document that acknowledges they understand your obligations under the franchise agreement even if your spouse has no ownership interest in the franchise. This acknowledgement states that the franchise documents signed by you will be signed for the benefit of, and will be binding on you and your spouse's marital community, but your spouse's separate, non-marital property will not be subject to the financial obligations under the franchise documents. Your spouse will also be subject to the confidentiality, non-competition, and dispute resolution provisions of the franchise agreement.
4. **Financial Condition:** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
5. **Short operating history:** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

**THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE  
RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN  
MICHIGAN.**

**NOTICE REQUIRED BY STATE OF MICHIGAN**

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

- (a) A prohibition of the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

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### Exhibits:

- A Franchise Agreement
- B Financial Statements
- C Small-Market Franchise Addendum
- D State Franchise Administrators and Agents for Service of Process
- E Franchisee List
- F Required State Addenda to FDD and Franchise Agreement (if applicable)
- G Operations Manual Table of Contents
- H General Release
- I Franchisee Questionnaire
- J State Effective Dates and Receipts

Mr. Croft was elected to serve as chair of our Board of Directors in March 2023. Since September 2013, he has also served as a Partner with Eagle (EMP Management LLC) in Atlanta.

Board Member: Zachary Taylor

Mr. Taylor was elected to our Board of Directors in March 2023. Since August 2017, he has also served as a Private Equity Vice President for EMP in Atlanta.

Board Member: Jake Rubenstein

Mr. Rubenstein was elected to our Board of Directors in March 2023. Since May 2021, he has also served as a Private Equity Senior Associate for EMP in Atlanta. [From January 2020 to May 2021, Mr. Rubenstein was an Associate for Sunny River Management, LLC in Atlanta, Georgia. From June 2017 to June 2019, Mr. Rubenstein was an Investment Banking Analyst for Stephens Inc. in Atlanta, Georgia.](#)

Board Member: David Kim

Mr. Kim was elected to our Board of Directors in March 2023. Since October 2021, he has served on the Board of Directors of Code Ninjas. From September 2017 to August 2020, he served as Managing Director of Teen Ink in Newton, Massachusetts, and from January 2000 to June 2017, Mr. Kim served as CEO of C2 Education in Johns Creek, Georgia.

**Item 3: Litigation**

No litigation is required to be disclosed in this Item.

**Item 4: Bankruptcy**

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

**Item 5: Initial Fees**

**Initial Franchise Fee**

The initial franchise fee for a Franchised Business is \$100,000 for a Traditional Franchise and the initial franchise fee for a Franchised Business is \$75,000 for a Small Market Franchise (the “**Initial Franchise Fee**”). We treat each franchise purchased as a single Franchised Business with its own Franchise Agreement.

At any given time, we may offer discounts of the Initial Franchise Fee and/or incentives of cash, equipment, materials, supplies or related items as an inducement to prospective franchisees. The availability of each incentive may be subject to a time limit.

We currently offer the following discounts off the Initial Franchise Fee (you may take advantage of only one discount):

1. **Military Discount** - A discount of 20% off the Initial Franchise Fee is available if you, or the majority of the shareholders, members, or partners of the franchisee entity, were honorably discharged from the U.S. Army, Navy, Air Force, Marine Corps, Space Force or Coast Guard. This discount also is offered through the International Franchise Association’s VetFran Program in which we participate.

2. Existing Franchisee Discount – A discount of 30% off the Initial Franchise Fee is available if you are an existing franchisee of us or our affiliates in good standing and you are approved to buy an additional

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Franchised Business.

3. Woman-Owned or Minority Owned Business Discount – A discount of 10% off the Initial Franchise Fee is available if you are a business which is (a) at least 51% owned by one or more women who have full operational control of the business and otherwise meet our requirements to purchase a Franchised Business or (b) at least 51% owned by one or more persons who have full operational control of the business, are African American, Hispanic, Native American, Asian or other similar minority race designation, and otherwise meet our requirements to purchase a Franchised Business.

You must pay the Initial Franchise Fee to us in full when you sign the Franchise Agreement. All fees are non-refundable. Except as described above, all fees are uniformly imposed.

**Item 6: Other Fees**

**OTHER FEES**

Name of Fee <sup>1</sup>	Amount	Due Date	Remarks
Royalty Fee – Traditional Franchise <sup>2</sup>	The greater of (i) 7% of Gross Sales per month or (ii) the minimum royalty fee described in the Franchise Agreement, except that the monthly minimum does not apply to new franchisees for the first 180 days after Franchised Business.	Payment Due Date (See Note 1)	“ <b>Gross Sales</b> ” means the total of sales invoices or other items billed to your customer (including any National Accounts Program or MRN customers), less any bad debts, credits, sales tax or other restatement of revenue allowed to the customer. See Notes 2 and 6 for an explanation of the Royalties.
<del>Royalty Fee – Small Market Franchise<sup>3</sup></del>	<del>The greater of (i) 7% of Gross Sales per month or (ii) the minimum royalty fee</del>  <del>Small Market Addendum to the Franchise Agreement, except that the monthly minimum does not apply to new franchisees for Franchised Business.</del>	<del>Payment Due Date (See Note 1)</del>	<del>See Notes 3 and 6</del>

Name of Fee <sup>1</sup>	Amount	Due Date	Remarks
<a href="#"><u>Royalty Fee – Small Market Franchise<sup>3</sup></u></a>	<a href="#"><u>The greater of (i) 7% of Gross Sales per month or (ii) the minimum royalty fee described in the Small-Market Addendum to the Franchise Agreement, except that the monthly minimum does not apply to new franchisees for the first 180 days after</u></a>	<a href="#"><u>Payment Due Date (See Note 1)</u></a>	<a href="#"><u>See Notes 3 and 6</u></a>
National Advertising Fund Contribution – Traditional Franchise <sup>4</sup>	The greater of (i) 2% of Gross Sales per month or (ii) the Minimum NAF Contribution fee described in the Franchise Agreement, except that the minimum does not apply to new franchisees for the first 180 days after opening the	Payment Due Date	This fee will be contributed to the National Advertising Fund. The 180-day waiver of the minimum fee does not apply to transfers or renewals. See Note 4
National Advertising Fund Contribution – Small-Market Franchise <sup>5</sup>	The greater of (i) 2% of Gross Sales per month or (ii) the Minimum NAF Contribution fee described in the Small-Market Addendum to the Franchise Agreement, except that the minimum does not apply to new franchisees for the first 180 days after opening the	Payment Due Date	This fee will be contributed to the National Advertising Fund. The 180-day waiver of the minimum fee does not apply to transfers or renewals. See Note 5

<a href="#"><u>Name of Fee<sup>1</sup></u></a>	<a href="#"><u>Amount</u></a>	<a href="#"><u>Due Date</u></a>	<a href="#"><u>Remarks</u></a>
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Local Advertising Spend	2% of Gross Sales per quarter	As incurred	Payable to approved suppliers. We must approve all local advertising before its use. We reserve the right to require you to pay this money to us and we will conduct local advertising on your behalf. We may require our franchisees to form regional advertising cooperatives in their local markets. Currently, we require you to
Renewal Fee	Currently \$5,000 per Franchise Agreement.	Upon renewal	Payable upon renewal of Franchise Agreement.
Technology Fee	\$1,652 per month	Payment Due Date	This fee will be used to cover our costs associated with the DASH Operating System, Xactimate, Microsoft Office and other current or new technology and systems.

<b>Name of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Initial Training Fee	No fee is charged for the first three people who attend Initial Training (\$2,000 per person after the first three).	Due when you register for Initial Training	We do not currently charge an Initial Training Fee for the first three people that attend Initial Training, but we do charge an Initial Training Fee of \$1,000 per person, per week (the Initial Training lasts for a total of two weeks) after the first three people. When attending Initial Training, you will have to pay any travel, lodging, meals, and other daily living expenses if you attend session in Memphis or for a trainer if the trainer travels to your location. Virtual training options may be available at our discretion.
Additional Training Fee	\$50 - \$1,000 per person	Due when you register for additional training.	Payable if you or your trainees attend additional training programs. Additional training fees are determined by our cost of providing it. When attending additional training, you will have to pay any travel, lodging, meals, and other daily living expenses if you attend session in Memphis or for trainer if trainer travels to your location. Virtual training options may be available at our discretion.
<del>Transfer Fee</del>	<del>\$10,000, except (i) 50% of the standard fee if the transfer is to an owner's adult child who is at least 18 years of age and (ii) no fee if the transfer is to a spouse of an existing owner.</del>	<del>Before completing the transfer.</del>	<del>You must pay this fee when you assign 50% or more ownership of the Franchise Agreement, your entity, or the Franchised Business to one owner or a group of owners, in one transaction or a series of transactions. All transfers must be approved by us in advance.</del>
<del>Lead Fee</del>	<del>\$10,000</del>	<del>At closing</del>	<del>Payable if we refer a qualified lead to an existing franchise owner and such lead purchases the franchise owner's business interest within 18 months of our referral of such lead.</del>
<del>Audit Expenses</del>	<del>Cost of audit, including travel, lodging, and wage expense and reasonable legal</del>	<del>On demand</del>	<del>Payable only if audit shows greater than 2% variance from reported Gross Sales information. In addition to the Audit Fee, all underpaid or unpaid fees plus interest must be paid.</del>
<del>Late Fee</del>	<del>\$50.00 due per delinquent report or payment</del>	<del>On demand</del>	<del>Payable if your report or payment is postmarked after it is due.</del>

<b>Name of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
<a href="#"><u>Transfer Fee</u></a>	<a href="#"><u>\$10,000, except (i) 50% of the standard fee if the transfer is to an owner's adult child who is at least 18 years of age and (ii) no fee if the transfer is to a spouse of an</u></a>	<a href="#"><u>Before completing the transfer.</u></a>	<a href="#"><u>You must pay this fee when you assign 50% or more ownership of the Franchise Agreement, your entity, or the Franchised Business to one owner or a group of owners, in one transaction or a series of transactions. All transfers must be approved by us in advance.</u></a>
<a href="#"><u>Lead Fee</u></a>	<a href="#"><u>\$10,000</u></a>	<a href="#"><u>At closing</u></a>	<a href="#"><u>Payable if we refer a qualified lead to an existing franchise owner and such lead purchases the franchise owner's business interest within 18 months of our referral of such lead.</u></a>
<a href="#"><u>Audit Expenses</u></a>	<a href="#"><u>Cost of audit, including travel, lodging, and wage expense and reasonable legal</u></a>	<a href="#"><u>On demand</u></a>	<a href="#"><u>Payable only if audit shows greater than 2% variance from reported Gross Sales information. In addition to the Audit Fee, all underpaid or unpaid fees plus interest must be paid.</u></a>
<a href="#"><u>Late Fee</u></a>	<a href="#"><u>\$50.00 due per delinquent report or payment</u></a>	<a href="#"><u>On demand</u></a>	<a href="#"><u>Payable if your report or payment is postmarked after it is due.</u></a>
<a href="#"><u>Interest on Overdue Payments</u></a>	<a href="#"><u>1.5% per month on unpaid balances or, if less, the maximum</u></a>	<a href="#"><u>On demand</u></a>	<a href="#"><u>Payable if you fail to timely pay any amounts owed to us.</u></a>
<a href="#"><u>Change Fee</u></a>	<a href="#"><u>\$200 per Franchise Agreement.</u></a>	<a href="#"><u>Before completing a change to the Franchise Agreement.</u></a>	<a href="#"><u>Payable if adding, deleting, or changing owner's name (other than an owner's spouse); changing business entity name; changing DBA (doing business as) name; or changing business structure. No charge to change DBA name or business structure during first year of initial</u></a>
<a href="#"><u>National Accounts Work Order Fee</u></a>	<a href="#"><u>Currently, \$7.50 per completed work order</u></a>	<a href="#"><u>As incurred</u></a>	<a href="#"><u>Payable for each revenue-producing job or inspection that is run through the software or website used for National Accounts, currently Corrigo. This does not apply to MRN leads and</u></a>
<a href="#"><u>Convention Fee</u></a>	<a href="#"><u>Typically, \$750 to \$1,000</u></a>	<a href="#"><u>When registered</u></a>	<a href="#"><u>Payable when you register to attend the annual convention. You are required to attend the annual conventions. You will owe the Convention Fee regardless of your attendance. You are responsible for</u></a>
<a href="#"><u>Insurance</u></a>	<a href="#"><u>Our actual cost of premiums</u></a>	<a href="#"><u>Upon demand</u></a>	<a href="#"><u>Payable if you fail to maintain or provide evidence of the required insurance coverage, and we exercise our right to obtain coverage on your</u></a>

<u>Name of Fee<sup>1</sup></u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<i>FEES FOR MRN PROGRAM ONLY:</i>			
MRN Lead Fee	Currently \$75 per revenue-producing lead	Charged the 2nd month after receiving the lead, due by	Payable for each revenue-producing lead that is run through the software or website used for MRN jobs and program. The amount is subject to change in our discretion.
MRN Late fee	\$100	As incurred	If you fail to pay an MRN lead fee by the due date, you will be charged a \$100 late fee for each month it is not paid. The amount is subject to change in our discretion.

**Notes:**

1. Unless otherwise stated, all fees are uniformly imposed and are nonrefundable. All of the fees are subject to change. You must participate in our current electronic funds transfer and reporting program(s). For monthly fees, such as the Royalties, Technology Fee and Advertising Contribution (the “**Monthly Fees**”), the fee must be reported by the 10<sup>th</sup> day of the month and paid electronically by the date specified by us following the month in which Gross Sales are made (currently, the 20<sup>th</sup> day of the month) (the “**Payment Due Date**”). If you have not reported Gross Sales for any reporting period, we will be authorized to debit your bank account (the “**Account**”) in an amount equal to the greater of the non-reported payment (if we can reasonably estimate or determine the owed amount) or one hundred twenty percent (120%) of the

Monthly Fees transferred from such Account for the last reporting period for which a report of Gross Sales was provided to us. If at any time we determine that you have underreported Gross Sales or underpaid any fees due to us under the Franchise Agreement, we will be authorized to immediately initiate a debit to the Account in the appropriate amount, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after we and you determine that such credit is due.

2. You will pay us the greater of (i) the Royalty Fee equal to 7% of Gross Sales per month, or (ii) the monthly “**Minimum Royalty**” due under the Franchise Agreement. At the end of each month during the term of the Franchise Agreement, if applicable, we will invoice you for the difference between the monthly Minimum Royalty and the Royalty Fee that you actually paid that month. For a Traditional Franchise, the current monthly Minimum Royalty for the initial 10-year term of the Franchise Agreement is as follows:

<b>Year of Operation</b>	<b>Minimum Monthly Royalties</b>
1 (Months 1-6)	None
1 (Months 7-12)	\$1,500
2	\$2,600
3	\$3,000
4	\$3,700
5	\$5,500
6	\$5,665
7	\$5,835
8	\$6,010
9	\$6,190
10	\$6,375

3. You will pay us the greater of (i) the Royalty Fee equal to 7% of Gross Sales per month, or (ii) the monthly Minimum Royalty due under the Small-Market Addendum to the Franchise Agreement. At the end of each month during the term of the Franchise Agreement, if applicable, we will invoice you for the difference between the monthly Minimum Royalty and the Royalty Fee that you actually paid that month. For a Small-Market Franchise, the current monthly Minimum Royalty for the initial 10-year term of the Franchise Agreement is as follows:

<b>Year of Operation</b>	<b>Minimum Monthly Royalties</b>
1 (Months 1-6)	None
1 (Months 7-12)	\$900
2	\$1,350
3	\$1,750
4	\$2,200
5	\$3,300
6	\$3,400
7	\$3,500
8	\$3,605
9	\$3,713
10	\$3,825

4. You will pay us the greater of (i) the National Advertising Fund Contribution equal to 2% of Gross Sales

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per month, or (ii) the monthly “**Minimum NAF Contribution**” due under the Franchise Agreement. At the end of each month during the term of the Franchise Agreement, if applicable, we will invoice you for the difference between the monthly Minimum NAF Contribution and the monthly National Advertising Fund Contribution that you actually paid that month. For a Traditional Franchise, the current monthly Minimum NAF Contribution for the initial 10-year term of the Franchise Agreement is as follows:

<b>Year of Operation</b>	<b>Minimum NAF Contribution</b>
1 (Months 1-6)	None
1 (Months 7-12)	\$500
2	\$700
3	\$900
4	\$1,100
5	\$1,600
6	\$1,650
7	\$1,700
8	\$1,750
9	\$1,800
10	\$1,850

5. You will pay us the greater of (i) the National Advertising Fund Contribution equal to 2% of Gross Sales per month, or (ii) the monthly Minimum NAF Contribution due under the Small-Market Addendum to the Franchise Agreement. At the end of each month during the term of the Franchise Agreement, if applicable, we will invoice you for the difference between the monthly Minimum NAF Contribution and the monthly National Advertising Fund Contribution that you actually paid that month. For a Small-Market Franchise, the current monthly Minimum NAF Contribution for the initial 10-year term of the Franchise Agreement is as follows:

<b>Year of Operation</b>	<b>Minimum NAF Contribution</b>
1 (Months 1-6)	None
1 (Months 7-12)	\$500
2	\$700
3	\$900
4	\$1,100
5	\$1,600
6	\$1,650
7	\$1,700
8	\$1,750
9	\$1,800
10	\$1,850

6. Royalties are generally understood to be the fees the franchisee pays to use something that someone else created (i.e. the Franchised Business idea and trademarks and branding). Franchisees use our ideas, trademarks and branding to create sales, and a percentage of the Gross Sales is paid to us as a royalty fee in exchange for permission to use our proprietary trademarks and processes.
7. A qualified lead is defined as someone who has passed our screening process, our national background check, credit check, and at a minimum a phone interview of the prospect. We are not responsible for locating leads and do not represent that we will do so. The Lead Fee also covers our advertising and marketing costs and administrative costs of such information sharing and gathering. The Lead Fee is not a Transfer Fee.

**Item 7: Estimated Initial Investment**

**YOUR ESTIMATED INITIAL INVESTMENT: TRADITIONAL FRANCHISE**

Type of Expenditure	Amount (Note 1)		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee (Note 2)	\$100,000	\$100,000	Lump Sum	When you sign the Franchise Agreement	Us
Training-Related Expenses (Note 3)	\$1,100	\$4,200	As arranged	As incurred	Hotels, restaurants, transportation
Initial Supplies, Products, and Equipment	\$153,000	\$250,000	As incurred	As incurred	Third-party vendors
Computer and Tablet or Smart Phone (Note 5)	\$1,200	\$2,500	As arranged	Before coming to	Third-party vendor
Software (Note 6)	\$6,676	6,676	As arranged	As incurred	Us and Third-party vendors
Internet Connection (Note 7)	\$135	\$450	As arranged	Monthly	Third-party vendor
Insurance (Note 8)	\$3,000	\$5,000	As arranged	As incurred	Approved insurance carrier

<u>Type of Expenditure</u>	<u>Amount (Note 1)</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment Is To Be Made</u>
	<u>Low</u>	<u>High</u>			
Service Vehicle (Note 9)	\$2,000	\$8,000	As arranged	According to purchase option	Vendor of your choice
Service Vehicle Detail Package (Note 10)	\$650	\$1,200	Lump sum	As incurred	Approved vendor
Real Estate and Improvements (Note 11)	\$30,000	\$75,000	<del>N/A</del> As incurred	<del>N/A</del> Upon Signing Lease + Monthly	<del>N/A</del> Landlord
Initial Marketing (Note 12)	\$5,000	\$15,000	As incurred	As incurred	Approved vendors
Additional Funds – 12 months (Note 13)	\$75,000	\$150,000	Lump Sum	As incurred	Local government agencies, utilities, telephone company and
TOTAL (Note 14)	\$377,761	\$618,026			

**YOUR ESTIMATED INITIAL INVESTMENT: SMALL-MARKET FRANCHISE**

<u>Type of Expenditure</u>	<u>Amount (Note 1)</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment Is To Be Made</u>
	<u>Low</u>	<u>High</u>			
Initial Franchise Fee (Note 2)	\$75,000	\$75,000	Lump Sum	When you sign the Franchise Agreement	Us
<u>Training-Related Expenses (Note 3)</u>	<u>\$1,100</u>	<u>\$4,200</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Hotels, restaurants, transportation</u>
<u>Initial Supplies, Products, and Equipment</u>	<u>\$153,000</u>	<u>\$250,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Third-party vendors</u>
<u>Computer, Tablet or Smart Phone (Note 5)</u>	<u>\$1,200</u>	<u>\$2,500</u>	<u>As arranged</u>	<u>Before coming to</u>	<u>Third-party vendor</u>
<u>Software (Note 6)</u>	<u>\$6,676</u>	<u>\$6,676</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Us and Third-party vendors</u>
<u>Internet Connection (Note 7)</u>	<u>\$45</u>	<u>\$150</u>	<u>As arranged</u>	<u>Monthly</u>	<u>Third-party vendor</u>
<u>Insurance (Note 8)</u>	<u>\$3,000</u>	<u>\$5,000</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Approved insurance carrier</u>
<u>Service Vehicle (Note 9)</u>	<u>\$2,000</u>	<u>\$8,000</u>	<u>As arranged</u>	<u>According to purchase option</u>	<u>Vendor of your choice</u>
<u>Service Vehicle Detail Package (Note 10)</u>	<u>\$650</u>	<u>\$1200</u>	<u>Lump sum</u>	<u>As incurred</u>	<u>Approved vendor</u>
<u>Real Estate and Improvements (Note 11)</u>	<u>\$30,000</u>	<u>\$75,000</u>	<u>As incurred</u>	<u>Upon Signing Lease + Monthly</u>	<u>Landlord</u>

Type of Expenditure	Amount (Note 1)		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Training-Related Expenses (Note 3)	\$1,100	\$4,200	As arranged	As incurred	Hotels, restaurants,
Initial Supplies, Products, and Equipment	\$153,000	\$250,000	As incurred	As incurred	Third-party vendors
Computer, Tablet or Smart Phone (Note 5)	\$1,200	\$2,500	As arranged	Before coming to	Third-party vendor
Software (Note 6)	\$6,676	\$6,676	As arranged	As incurred	Us and Third-party vendors
Internet Connection (Note 7)	\$45	\$150	As arranged	Monthly	Third-party vendor
Insurance (Note 8)	\$3,000	\$5,000	As arranged	As incurred	Approved insurance carrier
Service Vehicle (Note 9)	\$2,000	\$8,000	As arranged	According to purchase option	Vendor of your choice
Service Vehicle Detail Package (Note 10)	\$650	\$1200	Lump sum	As incurred	Approved vendor
Real Estate and Improvements (Note 11)	\$30,000	\$75,000	N/A	N/A	N/A
Initial Marketing (Note 12)	\$5,000	\$15,000	As incurred	As incurred	Approved vendors
Additional Funds – 12 months (Note 13)	\$40,000	\$90,000	Lump Sum	As incurred	Local government agencies, utilities, telephone company and
TOTAL (Note 14)	\$317,671	\$532,726			

**Notes:**

1. General. These estimates are for the cost of purchasing one license. None of these fees or payments are refundable unless otherwise noted below. [Neither we nor our affiliates finance any part of the initial investment](#)
2. Initial Franchise Fee. See Item 5 for details concerning the Initial Franchise Fee and available discounts.
3. Training-Related Expenses. This estimate is for the cost for one person to attend our Initial Training, which is described in detail in Item 11. The Initial Franchise Fee covers the cost of Initial Training for three people, as well as some meals. You are responsible for the travel and living expenses, wages, and other expenses incurred by you and any other trainees during the programs. Your actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices. If you have a manager whom you wish to send to training also, you must also pay us a training fee of \$2,000 per person, which covers two weeks of Initial Training (in addition to their travel and living expenses).
4. Initial Supplies, Products and Equipment. You must purchase the initial supplies, products and equipment you will need to open your Franchised Business from approved suppliers. The list of required supplies, products and equipment necessary to open your Franchised Business is included in the Operations Manual, but includes categories such as CNC Router, Edgebander, Dust Collection System, Table Saw, etc.



5. Computer and Tablet or Smart Phone. You will need a recent version laptop computer, as well as a tablet or smart phone, with the greatest amount of memory and with a camera for use in your Franchised Business and to serve National Account and MRN customers. You must bring this device with you to Initial Training and it must be operational.
6. Software. The software estimate is for the DASH Software system which includes an initial setup fee and three months of monthly fees for DASH Enterprise, DASH Timesheets, DASH ProAssist, DASH BI Reporting, Mozaik, Xactimate, ClaimsConnect, Microsoft Office and Quickbooks online which constitute the required software licenses. The fees and required software may change from time to time. The monthly Technology Fee paid to franchisor covers the monthly cost of DASH Enterprise, DASH Timesheets, DASH ProAssist, DASH BI Reporting, Xactimate, and Microsoft Office.
7. Internet Connection. You must obtain a high-speed Internet connection from a third-party vendor. The estimate is for the first month of services.
8. Insurance. This estimate includes the first 6 months of cost of commercial vehicle and commercial general liability insurance for one van and no more than five employees. The required insurance policies include commercial vehicle in the amount of \$1,000,000 and commercial general liability in the amount of \$2,000,000, each with respect to the Franchised Business and with us and our affiliates named as additional insureds. You must also maintain: (i) workers' compensation insurance with a minimum of \$500,000

employer's liability coverage for all employees, irrespective of your state requirements to do so, for the term of your agreement, but those rates will vary significantly based on your local laws and have not been included in this estimate and (ii) crime/employee theft with a \$25,000 limit. If you are a corporation or a limited liability company, you are required to have Workers' Compensation coverage for all officers or all members. Your personal history, your previous experience, or the state where you live may vary the amount of premiums. Insurance coverage quoted is not available in Alaska or Hawaii and is based on one van and no more than two employees. Details of the plan offered by our suggested source will be supplied.

9. Service Vehicle. All Service Vehicles must be bright white or Renew Medic blue with the required Renew

Medic logos and markings, including your phone number and the URL address to your website. We do not require approval of any specific vendor for the purchase of a Service Vehicle. The Service Vehicle price quoted is a down payment, exclusive of tax, tags, title and extra options. The price will vary based on the model you choose and your credit. You may use a used Service Vehicle, but no Service Vehicle in use may be older than 7 years. Generally, you may finance the Service Vehicle through commercial sources at prevailing rates. We do not guarantee that you will qualify for any lease or financing arrangements for one or more Service Vehicles.

10. Service Vehicle Detail Package. The Service Vehicle detail package must be purchased directly from our approved vendor. Currently, the package costs between \$250 to \$400 plus shipping and handling. The estimated decal installation fee is \$400 to \$600 per vehicle. The price of the Service Vehicle detail package and installation will vary depending on the size of the Service Vehicle.

11. Real Estate and Improvements. We require you to buy or lease space for your Franchised Business. You may not operate your Franchised Business from your home. Your Franchised Business office location must be within your Territory. The figures shown here are for initial deposit (3 months rent) and three months rent for 7,500 square feet of industrial flex space ranging from \$8 per square foot to \$20 per square foot in rental cost. Costs in your area may vary from these.

12. Initial Marketing Expenses. You will incur marketing costs to promote the opening of your Franchised Business. At a minimum, we require that you spend at least \$5,000 on your opening campaign, however,

we expect your opening campaign will exceed \$5,000. The high end of the initial marketing expense is only an estimate of the cost of initial marketing you will incur in the first 90 days of operations of your Franchised Business. These figures include estimates for marketing collateral, digital advertising and other typical marketing costs. This estimate does not include ongoing National Advertising Fund Contributions.

13. Additional Funds – 12 Months. This estimates the additional funds you may need to cover additional expenses you will incur before your Franchised Business opens and in its first twelve months of operation. These expenses may include, without limitation, rent, telephone, Internet, and utility bills, ongoing vehicle payments, attorneys' fees, ongoing software license fees, vehicle license fees, licenses and permits, bank charges and deposits, prepaid expenses, taxes, additional advertising expenses, miscellaneous supplies and equipment, and other miscellaneous items. The estimate assumes you run the business by yourself and does not include payroll costs, including wages, benefits, and payroll taxes. The estimate also does not include any salary or living expenses for you. You may incur other categories of expenses or expenses in excess of this estimate. We have based these figures on our affiliates' experience franchising Franchised Businesses.
14. Total Initial Investment. Your actual investment and expenditures and initial cash outlay may vary from the amounts shown depending on the choices you make, your local market, and the size of your Territory. If you choose to purchase additional equipment, products, supplies, and vehicles, your expenses may be higher.

## Item 8: Restrictions on Sources of Products and Services

### Standards and Specifications

You must purchase the products, equipment, and supplies that you use in your Franchised Business from us, vendors that we approve, or vendors that meet our specifications. Our specifications include standards for customer satisfaction and performance. Our specifications are subject to change, are general in nature, and are designed to assure that you meet our standards of customer satisfaction. We impose these restrictions to safeguard the integrity of the System and the Marks. Specifications and standards are not issued to either franchisees or suppliers.

### Approved Suppliers

You are required to purchase at least one Service Vehicle to operate your Franchised Business and because all sales calls must be made in a Service Vehicle, as your business grows, you may need more than one Service Vehicle. Each Service Vehicle must be painted bright white or Renew Medic blue, display the Marks in a manner that we prescribe, and display your phone number and the URL address for your website. The Service Vehicle decals must be purchased from our approved vendor, but you may use a vendor of your choosing to apply them. We may have additional specifications for your Service Vehicle in our Operations Manual, and all specifications for the Service Vehicle are subject to change.

In addition to your required purchase or lease of your Service Vehicle, there may be other required purchases from designated or approved suppliers. You must have a laptop computer, as well as a tablet or smartphone (with the greatest amount of memory available, a camera, calendar and scheduling capabilities) for scheduling and communicating while on the road, and you must maintain a cell phone for your Franchised Business.

You must purchase or lease equipment, products, supplies and services from the supplier(s) we designate, including but not limited to apparel and promotional items to be used in your Franchised Business. We are not currently, but we or our affiliates may be in the future, the exclusive designated supplier of some or all equipment, products, supplies and services. We reserve the right to charge a reasonable mark-up on equipment, products, supplies and services that you are

required to purchase from us. All equipment, products, supplies and services that you purchase must meet our minimum standards and specifications and be from suppliers that we approve, and if we develop any proprietary products or equipment in the future, you must purchase these from us or our designated supplier.

You are required to use CoreLogistic's DASH Platform, Xactimate, Mozaik, and Quickbooks online, as well as any other software applications or programs that we required or designate in the Operations Manual from time to time. You must install and maintain this software, on any computers, tablets and cell phones that are used in connection to your Franchised Business. The DASH Platform is a job management system where you will manage all of your jobs and customers, manage timesheets, collect documentation and perform other related administrative functions for your Franchise Business.

#### Insurance.

You must, at your expense, procure and maintain insurance policies with the coverage, types, and amounts that we specify in the Operations Manual, on our Intranet, or otherwise in writing. You cannot begin offering services to the public unless you are adequately insured. Our present insurance requirements are:

1. Workers' compensation and occupational disease insurance with \$500,000 employer liability limit as well as such other insurance as may be required by any applicable statute or rule;
2. Commercial general liability insurance, including product liability coverage, with minimum limits of

- \$2,000,000 per occurrence;
3. Business automobile liability coverage for both owned and non-owned vehicles, with minimum limits of \$1,000,000 bodily injury and property damage;
  4. Crime/employee theft (not a bond) with a \$25,000 limit;
  5. Such additional coverage and higher policy limits as may reasonably be specified for all franchisees from time to time by us; and
  6. All other insurance required by applicable state or federal law.

You are also strongly encouraged to have property coverage for damage to customer property caused by your work or in your care, custody, and control with no exclusion for property of others, which can be provided through General Liability or Property Coverage.

All insurance policies procured and maintained by you must (i) be written by an insurance company satisfactory to us, (ii) name us, our affiliates, and our officers, directors, employees, agents, and partners, as an additional insured (except Workers' compensation policy), (iii) contain endorsements by the insurance companies waiving all rights of subrogation against us for workers' compensation insurance, commercial general liability insurance, and business automobile liability insurance, and (iv) stipulate that we will receive copies of all notices of cancellation, non-renewal or coverage reduction or elimination at least 30 days prior to such event.

If you fail or refuse to maintain any required insurance coverage required or fail to furnish satisfactory evidence of coverage, we may, at our option and in addition to any other rights and remedies we have hereunder, obtain such insurance coverage on your behalf, and any costs of premiums incurred by us in connection therewith shall be paid by you on demand.

#### Officer Interests.

None of our officers have any ownership in our approved suppliers.

#### Approval Process.

If you would like to use a supply or equipment source that we have not approved, you must first submit to us

information including product specifications, product components, product performance history, product samples, and any other relevant information. We will evaluate the proposed product considering the technical, wear, and performance properties of the item. We may also consider other factors including design, appearance, product reliability, durability, the manufacturer's warranties, quality control methods and financial ability to stand behind its products. We do not publish our criteria for approving items or suppliers. Our review is generally completed in three weeks, but we have up to 60 days to advise you in writing of our decision. If we do not advise you of our decision within the 60-day period, then your request will be deemed rejected. Approval of alternative suppliers may be revoked if we determine, in our sole discretion, that they no longer satisfy the specifications set forth in the Operations Manual, as it may periodically be updated.

#### Revenue Earned from Required Purchases.

We ~~and our affiliates may~~ currently do not, but reserve the right to, derive revenue from your purchases from us, our affiliates, or our approved vendors.

#### Percentage Subject to Specifications.

The purchase or lease of required products and services from our approved suppliers will represent approximately 50% to 75% of your overall purchases in establishing a Franchised Business and approximately 20% to 40% of your overall purchases in operating a Franchised Business.

### Purchasing or Distribution Cooperatives.

As of the Issuance Date of this Disclosure Document, we do not have any purchasing or distribution cooperatives.

### Purchase Arrangements.

As of the Issuance Date of this Disclosure Document, we have not negotiated any purchase arrangements with suppliers for your benefit, but we may do so in the future. We currently do not, but reserve the right to, receive rebates from vendors and suppliers.

### Material Benefits or Incentives.

We do not provide any material benefits or incentives to you for your purchases of certain products or services or your use of certain suppliers. You may derive some benefit from dealing with our designated suppliers since, because of the volume of business they do with our franchisees and the franchisees of our affiliates, they may offer better prices than other suppliers but, except for this, you suffer no monetary disadvantage if you choose not to deal with our designated suppliers.

## **Item 9: Franchisee’s Obligations**

### **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 Franchise Agreement (“FA); Small-Market Franchise Addendum (“SMA”)</b>	<b>Disclosure Document Item</b>
<a href="#">a. Site Selection and acquisition/lease</a>	Article I of FA	Items 5, 11, 12
<a href="#">b. Pre-opening purchases/leases</a>	<a href="#">Articles III.A; III.B; III.G and H; V.B, V.C, V.N, V.Q of FA</a>	<a href="#">Items 5, 7, 8</a>
<a href="#">c. Site development and other pre- opening requirements.</a>	<a href="#">Articles V.O; V.Q of FA</a>	<a href="#">Items 7, 8, 12</a>
<a href="#">d. Initial and ongoing training</a>	<a href="#">Articles III.B, IV.B; IV.C; V.R of FA</a>	<a href="#">Items 5, 7, 11</a>
<a href="#">e. Opening</a>	<a href="#">Articles IV.A; IV.B; V.B; V.Q; Telephone Listing Authorization Agreement; Guarantee of Corporate Obligations of FA</a>	<a href="#">Item 11</a>
<a href="#">f. Fees</a>	<a href="#">Articles III; V.C; V.F; V.R ; V.Y ; VII.B.10; VIII.D of FA ; Section C, D and E of SMA</a>	<a href="#">Items 5, 6, 7, 10</a>
<a href="#">g. Compliance with standards and policies/operating manual</a>	<a href="#">Articles II.B; V; VI; XIII.I of FA</a>	<a href="#">Items 8, 11, 12</a>
<a href="#">h. Trademarks and proprietary information</a>	<a href="#">Articles I.A; V.E; V.G; V.T; VIII.B; IX.A. of FA</a>	<a href="#">Items 13, 14</a>
<a href="#">i. Restrictions on</a>	<a href="#">Articles I; V.A; V.B; V.C; V.F, V.H;</a>	<a href="#">Items 8, 16</a>

Obligation	Section in Franchise Agreement (“FA”); Small-Market Franchise Addendum (“SMA”)	Disclosure Document Item
acquisition/lease		
b. Pre-opening purchases/leases	Articles III.A; III.B; III.G and H; V.B, V.C, V.N, V.Q of FA	Items 5, 7, 8
e. Site development and other pre-opening requirements.	Articles V.O; V.Q of FA	Items 7, 8, 12
d. Initial and ongoing training	Articles III.B, IV.B; IV.C; V.R of FA	Items 5, 7, 11
e. Opening	Articles IV.A; IV.B; V.B; V.Q; Telephone Listing Authorization Agreement; Guarantee of Corporate Obligations of FA	Item 11
f. Fees	Articles III; V.C; V.F; V.R; V.Y; VII.B.10; VIII.D of FA; Section C, D and E of SMA	Items 5, 6, 7, 10
g. Compliance with standards and policies/operating manual	Articles II.B; V; VI; XIII.I of FA	Items 8, 11, 12
h. Trademarks and proprietary information	Articles I.A; V.E; V.G; V.T; VIII.B; IX.A. of FA	Items 13, 14
i. Restrictions on product/services offered	Articles I; V.A; V.B; V.C; V.F, V.H; V.I; V. V; V.W; XIII.I and M of FA	Items 8, 16
j. Warranty and customer service requirements	Articles V.D; V.H; V.J; XIII.I of FA	None
k. Territorial development and sales quotas	None	Item 12
l. Ongoing product/service purchases	Articles III.F; III.K; V.G; V.M; V.V of FA	Item 8
m. Maintenance, appearance and remodeling requirements	Articles V.O; V.W of FA	Item 13
n. Insurance	Article V.M of FA	Items 7, 8
o. Advertising	Article III.D; III.J; V.BB of FA	Items 6, 11, 12
p. Indemnification	Article XI of FA	None
q. Owner's participation/management/staffing	Articles V.D; V.Y; X of FA	Item 15
r. Records and reports	Article VI of FA	Item 6
s. Inspections and audits	Articles V.F; VI.D of FA	Item 6
t. Transfer	Article VII of FA	Items 6, 17
u. Renewal	Article II.B. of FA	Item 17
v. Post-termination obligations	Articles IX of FA	Item 17
w. Non-competition covenants	Articles V.U; VII.B; VII.E; IX.B of	Item 17
x. Dispute resolution	Article XII of FA	Item 17
y. Other (Guaranty)	Article VII.F. and Attachment to Franchise Agreement	Item 15

### Item 10: Financing

We and our affiliates do not offer direct or indirect financing arrangements for any purpose in establishing or operating your Franchised Business. We and our affiliates do not guarantee your promissory note, lease, or any

other obligation you may make to others.

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

**Item 11: Franchisor’s Assistance, Advertising, Computer Systems, and Training**

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

**Pre-Opening Assistance.**

Before you open your Franchised Business, we will:

1. Territory. Grant you a non-exclusive license to a Territory and approve an Office location within the Territory. (Franchise Agreement, Article I.A, I.B, IV.A.1, and V.P.)
2. Approved Suppliers. Provide designated sources from which to purchase your initial equipment and supplies for your Franchised Business. (Franchise Agreement, Article IV.A.2)

3. Initial Training. Make available to you our Initial Training as described below in this Item. (Franchise Agreement, IV.B)
4. Marketing Materials. Make available marketing materials, including marketing literature, brochures, and other media proofs and direct sales aids to assist you in your Franchised Business. (Franchise Agreement, Article IV.B.1)
5. Intranet. Give you access to our Intranet, which contains our Operations Manual and both mandatory and suggested specification, standards and procedures. Access to our Intranet is password-protected and must be limited to you and your employees only. We may modify our Intranet from time to time, but the modification will not significantly or materially alter your status and rights under the Franchise Agreement. However, you will be required to conduct the Franchised Business in accordance with any modification. (Franchise Agreement, Article IV.A.5 and V.G.)
6. Service Vehicle Detail Package. Make available the Service Vehicle detail package of logos for use on your Service Vehicles. (Franchise Agreement, Article IV.A.3).

**Ongoing Assistance**. During the operation of your Franchised Business, we will:

1. Approved Suppliers. Provide designated sources from which to purchase your on-going equipment and supplies. (Franchise Agreement, Article IV.G).
2. Suppliers. Provide supplies and equipment to operate the Franchised Business or designate approved suppliers from which you may purchase supplies and equipment to operate the Franchised Business. Review any suppliers or products you propose to use in your Franchised Business and provide you with our decision within 60 days of our receipt of your request. (Franchise Agreement, Article IV.G.)
3. Marketing Materials. Update and modify, as we deem necessary, marketing literature, brochures, and other media proofs and direct sales aids to assist you in your Franchised Business. We will also review any marketing materials that you propose. (Franchise Agreement, Article IV.F)
4. Operations Manual. Periodically update the Intranet and our Operations Manual. (Franchise Agreement,

Article IV.B.1)

5. Additional Training. Provide additional training to replacement managers and additional training regarding new Franchised Services. (Franchise Agreement, Article IV.C.)
6. National Accounts Program. Manage the National Accounts Program, including receiving customer referrals from National Accounts Program customers and allocating referrals to franchisees. (Franchise Agreement, Article IV.D)
7. MRN. We will evaluate you and determine whether your Franchised Business may participate in the MRN. If you are approved to participate in the MRN, our affiliate, the MRN Administrator may, but is not required to, distribute leads from MRN customers to you. (Franchise Agreement, Article IV.E)
8. National Advertising Fund. Manage the National Advertising Fund and oversee advertising, promotion and marketing programs. (Franchise Agreement, Article IV.I)
9. Website. We will maintain the website for the Renew Medic System, which will include your Franchised Business' location and telephone number. (Franchise Agreement, Article IV.H)

We do not control, and do not have the right to control, decisions regarding the persons you hire, discipline, or terminate as employees or agents. However, we may take any legal action necessary to enforce our rights under the Franchise Agreement. We also require that you perform background checks and drug testing as allowed by law. These policies will not constitute our representation of approval or disapproval of any prospective employees. In all cases you will remain solely responsible for decisions regarding hiring and maintaining your employees, including determinations of whether the prospective employee meets your hiring and performance standards or is suitable for the employment position.

### **Time to Open**

You must successfully complete our Initial Training within six months from signing the Franchise Agreement. Within 45 days after successfully completing Initial Training, you must secure your Office location. Within three months after successfully completing Initial Training, you must begin operating your Franchised Business. We estimate that you will complete Initial Training and begin operating the Franchised Business within 90 to 180 days of signing your Franchise Agreement. Factors that may contribute to the period of time between signing the Franchise Agreement and operating the Franchised Business include your ability to obtain a lease for an Office location, any financing required, or delays in procuring and installing the necessary equipment to start operating your Franchised Business. (Franchise Agreement, Article V.Q.)

### **Operations Manual**

Our Intranet contains the Operations Manual with a total of 145 pages of specifications, standards, and procedures. Exhibit G to this Disclosure Document lists the Tables of Contents of the Operations Manual.

### **Site Selection**

Your Franchised Business must operate from one Office location within the Territory. We do not assist you in finding an Office location or negotiate the purchase or lease for you. Your Office must be subject to a lease, which requires our prior acceptance. You will be solely responsible for negotiation of the terms of your lease and performance under the lease. We disclaim any responsibility for the suitability of your lease. Our acceptance of the lease is solely based on the site and lease satisfying our minimum site selection criteria.

Your Office location must: (i) be within the Territory, (ii) contain a designated warehouse for operation of the equipment used in the Franchised Services and allow for operation of the Franchised Business for any crews, teams, sales forces and vehicles that may be coming and going from this location, and (iii) contain a designated office space for meetings and performance of other office functions. Your Office should contain a minimum of 5,000 – 7,500 square feet of combined warehouse and office space. You may not locate your Office in your home. Offices are required to be open Monday through Friday 8 a.m. to 5 p.m.

You may not open a retail service location nor expand operations to more than one location within the Territory without our prior written consent. If you wish to relocate to another Office location, you must obtain our written consent, which will not be unreasonably denied, prior to relocating.

We do not conform your Office location to local ordinances and building codes or obtain any required permits. We do not construct, remodel, or decorate your Office location; however, we provide standards for use of the Marks, which includes signage guidelines. Your Office location must meet our criteria as set forth in the Operations Manual, including without limitation, criteria for location and appearance. We do not provide for necessary office equipment, signs, fixtures, and office supplies.

### **Advertising**

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National Advertising Fund. We will maintain and administer the National Advertising Fund (the “NAF”). You will contribute the National Advertising Fund Contribution, which is the greater of the monthly Minimum NAF Contribution (as described in the Franchise Agreement, for a Traditional Franchise or as described in the Small-Market Addendum to Franchise Agreement, for a Small-Market Franchise) or 2% of your monthly Gross Sales, to the NAF (except the Minimum NAF Contribution does not apply for the first 180 days after you open your Franchised Business). All company-owned stores will contribute the same National Advertising Fund Contribution as other franchisees. Any amounts in the NAF that are not spent in any fiscal year will be kept in the NAF for use in future years. Upon written request, we will provide a written statement of the financial condition of the NAF, certified by one of our executive officers. We are not obligated to audit the NAF.

We will determine and budget the specific use of the NAF as we deem necessary. The NAF may be spent by us, at our sole discretion, for (i) national, regional or local media or other marketing techniques or programs designed to advertise and promote the Franchised Services and/or the Marks to consumers, (ii) market research and development, (iii) monitoring and managing social media, (iv) test or target marketing, (v) the conducting of surveys, (vi) creative and production costs, (vii) employee salaries directly or indirectly related to advertising and marketing, (viii) repayment to us or our affiliates for reasonable accounting, administrative and legal expenses associated with the NAF, or (ix) on other expenses related to enhancing and promoting the general recognition of the System and the Marks. None of the NAF is spent on advertising the sale of franchise licenses.

The NAF is administered by the Franchisor’s accounting and marketing departments. We do not have a franchisee advertising council. We are not obligated to ensure that any individual franchisee (including you) benefits directly, on a pro rata basis or at all, from the placement, if any, of such advertising in its local market.

In 2023, we had no expenditures related to the NAF.

Local Marketing. You must not use any advertising or promotional materials unless we approve them. If you want to use advertising materials that you develop in accordance with our brand standards, you must submit them to us for approval prior to use. We will respond within five business days with our decision as to

whether the materials are approved. If we do not respond within five business days, such materials will be deemed rejected. (Franchise Agreement, Articles III.J and V.DD).

We do not currently have any local or regional advertising cooperatives, but we reserve the right to initiate them

in the future (Franchise Agreement, Article V.J).

**Our Marketing.** We are not required to conduct any advertising anywhere, including in your Territory. However, we will make available marketing materials including marketing literature, brochures, and other media proofs and direct sales aids to assist you in your Franchised Business. These materials are our property. We will update and modify information as needed. (Franchise Agreement, Article IV.B.1). We may maintain listings that we own and for which we have primary ownership, including Google listings, which you will make use of during the term of your Franchise Agreement.

If you have an advertising and/or marketing concept that you would like us to create and the concept will be useful for the entire franchise network, then we will review it and determine within five business days if it would be advantageous to develop the concept for use by the entire franchise network. If we do not respond within five business days, such materials will be deemed rejected.

### **Computer Requirements**

You must install and use a computer in the operation of your Franchised Business. We currently require you to purchase and use a computer and supporting systems as required by us that meet our minimum specifications, as we may specify from time to time in the Operations Manual.

You must use a laptop computer, as well as a tablet or smart phone for servicing National Account and MRN customers. The cost of such equipment ranges from \$1,200 to \$2,500. In addition, some National Accounts may require the use of an estimating software for uploading claims for services you provide to the accounts. If you accept work from these accounts, you will be required to use the required software.

You are required to maintain computer systems and equipment and software upgrades as outlined in the Operations Manual, which may be revised from time to time. Currently, we require you to use CoreLogistic’s DASH Platform as a job management system where you will manage all of your jobs and timesheets, collect documentation, and perform other related administrative functions for your Franchised Business. We may require a different job management system vendor in the future. We estimate that for the fiscal year 2024, your annual costs incurred for any optional or required maintenance updating, upgrading, or support contracts for the computer systems, including software, will be \$100 to \$300.

We have independent access to the information that will be generated or stored in any computer system in your business and there are no contractual limits imposed on our access to such data. We do have a right to audit the records of your business. Some of the records which are reviewed in an audit are in the software on your computer system, and we do have a right to examine those records.

**Training**

Initial Training. Our initial training consists of (i) a pre-training program that can be completed at your home online in approximately 50 hours (the “**Pre-Training Program**”) and (ii) a two-week training program that is typically held five times per year at our training center in Memphis, Tennessee (“**Initial Training**”), but may be held virtually when travel or in-person meetings are restricted. You are encouraged to attend Initial Training as quickly as possible after you have completed your Pre-Training Program, which includes the submission of certain forms and materials to us. If fewer than four people are signed up for your scheduled training, we reserve the right to delay training until the next available session of four or more attendees but within six months of the purchase of your Franchised Business.

We provide Initial Training for three people as part of your Initial Franchise Fee and will, at your request, train others you need to have trained on a "space-available" basis. The cost of this Initial Training for three people is included in the Initial Franchise Fee. You must pay an additional training fee of \$1,000 per person per week (with Initial Training lasting for two weeks) for each additional trainee attending our in-person training. Prior to

attending Initial Training, any trainees must have a medical respirator exam fitting and bring the respirator to training. You must complete our Initial Training to our satisfaction or re-attend the Initial Training within six months at your own expense. We recommend that all partners or agents who will provide Franchised Services also complete the Initial Training program.

We will provide our training programs to any replacement officer or manager at a cost to be determined from time to time by us.

Our current training program is as follows:

**TRAINING PROGRAM**

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
<i>Pre-Training:</i>			

<a href="#">Review materials on business, office, and service</a>	<a href="#">50</a>	<a href="#">0</a>	<a href="#">Online, on-demand</a>
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<u>Subject</u>	<u>Hours of Classroom Training</u>	<u>Hours of On-The-Job Training</u>	<u>Location</u>
<del>Review materials on business, office, and service center set up, marketing, developing a business plan; purchase online medical respirator exam, respirator and respirator fit test for employees working with airborne chemicals.</del>	50	0	Online, on-demand
<b><i>Franchise Initial Training:</i></b>			
General Business Start-Up and Development (Commercial and Residential Sector, Pricing, RM Support, Customer Service Skills) (Note 4)	10	0	Franchisor's Training Center, Memphis, TN or led virtually by one of our instructors
Safety Training, Cabinet Training for Water and Fire Disaster, Cabinet Removal Training, and Cabinet Repair and Restoration Training	13	10	
Marketing and Sales (Marketing Your Business, Marketing Review and Presentation)	8	0	
Technical Training (Color, Precision Repair, Refinishing, Image Enhancement, Polishing,	15	34	
Accounting Software Training	16	0	At your location
<b>TOTAL</b>	112	44	

The total hours for Initial Training will vary based on the number of people in each session. Initial Training is conducted in a classroom environment, in a "hands-on" laboratory environment in our Training Center in Memphis, Tennessee, but some or all of it may be held virtually and led by one or more of our instructors. Each technical subject includes hands-on guided application and practice time. Our Operations Manual is provided as instructional material.

Our Initial Training classes are conducted by Gina Moss, our Manager of Technical Training. Ms. Moss has been on our or our Immediate and Indirect Predecessors' staff since January 2012. She has over 25 years of experience, including twenty years with her own business specializing in color and finish repair restoration for wood cabinetry, furniture and kitchen cabinet refacing. Additional members of our executive team may participate in portions of Initial Training, but Ms. Moss will be the primary trainer. We do not specify a minimum level of experience for other individuals who may participate in portions of Initial Training.

Additional Training. We will, in our sole discretion, make available additional training in cabinet restoration techniques and business operations for Franchised Businesses. If you request such training in writing, we will provide it at mutually agreeable times. Otherwise, such training will be at a location and time designated by us or

by other reasonable medium.

We may require you and your agents who provide Franchised Services to complete certain additional training programs. All franchisees providing Franchised Services must attend our national convention and successfully complete a training course for each authorized Franchised Service at least once per calendar year. We may charge a reasonable fee for all additional training to offset our costs.

We usually have an annual convention of franchisees, and there is a fee charged to attend. You are required to attend the annual convention. If you do not attend the annual convention, you must still pay the convention fee.

If you participate in our MRN, you must be approved by us and the MRN Administrator and may require additional training.

Travel and Living Expenses. You are responsible for paying the travel, living expenses, and wages of you and

your trainees during any training programs or conventions, including, without limitation, Initial Training and Post-Training.

Additional Assistance. Even though the Franchise Agreement does not require us to, as of the effective date of this Disclosure Document, it is our current habit to provide a telephone inquiry line for technical advice, business development, product information, marketing and sales assistance and other information related to the day-to-day operation of the Franchised Business. In addition, we currently provide you with access to our Intranet and a monthly newsletter that contains helpful information about your Franchised Business, new developments and other topical items.

### **Item 12: Territory**

We will designate the Territory within which you will perform Franchised Services. We will determine the Territory in our sole discretion based on population, number of single-family households, household income, geographic boundary, and market potential. We use the current United States Census Bureau figures (or other source we decide to use) when considering population estimates. For a Traditional Franchise, we anticipate that your Territory will have at least approximately 250,000 single-family households or a population in excess of 1,000,000 people at the time your Territory is determined. For a Small-Market Franchise, we anticipate that your Territory will have between approximately 125,000 to 250,000 single-family households or a population in excess of 500,000 people at the time your Territory is determined. Your Territory will be listed as Exhibit A to your Franchise Agreement.

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 or our affiliates control. However, you will have certain protected rights in your Territory. We will not enter into a Franchise Agreement licensing another new Renew Medic Franchised Business to be located and operated inside your Territory as long as you meet the performance criteria that are outlined in your Franchise Agreement and the Operations Manual, as it may be updated from time to time.

You may market to and solicit customers only within your Territory. Our business is a referral business; therefore, you may also perform Franchised Services for a customer outside your Territory only if an insurance carrier, adjuster, other referral source (including us) and/or a customer initiates the request. Directing marketing or solicitation activities to referral sources or customers outside of your Territory is prohibited.

We expect that you will participate in the National Accounts Program. You may accept business from a National Accounts lead that we provide to you even if it comes from outside your Territory. We reserve the right to determine the appropriateness of any allocation of any prospective leads. You are required to honor our obligations

to any such National Account customer. There may be a modification or reduction of your rights to your Territory because the National Accounts Program and the MRN Program allows us or our affiliates to award leads from the program at our sole discretion. We do not pay any compensation for leads within your Territory.

Your territorial rights are based solely on compliance with the Franchise Agreement and the Operations Manual, as may be updated from time to time. If you fail to comply with any of your obligations under the Franchise Agreement or the standards and specifications in the Operations Manual, we may reduce the size of your Territory or revoke your right to any protections from sales of other franchisees in your Territory either temporarily or permanently during the term of your Franchise Agreement. There are no sales quotas, but you will be subject to the Minimum NAF Contribution and the Minimum Royalty. You must not abandon the Franchised Business and must continue to operate it in accordance with the Franchise Agreement.

You must operate or conduct your Franchised Business from only one location within your Territory, unless otherwise approved in writing. You may operate as many crews, teams, sales forces and Service Vehicles as you want, but all phones must be located at and answered from this one location. You may relocate your Franchised

Business only with our prior written approval. Our approval will be based upon many factors, including the then-current viability of the proposed location and demographics, number of single-family households, traffic patterns, size of the premises, lease terms, competition, and similar factors. This approval should not be construed as an assurance or guaranty that the new site will be successful or profitable. If we approve the relocation of your Franchised Business, the new location must be within your Territory.

You may operate your Franchised Business within the Territory, subject to certain rights reserved to us (as set forth below) and provided you do not fail to pay the Minimum NAF Contribution and the Minimum Royalty, in which case we may exercise our right to modify or remove your exclusivity in the Territory. We reserve the right:

- (a) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Territory and on any terms and conditions we deem appropriate;
- (b) to offer and sell, and grant rights to other franchise owners to offer and sell, any Franchised Services and/or related products or services identical or similar to, or dissimilar from, those your Franchised Business sells, outside of your Territory, whether identified by the Marks or other trademarks or service marks, through any distribution channels we deem best;
- (c) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located within the Territory;
- (d) to offer and sell, and grant rights to other franchise owners to offer and sell, any products or services that you do not or will not offer in the Territory whether identified by the Marks or other trademarks or service marks, through any distribution channels we deem best, without any obligation to compensate you for selling such products or services in your Territory;
- (e) to be acquired (regardless of the form of transaction) by a business identical or similar to Franchised Businesses; and
- (f) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

There is nothing in the Franchise Agreement that gives you a right of first refusal or any other right to buy additional Franchised Businesses in any area.

If your Franchised Business participates in the MRN, then you may receive leads from the MRN Administrator or our approved insurance carrier partners. The MRN Administrator will provide leads to you to be performed within your Territory or outside of your Territory. Some insurance carriers which utilize the MRN may have individual performance guidelines which you must agree to meet in order to be eligible for their referrals. You do not have any exclusive right to receive leads for jobs to be performed in your Territory. The MRN Administrator has the

absolute right to designate and distribute leads or not distribute leads, in its sole discretion, including distributing a lead that comes from within your Territory to another franchisee. The MRN Administrator will evaluate your Franchised Business and if it determines, in its sole discretion, that you meet the MRN standards and requirements, then you may, but are not guaranteed to be, assigned the lead. It is possible that you may receive no leads under this program or under any of our National Accounts programs. You must pay a Lead Fee on all revenue producing leads including inspections.

Further, if you are not MRN approved you will not qualify to receive consideration for MRN job leads for Franchised Services to be provided within your Territory.

Our affiliate, Furniture Medic, franchises furniture and wood restoration, repair, fabrication, and refinishing as well as cabinet transformation and refinishing businesses under the Furniture Medic® mark. Furniture Medic may grant franchise licenses to one or more Furniture Medic franchisees within your Territory. There are significant differences between the licenses offered to Furniture Medic franchisees and Renew Medic franchisees, including core services to be provided, office and equipment build out and requirements, target customers, target referral

sources, and others. Furniture Medic franchisees perform a broad range of restoration services, while Renew Medic franchisees focus on cabinet restoration repair, transformation, and manufacturing. There are some restoration services that both a Furniture Medic franchisee and a Renew Medic franchisee can perform, and therefore any Furniture Medic franchisee(s) within your Territory will be directly competing with you for these jobs. We do not currently own or operate any Furniture Medic franchises. We maintain the Renew Medic corporate location and training center at the same location that Furniture Medic maintains its training center.

If a customer in your Territory requests a service you cannot or will not offer, then we reserve the right to provide that service through another franchisee or affiliate, including Furniture Medic franchisees. Any jobs already scheduled and assigned to another Franchised Business (or us) in your Territory as of the commencement of business of your Franchised Business, will remain with that Franchised Business (or us). If, at any point, you and a Furniture Medic franchisee disagree about your territorial rights, you must cooperate with the other franchisee, Furniture Medic, and us to resolve that dispute. We will give due consideration to all input from all parties, but we retain the ultimate decision-making authority for such matters.

Except as described in Item 1 and this Item 12, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and this Item 12 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Eagle Merchant Partners, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell.

Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1 and this Item 12. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business, including within your Territory. Except as described above concerning Furniture Medic franchisees, we do not expect any conflicts between our franchisees and our affiliates' franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

### **Item 13: Trademarks**

If we grant you a franchise, we will grant you the right to operate such franchise under the Marks that we specify in your Franchise Agreement or otherwise in writing from time to time. We may add to, change, or remove Marks

from time to time.

We have filed trademark applications for the following Marks listed below on the Principal Register of the United States Patent and Trademark Office (the “USPTO”). We do not yet have a federal registration for the Marks. Therefore, our Marks do not have as many legal benefits and rights as federally registered trademarks. If our right to use the Marks is challenged, you may have to change to alternative trademarks, which may increase your expenses.

Mark		Identification No.	Date of Application
		98336172	December 29, 2023
RENEW MEDIC		98336159	December 29, 2023

There are no agreements currently in effect which significantly limit our right to use or license franchisees to use the Marks.

There is currently no litigation involving our Marks or any effective determinations by the U.S. Patent and Trademark Office or any state. [There are no pending infringement, opposition, or cancellation proceedings involving our Marks.](#)

The Franchise Agreement grants you the license to do business under the Marks in your Territory only and outside your Territory as outlined in Item 12 and the Franchise Agreement. You must follow all rules stated in the Franchise Agreement and our Operations Manual regarding the use of our Marks. You may only use the Marks when operating your Franchised Business. You may only use the Marks that we license you to use. You cannot sell any service in your Franchised Business that is not under the Marks.

If you learn of any infringement of the Marks or if any challenge to your use of any Marks is made, you must notify us immediately and you must assist us in prosecution or defense of a legal action. We will take whatever action we deem appropriate for infringement on any of our Marks but will defend you if you are named as infringing on someone else’s trademark because of your use of any of our Marks.

If we modify any of our Marks, you must make the same modification at your own cost. If we stop using any of our Marks, you must also stop using that Mark. You must not contest our ownership, title, right or interest in the Marks, trade secrets methods and procedures or contest our sole right to register, use or license others to use our Marks, trade secrets, methods and procedures.

We are unaware of any infringing uses of the Marks that could materially affect your use of the Marks in your business.

#### **Item 14: Patents, Copyrights and Proprietary Information**

There are no patents material to the purchase of the franchise, and we do not have any pending patent applications material to the franchise. We or our affiliates claim proprietary rights in the information on our Intranet and in our Operations Manual, advertising and promotional materials, forms and related materials that we or our affiliates produce, although these materials may not have been registered with the Copyright Office of the Library of Congress. The materials are proprietary and confidential and are considered our or our affiliates’ property. You may use them only as long as you are a franchisee, and only as provided in the Franchise Agreement.

There are currently no effective determinations of the Copyright Office of the Library of Congress or any court regarding any of our copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our or our affiliates' copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will include information contained in our Operations Manual, and in materials separately provided to you. You may use these materials, in the manner we approve, in the operation of your business during the term of the Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of any other person or entity. These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. This includes information about our sources of supply, and our recommendations on pricing. You may disclose this information to your employees, but only to the extent necessary to operate your business, and then only while the Franchise Agreement is in effect. You are responsible for restricting your employees from improperly using or disclosing our confidential information.

### **Item 15: Obligation To Participate in the Actual Operation of the Franchise Business**

You must devote your full time, energy and best efforts to the management and operation of the Franchised Business, except as otherwise approved in writing by us.

If we allow you not to personally supervise the business, you must employ a manager who will be responsible for direct, on-premises supervision of the business (a “**Manager**”). The Manager must have successfully completed the Initial Training but need not have an ownership interest if you are a corporation, partnership, or limited liability company. You are responsible for restricting your Manager(s) from improperly using or disclosing our confidential information. At our option, before the Manager is engaged, you must submit to us the proposed candidate’s identity and qualifications, and we may accept or reject such candidate based on our commercially reasonable assessment of his/her management experience, qualifications and ability to maintain our standards and specifications, including the terms of the Operations Manual. We will not unreasonably withhold our acceptance if the Manager meets our minimum qualifications and completes the Initial Training.

If the Manager fails to ensure that the Franchised Business satisfies the terms of the Franchise Agreement (including any Small-Market Franchise Addendum) and complies with our standards and specifications, including the terms of the Operations Manual, then we may require you to hire a new Manager. You, or the Manager (as applicable) are solely responsible for hiring any personnel of the Franchised Business and determining the terms and conditions of their employment. You (or your Manager) must hire and properly train all personnel.

If you are a corporation, partnership, or limited liability company, we will require all shareholders, partners, or members, and their spouses, to sign the Guaranty of Franchisee’s Obligations attached to the Franchise Agreement. In addition to providing a personal guaranty, each shareholder, partner, or member, and their spouses, will be required to sign the Item 23 Receipt attached to this Disclosure Document prior to signing a Franchise Agreement. Your spouse, if you are an individual, is not required to sign a Guaranty if the spouse has no ownership interest in the business entity. However, the spouse will be required to sign a Spouse Acknowledgement in the form attached to the Guaranty, by which the spouse acknowledges that we are relying on all assets of the guarantor, including jointly owned marital property, in accepting the guarantor’s obligations. The spouse also agrees to be bound by the non-competition and non-disclosure restrictions, dispute resolution provisions, and governing law provision contained in the Franchise Agreement.

## Item 16: Restrictions On What the Franchisee May Sell

You must offer and provide the Franchised Services we require. We have the right to change the Franchised Services without limitation. These Franchised Services include residential and commercial cabinet repair, restoration, and renewal services (primarily associated with the disaster restoration industry). We must approve in writing any additional service you may want to offer. If you purchase supplies, products or equipment for use in your Franchised Business from anyone other than us, each must be approved by us. You must operate your Franchised Business in strict conformity with the methods, standards, and specifications we may require in the Operations Manual or in

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writing.

Further, the MRN Administrator has the right to put limitations on MRN leads that it may develop for our MRN approved franchisees. The MRN Administrator assign leads in its sole discretion and it is possible that you may receive no leads even if you participate in our MRN and National Accounts programs. Procedures, policies and other terms and conditions regarding the MRN are published from time to time on our Intranet.

You must participate in the National Accounts Program and the MRN if it is possible to do so in your Territory. However, some National Accounts and MRN customers or partners, for whatever reason, may decide they do not want to do business with you. If that happens, then, if determine in our sole discretion to provide for the services through another provider, then we or our affiliate or any other franchisee designated by us may provide services for that National Account or MRN customer in your Territory. In addition, we or our affiliates or any other franchisee designated by us, may perform services for any National Account or MRN customer located in your Territory for whom you have declined to provide services for any reason. Neither we, nor our affiliates or any of our franchisees, will be liable or obligated to pay you any compensation for doing so and neither we, nor our affiliates or any of our franchisees, will be considered in breach of any provision of your franchise agreement or any other agreement between the parties. You must release us, the MRN Administrator and such other franchisees from any liability or obligation to you for providing services to such National Accounts or MRN customer.

We have the right to add additional services that you may be required to offer. You must successfully complete training to our satisfaction for any additional products and services. There are no limits on our right to add additional services, and you may incur additional costs to offer these expanded services and products. See Items 8, 9, and 12 for further details.

## Item 17: Renewal, Termination, Transfer and Dispute Resolution

### THE FRANCHISE RELATIONSHIP

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

Provisions	Article in Franchise Agreement; Small-Market Franchise Addendum	Summary
a. Length of Franchise Term	II.A.	Term is 10 years from effective date of the Franchise Agreement.
b. Renewal or extension of the term	II.B.	If you meet the conditions in Row C., you may enter into a renewal term for an additional, consecutive 10-year term.

<p>c. Requirements for you to renew or extend</p>	<p>II.B.</p>	<p>In order to enter into a renewal term, you must satisfy, in our sole discretion, the following conditions: you must (i) deliver to us written notice 6 to 12 months before the expiration of your <a href="#">Franchise Agreement of your intent to renew your Franchise Agreement</a>; (ii) <a href="#">execute the then current form of Franchise Agreement, which may contain commitments which differ materially from the terms of your present Agreement, including an increased Royalty Fee</a>; (iii) execute, along with your owners and</p>
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Provisions	Article in Franchise Agreement; Small-Market Franchise Addendum	Summary
		<p><del>Franchise Agreement of your intent to renew your Franchise Agreement; (ii) execute the then-current form of Franchise Agreement, which may contain commitments which differ materially from the terms of your present Agreement, including an increased Royalty Fee; (iii) execute, along with your owners and affiliates, a general release in our favor; (iv) not have received 4 or more</del> written notices of a material breach of your Franchise Agreement from us during the term of the Franchise Agreement (whether or not the breaches were corrected within the prescribed cure period after receipt); (v) satisfy all monetary obligations then due and owing by you; (vi) agree, in writing, to operate the Franchised Business in accordance with our then-current standards and specifications; and (vii) pay us a renewal fee of \$5,000. If you have not signed the new Franchise Agreement and general release at the end of the term, we may, in our sole discretion, extend your franchise on a month-to-month basis, but, if you have not signed such agreements after 60 days, your Royalty Fee will be increased by 2.5% of gross sales.</p>
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	VIII.A and VIII.B	We can terminate only if you have defaulted on your Franchise Agreement or any other agreement between you and us or our affiliates or if you have become the subject of bankruptcy or insolvency proceedings.

g. "Cause" defined – curable defaults	VIII.D.	You have 30 days to cure: Nonpayment of fees; failure to submit or accurately report Gross Sales, annual Gross Sales or submit any other reports; failure to obtain and maintain a business license; failure to abide by or perform any of the terms of your lease; failure to abide by or perform any of the terms of the Franchise Agreement; marketing or sales solicitation outside your Territory material misrepresentations, maintaining false books or records, submitting false reports; use of unapproved products; failure to complete training in a manner satisfactory to us; unauthorized sale or transfer of license; non-compliance with insurance requirements; default of any provision <a href="#">of the Franchise Agreement, or any other agreement between you, your owner, or your</a>
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<b>Provisions</b>	<b>Article in Franchise Agreement; Small-Market Franchise Addendum</b>	<b>Summary</b>
<a href="#">h. "Cause" defined – non-curable defaults</a>	<a href="#">VIII.A and VIII.B.</a>	<del>of the Franchise Agreement, or any other agreement between you, your owner, or your affiliates and us or our affiliates or any other agreement related to the Franchised Business (“Related Agreement”).</del> <a href="#">Non-curable defaults: Insolvency; bankruptcy; abandonment, i.e. 2 months without sales, no business phone, no service vehicle; conviction/no</a>

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<u>Provisions</u>	<u>Article in Franchise Agreement; Small-Market Franchise Addendum</u>	<u>Summary</u>
<del>h. "Cause" defined – non-curable defaults</del>	VIII.A and VIII.B.	<del>Non-curable defaults: Insolvency; bankruptcy; abandonment, i.e. 2 months without sales, no business phone, no service vehicle; conviction/no</del> contest plea to a felony; 4 or more default notices; unethical business practices; disclosure or misuse of trade secrets or confidential information; any Related Agreement is terminated due to a default by you, your owners, or your affiliates; failure or refusal to sign renewal agreement; material misrepresentation or omission in acquiring the Franchised Business; unauthorized representation on behalf of us; knowingly maintaining false books or records; refusing to allow us to audit you; or defaulting under your lease.

i. Franchisee's obligations on termination / non-renewal	IX.A.	Obligations include: stop using the Marks; release phone numbers to us; within 10 days ship everything with the Marks back to us; de-stripe or de-identify van and send photos; pay outstanding fees; return all marketing materials, Operations Manual, etc.; pay the minimum fee for the remainder of the contract term; cease using social media platforms and assign logins to
j. Assignment of contract by franchisor	VII.I.	No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	VII.A; VII.B; VII.C; and VII.D.	Includes assignment, sale or other transfer by you of: any interest in the Franchise Agreement; any of the ownership of franchise; the business; sale of capital stock or partnership interest in the business; merger; issuing additional stock; sale of common stock; transfer resulting from divorce or other legal action; transfer as result of death; sale of assets of
l. Franchisor approval of transfer by franchisee	VII.A and VII.B.	We must approve any transfer of any interest in the Franchise Agreement or the Franchised Business. You must comply with the terms of the transfer policy. Any assignment or transfer without our prior written consent shall be null and void and shall constitute a material breach
m. Conditions for franchisor approval of transfer	VII.B.	New owner must: have business experience and financial ability to assume license; assume license obligations; complete training; have service vehicle; and sign the then-current Franchise <a href="#">Agreement</a> .  <a href="#">You must: obtain our written consent prior to any assignment or transfer; be current in all fees and not in default of license; pay applicable transfer fee; sign release in favor of us; sign non-compete in favor of new owner; agree that</a>

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<b>Provisions</b>	<b>Article in Franchise Agreement; Small-Market Franchise Addendum</b>	<b>Summary</b>
<u>Provisions</u>	<u>Article in Franchise Agreement; Small-Market Franchise Addendum</u>	<u>Summary</u>
		<del>Agreement.</del> <del>You must: obtain our written consent prior to any assignment or transfer; be current in all fees and not in default of license; pay applicable transfer fee; sign release in favor of us; sign non-compete in favor of new owner; agree that new owner's installment payments to us are subordinate to new owner's payments to you; replace any missing equipment, supplies or other</del>

		assets transferred to new owner at your sole expense; fulfill all obligations of the then-current transfer policy; and provide for continuous operations of Franchised Business during transition to new owner.
n. Franchisor's right of first refusal to acquire franchisee's business	XIII.J.	You must offer to sell your Franchised Business to us in writing for a specific price before selling it to anyone else. We may decline or accept within 60 days of receipt of your offer. Should we decline, you can sell to a third party, but not at a lower price or on more favorable terms than offered to us. If Franchised Business is not sold within six months from the date offered to us, then you must re-offer to sell to us prior to a sale to a
o. Franchisor's option to purchase franchisee's business	XIII.J.	We do not have to buy your Franchised Business and must answer your offer to sell within 60 days of getting it.
p. Death or disability of franchisee	VII.D.	Your executor can assign your Franchise Agreement, but we must approve the new owner and the Franchise Agreement must be assigned within six months of the date of death or permanent disability.
q. Non-competition covenants during the term of the franchise	V.U and Nondisclosure and Noncompetition Agreement	You, your principals, partners, and their spouses cannot be involved in a business that competes with Franchised Businesses (subject
r. Non-competition covenants after the franchise is terminated or expires	V.U and Nondisclosure and Noncompetition Agreement	You, your principals, partners, and their spouses cannot be involved in a business that competes with Franchised Businesses in the lesser of adjacent counties of the Territory or 75 miles from the outside border of the Territory for two years (subject to state law).
s. Modification of the license	XIII.H.	We may adopt and use new or modified Marks, copyrighted materials, products, equipment or techniques without liability to you and you agree to comply with the modifications even if such modifications.
t. Integration/merger clause	XIII.K.	Only the terms of the Franchise Agreement and other related written agreements are binding <u>(subject to state law)</u> . <u>Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be</u>
<u>u. Dispute resolution by arbitration or mediation</u>	<u>XII.</u>	<u>All disputes must be resolved by arbitration except those set forth in Article XII, Paragraph 5 and where prohibited by your state's law (subject to state law).</u>
<u>v. Choice of forum</u>	<u>XII</u>	<u>Subject to applicable state laws, all claims must</u>

Provisions	Article in Franchise Agreement; Small-Market Franchise Addendum	Summary
		<del>(subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be</del>
<del>u. Dispute resolution by arbitration or mediation</del>	<del>XII.</del>	<del>All disputes must be resolved by arbitration except those set forth in Article XII, Paragraph 5 and where prohibited by your state's law (subject to state law).</del>
<del>v. Choice of forum</del>	<del>XII</del>	<del>Subject to applicable state laws, all claims must be arbitrated or litigated in the city in which our principal place of business is located.</del>
w. Choice of law	XIII.J	Subject to applicable state laws, Georgia law applies.

### Item 18: Public Figures

We do not use any public figure to promote our franchise sales.

### Item 19: Financial Performance Representations

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

We do not make any financial performance 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 Legal Department, Renew Medic Franchising, LLC, 3060 Peachtree Road, Suite 970, Atlanta, Georgia 30305, the Federal Trade Commission, and the appropriate state regulatory agencies.

### Item 20: Outlets and Franchisee Information

An outlet as used in these Item 20 Tables is defined as a franchise territory.

**Table No. 1**  
**Systemwide Outlet Summary for Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0

<u>Company-Owned</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Outlets</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>

<b>Company-Owned</b>	<b>2021</b>	0	0	0
	<b>2022</b>	0	0	0
	<b>2023</b>	0	0	0
<b>Total Outlets</b>	<b>2021</b>	0	0	0
	<b>2022</b>	0	0	0
	<b>2023</b>	0	0	0

**Table No. 2**  
**Transfer of Franchised Outlets for Years 2021 to 2023**

State	Year	Number of Transfers
All states	2021	0
	2022	0
	2023	0

**Table No. 3**  
**Status of Franchised Outlets for Years 2021 to 2023**

State	Year	Outlets at the Start of	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at the End of the Year
All states	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

**Table No. 4**  
**Status of Company-Owned for Years 2021 to 2023**

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets sold to Franchisee	Outlets at the End of the Year
All states	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0



**Table No. 5**  
**Projected Openings As of December 31, 2023**  
**For Fiscal Year Ending on December 31, 2024**

<b>State</b>	<b>Franchise Agreement Signed but Outlet Not Open</b>	<b>Projected New Franchised Outlets In The Next Fiscal Year</b>	<b>Projected Company-Owned Outlets in Next Fiscal Year</b>
<b>California</b>	0	5	0
<b>Colorado</b>	0	5	0
<b>Georgia</b>	0	3	0
<b>New York</b>	0	2	0
<b>Tennessee</b>	0	1	1

<u>State</u>	<u>Franchise Agreement Signed but Outlet Not Open</u>	<u>Projected New Franchised Outlets In The Next Fiscal Year</u>	<u>Projected Company-Owned Outlets in Next Fiscal Year</u>
<b>Texas</b>	0	4	0
<b>Total</b>	<b>0</b>	<b>20</b>	<b>1</b>

We had no current or prior franchisees in the System as of December 31, 2023. The name, last known home address, and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recent fiscal year or has not communicated with us or our affiliates within 10 weeks of the issuance date of this Disclosure Document is attached as Exhibit E. Please note, if you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

We have not entered into confidentiality clauses with former franchisees during the past three years.

We have not created, sponsored or endorsed any trademark-specific franchisee organization associated with our franchise system. No independent franchise organization has requested to be included in our disclosure document.

#### **Item 21: Financial Statements**

As we began offering franchises in February 2024, we have not been in business as a franchisor for more than one full year and therefore cannot yet include our own audited financial statements as an attachment to this Disclosure Document. Our unaudited opening balance sheet as of February 1, 2024 is attached to this Disclosure Document as Exhibit B.

In addition, Exhibit B contains: (i) the unaudited, consolidated financials of TCB Services HoldCo, LLC and its subsidiaries for the period ended March 31, 2024 and (ii) the report, dated April 29, 2024, relating to the consolidated financials of TCB Services HoldCo, LLC and its subsidiaries for the period ended December 31, 2023. TCB Services ~~HoldCo~~ Holdco, LLC is our indirect parent and has guaranteed our performance with you. A copy of the Guaranty of Performance if included in Exhibit B. TCB Services Holdco, LLC has not been in business for three years or more and cannot include all the financial statements required by the Rule for its last three fiscal years.

~~These financial statements are unaudited and include, in the opinion of management, normal recurring adjustments necessary to fairly state the company's financial condition as of that date. These financial statements have not been reviewed by an accountant and do not contain any financial statement notes.~~

## Item 22: Contracts

This Disclosure Document contains the following contracts:

Exhibit A – Franchise Agreement

Attachment 1 to Franchise Agreement – Personal Guaranty

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Attachment 2 to Franchise Agreement – Spousal Consent  
Exhibit B to Franchise Agreement – MRN Agreement  
Exhibit C – Small-Market Franchise Addendum  
Exhibit F – State Addenda to FDD and Franchise Agreement  
Exhibit G – General Release  
Exhibit I – Franchisee Questionnaire

### **Item 23: Receipts**

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

**RENEW MEDIC FRANCHISE AGREEMENT**

THIS RENEW MEDIC FRANCHISE AGREEMENT is signed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between

**RENEW MEDIC  
FRANCHISING, LLC**

57 Germantown Court, Suite 201  
Cordova, Tennessee 38018 (hereinafter referred to as “**RM**”)

AND

doing business as a \_\_\_\_\_ under the name

\_\_\_\_\_  
 (“dba name”)

\_\_\_\_\_  
 E-mail Address

\_\_\_\_\_  
 (hereinafter “**Franchisee**”)

**RECITALS:**

WHEREAS, RM has developed a system (hereinafter referred to as the “**System**”) for the marketing of residential and commercial cabinet repair, restoration, renewal, transformation and manufacturing services (hereinafter referred to as the “**Franchised Services**”);

WHEREAS, RM has created substantial goodwill associated with its trade name, trademarks, service marks, insignias, and logos, both as presently existing and as RM may hereafter designate (hereinafter collectively referred to as the “**Marks**”);

WHEREAS, Franchisee desires to obtain the right to use the Marks in conjunction with the operation of a specialty mitigation, restoration, transformation and manufacturing business in accordance with the System (the “**Franchised Business**”) and desires to obtain experience and know-how from RM with respect to the sale of the Franchised Services and the System; and

WHEREAS, Franchisee acknowledges the importance of the Marks and the need to maintain the uniform high standards of quality, appearance and service associated therewith and recognizes the necessity of operating the Franchised Business in accordance with the provisions of this Agreement and all of the standards and specifications of the System.

NOW THEREFORE, the parties hereby agree as follows:

RM deems best.

6. RM or its affiliates may purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to the Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located within the Territory.
7. RM and its affiliates may offer and sell, and grant rights to other franchise owners to offer and sell, any products or services that Franchisee does not or will not offer in the Territory whether identified by the Marks or other trademarks or service marks, through any distribution channels RM deems best, without any obligation to compensate Franchisee for selling such products or services in the Territory.
8. RM and its affiliates may be acquired (regardless of the form of transaction) by a business identical or similar to Franchised Businesses.
9. RM and its affiliates may engage in any other business activities not expressly prohibited by this Agreement, anywhere.

Franchisee may only relocate to another office location within the Territory if Franchisee receives RM's prior written approval for any such relocation. RM may grant or withhold approval for a relocation, in its sole discretion. RM may base its approval on many factors, including the then-current viability of the proposed location and demographics, number of single-family households, traffic patterns, size of the premises, lease terms, competition, and similar factors. Any approval by RM of a relocation is not an assurance or guaranty that the new site will be successful or profitable.

C. National Accounts Program. RM has entered into agreements with several customers who have access to consumers wanting wood, furniture and cabinet restoration, repair, refinishing and transformation services (the "**National Accounts Program**"). Through this National Accounts Program, these consumers are referred to RM and RM then allocates these leads to Renew Medic franchisees, in its sole discretion. If you participate in the National Accounts Program, you must adhere to the terms and conditions set out in the National Account agreements, including any pricing requirements, when you supply services for a National Account customer. You have the option of declining a lead from the National Accounts Program, but you must refer the lead back to us.

Franchisee must participate in the National Accounts Program if RM approves Franchisee to do so. However, some National Account Program customers, for whatever reason, may decide they do not want to do business with Franchisee. If that happens, then, if RM determines in its sole discretion to provide the Franchised Services through another provider, then RM or its affiliates or any other Renew Medic franchisee designated by RM may provide services for that National Account Program customer in Franchisee's Territory. In addition, RM or its affiliates or any other Renew Medic franchisee designated by RM, may perform services for any National Account Program customer located in Franchisee's Territory for whom Franchisee has declined to provide services for any reason. Neither RM, nor RM's affiliates or any of its franchisees, will be liable or obligated to pay Franchisee any compensation for performing services in these circumstances and neither RM, nor its affiliates or any of its franchisees, will be considered in breach of any provision of this Agreement or any other agreement between RM or its affiliates and Franchisee. Franchisee hereby releases RM, its affiliates and such other franchisees from any liability or obligation to Franchisee for providing Franchised Services to such National Account Program customers in these circumstances.

Franchisee understands that RM will establish the rules under which Franchisee will participate and be compensated for participation in the National Account Program and RM may terminate or modify the

National Account Program, in its sole discretion. All leads are owned by RM and assigned solely at RM's discretion. Franchisee acknowledges and agrees that they may not receive and are not entitled to receive leads and/or jobs from the National Account Program and that if they do receive such leads or jobs: (a) those leads or jobs may not be distributed equally; (b) the model for distributing those leads will be designed in RM's sole discretion and may be modified from time to time; (c) National Account Program customers may limit the number of participating franchisees in a market and direct work to specific franchisees; and (d) lead and/or job volume varies greatly across the United States, and that some geographic regions have few or no leads/jobs.

D. Medic Restoration Network. Some of the National Account Program partners require Franchisees to participate in the Medic Restoration Network (“MRN”), which is an insurance carrier servicing program that is operated by our affiliate, Medic Restoration Network, LLC, a Delaware limited liability company (the “MRN Administrator”). The MRN Administrator negotiates, facilitates, and manages relationships with insurance carriers for leads on cabinets and household contents damaged during a water, fire or other household or commercial disaster event, for the benefit of our franchisees. Under the MRN, the MRN Administrator provides to insurance carriers a network of approved participating Renew Medic franchisees that have met the MRN standards as set forth in the MRN Agreement, the current form of which is attached hereto as Exhibit B (the “MRN Agreement”), as may be revised from time to time as published on the Intranet (as defined below). Franchisee must enter into the MRN Agreement at the same time as this Agreement. Some insurance carriers which utilize the MRN may have individual performance guidelines which Franchisee must agree to meet in order to be eligible for their lead referrals.

RM must approve you to participate in the MRN. If approved by RM to participate, Franchisee must participate in the MRN. To be approved, Franchisee must demonstrate that it meets certain standards and performance requirements concerning cabinet restoration and furniture and contents restoration. RM will evaluate the Franchised Business and determine, in its sole discretion, if Franchisee meets the MRN standards and requirements. MRN leads are distributed to franchisees based on several criteria and in the MRN Administrator's sole discretion. If Franchisee participates in the MRN, there is no guarantee that Franchisee will receive any leads through the MRN. Lead flow in the MRN varies widely depending on the territory. Some territories may receive no leads. Franchisee has no right to receive leads from the MRN. Franchisee has the option of declining a lead from MRN, but it must refer the lead back to the MRN Administrator.

If an MRN partner, for whatever reason, decides they do not want to do business with Franchisee, then RM or the MRN Administrator may determine, in their sole discretion, to provide the Franchised Services through another provider (e.g. RM, its affiliates or any other Renew Medic franchisee) in Franchisee's Territory. In addition, RM or its affiliates or any other Renew Medic franchisee designated by RM, may perform services for any MRN customer located in Franchisee's Territory for whom Franchisee has declined to provide services for any reason. Neither RM, nor RM's affiliates or any of its franchisees, will be liable or obligated to pay Franchisee any compensation for performing services in these circumstances and neither RM, nor its affiliates or any of its franchisees, will be considered in breach of any provision of this Agreement or any other agreement between RM or its affiliates and Franchisee. Franchisee hereby releases RM, its affiliates and such other franchisees from any liability or obligation to Franchisee for providing Franchised Services to such MRN customers in these circumstances.

## ARTICLE II: TERM AND RENEWAL

A. Initial Term. Except as otherwise provided in this Agreement, the term of this Agreement and the License granted hereunder shall be for a period of ten (10) years from the effective date hereof (“**Initial Term**”).

B. Renewal Term. The parties shall also have the option to renew the License to operate the Franchised Business for an additional consecutive ten (10) year term (the “**Renewal Term**”, and together with the Initial Term, the “**Term**”), provided that by the end of the Initial Term of this Agreement, Franchisee meets, in RM’s sole discretion, the following conditions:

1. Franchisee must deliver to RM, not less than six (6) months and not more than twelve (12) months prior to the expiration of this Agreement, written notice of Franchisee’s intent to renew this Agreement;
2. Franchisee must execute the then-current form of franchise agreement (the “**Renewal Franchise Agreement**”), which shall supersede this Agreement in all respects and terms, and may contain commitments which differ from the terms of this Agreement, including, without limitation, an increased monthly Royalty Fee;
3. Franchisee and each owner/affiliate of Franchisee must execute a general release, except for any claims exclusively related to the successor franchisee (where expressly so required by applicable law);
4. Franchisee must not have received four (4) or more written notices, signed by an officer of RM, of a material breach of this Agreement from RM during the Term of this Agreement, whether or not the breaches were corrected within the prescribed cure period after receipt of written notice of the breach;
5. All monetary obligations then due and owing by the Franchisee or its affiliates related to the Franchised Business must be satisfied prior to renewal;
  6. Franchisee must agree in writing to operate the Franchised Business in accordance with RM’s then-current standards and specifications; and
  7. Franchisee must pay RM a renewal fee of \$5,000.

C. Non-renewal. If (i) Franchisee delivers to RM, not less than six (6) months and not more than twelve (12) months prior to the expiration of this Agreement, written notice of Franchisee’s intent to not renew this Agreement or (ii) RM determines, in its sole discretion, that Franchisee cannot satisfy the renewal conditions, this Agreement shall expire at the end of the then-current term.

D. Temporary Extension. If Franchisee fails to execute the Renewal Franchise Agreement and general release and complete the renewal process by the expiration of the Initial Term and Franchisee intends to continue operating the Franchised Business, then, in RM’s sole discretion, the term shall continue on a month-to-month basis; *provided, however*, that RM shall have the right at any time to terminate this Agreement upon its issuance of a written Notice of Termination (the “**Termination Notice**”) to Franchisee, which termination shall be effective immediately upon Franchisee’s receipt of, or refusal to accept, such Termination Notice (or on the termination date specified in the Termination Notice, if different). If Franchisee fails to fully and completely execute the Renewal Franchise Agreement and general release and complete the renewal process within sixty (60) days of the commencement of a month-to-month holdover, then effective immediately thereafter, the monthly Royalty Fees payable under Article III, Section C shall increase by an amount equal to 2.5% of Gross Sales during each month that Franchisee does not renew until the Agreement is either renewed or terminated. By

## B. Training

RM will provide three (3) people with a two-week initial training program (the “**Initial Training**”) including:

1. Loaning operations and marketing materials, including access to the Intranet and the Operations Manual for the Term of this Agreement, and sales and training aids, including a home study program, deemed advisable by RM from time to time. RM shall provide, from time to time, updated information and revisions to such materials as new and improved methods, systems, and procedures are adopted; and
2. Providing a training program relating to the Franchised Services and the System consisting of a mandatory pre-training program course of study which must be completed before Franchisee may attend the Initial Training in Memphis, Tennessee, or other locations as deemed appropriate by RM. The cost of this training is included in the Initial Franchisee Fee and covers three (3) individuals. Additional individuals may be trained but will be accepted on a “space available” basis, at Franchisee’s expense. At the end of this Initial Training, Franchisee will be tested. If Franchisee fails the test, Franchisee must re-attend Initial Training within six (6) months at his or her own expense.
3. Any further additional training shall be available at the request of Franchisee, in which personnel of RM for the then-current rate per day, plus expenses to include travel, lodging and meals, will train at the sole discretion of RM.

Franchisee will be responsible for all travel and living expenses incurred in obtaining training except as set forth above.

## C. On-Going Training

1. RM may, in its sole discretion, make available to Franchisee additional training in cabinet and wood repair and restoration techniques and business operations for the Franchised Business granted to Franchisee after business operations have begun and at mutually agreeable times when requested by Franchisee in writing. Such training will be at a location and time designated by RM or by other reasonable medium.
2. RM may, in its sole discretion, provide periodic training and communications to upgrade the skills of Franchisee, including training at conventions and seminars, at locations to be determined by RM. RM may require Franchisee to attend periodic training sessions. Franchisee shall pay for travel and daily living expenses incurred to attend the training and seminars.
3. RM provides an annual convention for the System. You must attend the annual convention and pay the then-current fee for participation. If you do not attend the convention, you must still pay the then-current fee for participation.
4. RM may charge a reasonable fee for these additional training sessions to offset costs.

## D. Management of National Accounts Program.

1. All referrals from the National Accounts Program shall be allocated to RM, who, in turn, shall allocate such referrals to its franchisees or other vendors at its sole unrestricted discretion.
2. RM may, at its sole discretion, allocate referrals from the National Accounts Program that originated within Franchisee’s Territory to other franchisees or service providers outside of Franchisee’s Territory and may allocate referrals from the National Accounts Program to others inside Franchisee’s Territory.
3. RM may, in its sole discretion, enter into National Account Agreements with any National Account at any time.
4. RM may, in its sole discretion, terminate any National Account Agreement.

Business only those Franchised Services and products that RM deems to be consistent with and beneficial to the System.

B. Service Vehicle. To begin operating the Franchised Business, Franchisee shall acquire at least one van (or other appropriate vehicle) (a “**Service Vehicle**”), but as the Franchised Business grows, Franchisee may be required by RM, upon notice from RM, to purchase one or more additional service vehicles. The Service Vehicle must be painted bright white or Renew Medic blue, display the Marks in a manner that RM prescribes, and display Franchisee’s phone number and the URL address for Franchisee’s website. The Service Vehicle decals must be purchased from RM’s approved vendor. RM has additional specifications for your Service Vehicle in our Operations Manual (e.g. permitted make and models), and all specifications for the Service Vehicle are subject to change. Franchisee must ensure the Service Vehicle is suitable for carrying supplies and equipment to the customer's home or business, shall maintain the Service Vehicle according to the standards established by RM from time to time, and shall make all sales calls using Franchisee's service vehicle. Franchisee may use a used Service Vehicle, but no Service Vehicle in use may be older than seven (7) years. If a Service Vehicle is taken out of service or sold to someone other than another RM franchisee, Franchisee must de-identify the Service Vehicle.

C. Service Vehicle Detail Package. Franchisee shall purchase and install a logo package (“**Detail Package**”) on each service vehicle that Franchisee uses in the Franchised Business. The Detail Package must be purchased from RM’s designated supplier and the Detail Package must meet RM’s standards and specifications.

D. Performance Responsibility. The Franchisee covenants that during the Term of this Agreement except as otherwise approved in writing by RM, the Franchisee and its officers shall devote their full time, energy and best efforts to the management and operation of the Franchised Business. Unless otherwise specified the term “Franchisee” as used in this Article V shall include, collectively and individually, all shareholders and/or members of the Franchisee, and of any corporation or other entity directly or indirectly controlling the Franchisee, if the Franchisee is a corporation, limited liability company or other similar legal entity, the general partners and any limited partner (including any corporation and the shareholders of a corporation which controls, directly or indirectly, any general or limited partner), if the Franchisee is a partnership.

If RM approves in writing that Franchisee does not have to personally supervise the Franchised Business, Franchisee must employ a manager who will be responsible for direct, on-premises supervision of the business (a “**Manager**”). The Manager must have successfully completed the Initial Training but need not have an ownership interest if Franchisee is a corporation, partnership, or limited liability company. Franchisee is responsible for restricting its Manager(s) from improperly using or disclosing RM’s Confidential Information. At RM’s option, before the Manager is engaged, Franchisee must submit to RM the proposed candidate’s identity and qualifications, and RM may accept or reject such candidate based on our commercially reasonable assessment of his/her management experience, qualifications and ability to maintain RM’s standards and specifications, including the terms of the Operations Manual. RM will not unreasonably withhold its acceptance if the Manager meets our minimum qualifications and completes the Initial Training.

If the Manager fails to ensure that the Franchised Business satisfies the terms of this Franchise Agreement and complies with our standards and specifications, including the terms of the Operations Manual, then RM may require Franchisee to hire a new Manager. Franchisee, or the Manager (as applicable) are solely responsible for hiring any personnel of the Franchised Business and determining the terms and conditions of their employment. Franchisee (or the Manager) must hire and properly

train all personnel.

The Franchisee makes this commitment with the understanding that the application of the Franchisee's best efforts (or that of its Manager) is required for the benefit of the Franchisee as well as the entire RM franchise network. At a minimum:

1. The Franchisee shall use a telephone line dedicated to the operation of the Franchised Business and shall maintain a person or an answering service, or shall forward all business calls to a cellular phone which is answered live at all times during business hours;
2. The Franchisee shall contract with an ISP (Internet Service Provider) for a high-speed internet connection where available.
3. The Franchisee (or its Manager) shall devote a minimum of forty (40) hours per week to the operation of the Franchised Business;
4. The Franchisee shall be responsible for the quality and results of the Franchised Services performed under this Agreement;
5. The Franchisee shall be responsible for the operation of the Franchised Business under the terms and conditions of this Agreement;
6. The Franchisee shall support the national programs instituted by RM to generate service sales including, but not limited to, the promotion of brands owned by RM's affiliates, prompt and courteous response to information, and service requests, and compliance with requirements established by RM to implement and maintain such programs;
7. The Franchisee shall maintain a clean and safe place of business in compliance with all applicable laws, and with the Occupational Safety and Health Act standards. The Franchisee shall conduct its operation of the Franchised Business under this Agreement on sound business principles;
8. The Franchisee will, at its expense, comply with all applicable federal, state, county, city, local and municipal laws, ordinances, rules and regulations ("**Applicable Laws**") pertaining to the operation of the Franchised Business, including all laws relating to employees and all applicable state and federal environmental laws. The Franchisee will, at its expense, be absolutely and exclusively responsible for determining the licenses and permits required by law for the Franchised Business, for obtaining and qualifying for all such licenses and permits, and for complying with all applicable laws;
9. The Franchisee (or its Manager) shall check, on a daily basis, Franchisee's e-mail mailbox assigned by RM and RM's proprietary websites such as the Intranet for communications from Franchisee. Franchisee shall keep the password issued to Franchisee for access to RM's website confidential at all times; and
10. The Franchisee shall comply with all reasonable requirements of RM to measure Franchisee's customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of RM designed to review and improve the process of operating the Franchised Business.

E. Marks. As to the use of the Marks, the Franchisee agrees as follows:

1. To use only the Renew Medic name with a proper identifier(s) when soliciting or carrying out Franchised Services, to display the required Marks on all vehicles, uniforms and equipment used in carrying out Franchised Services, and to maintain neat and clean uniforms for use of all personnel associated with directly soliciting or carrying out Franchised Services;
2. To adopt and use the licensed Marks as prescribed by RM and in accordance with usage guidelines published by RM from time to time and on the Intranet and in the Operations Manual;

3. To place on all forms and stationery in small but readable letters, a notation that the Franchise is “An independent business licensed to serve you by RENEW MEDIC FRANCHISING, LLC”;
4. Not to contest RM’s non-exclusive license to Franchisee of the Marks, other trademarks, service marks and logos developed by RM and its affiliates;
5. Not to attempt to register any of the Marks or other trademarks, service marks or logos developed by RM and its affiliates for use in the Franchised Business in any state or with any governmental agency, body or organization;
6. Not to incorporate using in the name of Franchisee (if it is an entity) the Marks or other trademarks, service marks or logos or any derivatives of any such marks developed by RM or its affiliates for use in the Franchised Business;
7. Not to have displays, advertising, literature, business cards, signs or any other promotional or identifying literature or business name portraying the Marks or trademark or service mark developed by RM or its affiliates for use in the Franchised Business, alone without an immediately adjacent identifier as to product, business name or service. The Franchisee agrees to provide and advertise its services only under the d/b/a name listed on page 1 of this agreement, except for identification of the Service Vehicle(s) as set forth on the Intranet, the Operations Manual or as otherwise published by RM. The Franchisee d/b/a name shall comply with the guidelines as published by RM in the Operations Manual and on the Intranet;
8. To immediately notify RM of any unauthorized use or legal action involving the Marks or the System and cooperate in RM's prosecution or defense of any such action which shall be at RM's sole discretion. RM shall defend the Franchisee in any such infringement action;
9. To immediately cease using or immediately modify any of the Marks if so directed by RM. Any expense incurred for such cessation or modification shall be at the expense of Franchisee;
10. That any goodwill associated with the licensed Marks inures exclusively to RM’s benefit and that, upon expiration or termination of this Agreement and the License granted in this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with the Franchisee’s use of the Marks;
11. Not to establish a Web site on the Internet using any domain name or an e-mail address containing the words “Renew Medic” or any variation thereof without the prior written approval of RM;
12. That RM shall have the right to review the substance and content of Franchisee’s Web page and Franchisee agrees to immediately delete any material which improperly uses RM’s trademarks or logos, or contains, in RM’s sole discretion, derogatory or inappropriate material; and
13. That RM retains the right to pre-approval of Franchisee’s use of linking and framing between Franchisee’s Web pages and all other Web sites and to dismantle any frames and links between Franchisee’s Web page and any other Web sites within five (5) days, if and as requested by RM.

F. Computer System Requirements. Franchisee will purchase and use hardware and software as required by RM, as set forth on the Intranet website, in the Operations Manual or as may be reasonably required by RM in writing from time to time. Franchisee must install and use a computer in the operation of the Franchised Business. Franchisee must purchase and use a computer and supporting systems as required by RM that meet RM’s minimum specifications, as specified from time to time in the Operations Manual. In addition, some National Accounts Program customers may require the use of an estimating software for uploading claims for services Franchisee provides to the accounts. If Franchisee accepts work from these accounts, it will be required to use the required software.

Currently, Franchisee is required to use CoreLogistic's DASH Platform as a job management system where Franchisee will manage all of its jobs and timesheets, collect documentation, and perform other related administrative functions for the Franchised Business. RM may require a different job management system vendor in the future.

RM will have independent access to the information that will be generated or stored in any computer system in the Franchised Business. RM has a right to audit the records of the Franchised Business. Some of the records which are reviewed in an audit are in the software on Franchisee's computer system, and RM has a right to examine those records. Franchisee agrees that RM shall have the right, at its sole discretion, to change the monthly Technology Fee from time to time. During the term of this Agreement, another operating system may be introduced and recommended for Franchisee to use in the Franchised Business. RM reserves the right to require Franchisee to adopt a new operating system. The new operating system, however, will not obviate Franchisee's requirement to use certain software as a condition to receive National Account leads, work orders from RM, or for purposes of Monthly Fee reporting and payment.

#### G. Intranet

1. In order to protect the reputation and goodwill of RM and to maintain uniform standards of operation under the Marks, the Franchisee shall conduct the Franchised Business in accordance with the guidelines, standards and specifications as set forth on the Intranet. Franchisee shall receive a confidential password for access to the Intranet and agrees to limit its use to the Franchisee and employees of the Franchisee;
2. Any training or other similar materials on loan from RM shall at all times remain the sole property of RM;
3. RM may, from time to time, revise the contents of the Intranet, and the Franchisee expressly agrees to comply with the new terms and conditions set forth on the Intranet; and
4. RM may remove access to Intranet when a franchise is in default under the Franchise Agreement or has violated the rules to post on the Intranet.

#### H. Quality Control. Franchisee agrees:

1. To meet all operational standards and quality control standards established by RM;
2. To keep updated in training under the standards set forth by RM and to complete additional training as may be required by RM; and
3. To permit RM or its agents, at any reasonable time, to enter the Franchisee's business premises for the purpose of conducting Quality Assured and other inspections and to remove from the premises samples of any inventory items without payment for such items, in amounts reasonably necessary for testing by RM or an independent certified laboratory to determine whether the samples meet RM's then-current standards and specifications.

I. Customer Survey System. Franchisee will utilize "Tell Renew Medic" surveys (or the then-current customer survey system) with its customers to measure Franchisee's customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of RM designed to review and improve the process of operating the Franchised Business.

J. Corporate Promotion. Franchisee agrees to allow RM to use Franchisee's name or picture of Franchisee including employees thereof at any time during this Agreement for the purpose of any publication, brochure or advertisement. Further, RM shall have the right to distribute and/or publish the Gross Sales for the Franchised Business without compensation or prior consent of Franchisee.

regardless of form, including, but not limited to, proprietary software programs, the Operations Manual, trademarks, copyrightable works, Internet Web pages or any other documents or information pertaining or relating to the Franchised Business or the System produced or authored by Franchisee during the Term of this Agreement shall be deemed by the parties to be works made for hire and the property of RM. RM shall have the absolute right to obtain and hold, in its own name, rights of copyright, trademark and/or other similar protections which may be available in the documents or works. Franchisee hereby agrees to cooperate and execute all documents necessary to perfect such rights in RM.

4. Franchisee acknowledges and agrees that RM shall receive a fully paid-up, perpetual, worldwide license, with an unlimited right to sublicense to any and all inventions, techniques, processes, devices, discoveries, improvement, know-how, writings and other original works of authorship, regardless of form, including, but not limited to, proprietary software programs, trademarks, copyrightable works, internet web pages or any other documents or information pertaining or relating to the Franchised Business or the System produced, conceived of or authored by Franchisee, its agents or employees, during the Term of this Agreement. Franchisee hereby agrees to cooperate and execute all documents necessary to perfect such rights of RM.

#### U. Competition.

1. As long as this Agreement is in force, Franchisee and its principals and partner(s) and their spouses agree not to engage in or have any financial interest in, either as officer, agent, employee, director, stockholder, owner or partner, or in any other capacity, any business which performs any service conducted by RM or its franchisees under the terms and conditions of this Agreement, Franchisee may hold for investment purposes, up to five percent (5%) of the outstanding stock of any competitive corporation whose stock or securities are publicly held or traded.
2. For a period of two (2) years following the later of expiration or termination of this Agreement for any reason, or from the date of Franchisee's last use of RM trademarks, trade names, trade dress or systems in any manner, Franchisee and its principals and partner(s) and their spouses agree not to engage in or have any financial interest in, either as officer, agent, employee, director, stockholder, owner or partner, or in any other capacity, any business which performs any wood restoration, refinishing, upholstery repair, wood or wood laminate flooring, cabinet manufacturing, installation or repair service conducted by RM or its franchisees under the terms and conditions of this Agreement, within an area extending 75 miles from the outer perimeter of an area to include the county or counties in which the Franchised Business is conducted. Franchisee may hold for investment purposes, up to five percent (5%) of the outstanding stock of any competitive corporation whose stock or securities are publicly held or traded.

#### V. Sources of Supplies.

1. To safeguard the integrity of the System and Marks, the Franchisee shall purchase from RM or from sources approved by RM all supplies which the Franchisee proposes to use in the operation of the Franchised Business. As a material part of the consideration for this Agreement, Franchisee agrees that, if a customer does not specify use of or provide for use of a different brand for any service, Franchisee shall use only approved products for such service. To further eliminate public confusion, Franchisee shall not openly advertise approved products

2. Franchisee shall submit to RM on a monthly basis, in conjunction with the submission of monthly payments due RM, standard reports as may be required by RM including, but not limited to:
  - a. Invoices from all Franchised Services performed including National Accounts Program and MRN customer invoices; and invoices for subcontracted work;
  - b. A monthly summary of National Accounts Program customers and MRN customers that have been contracted, or a statement that no National Accounts Program customers or MRN customers have been serviced during the month.
  - c. RM shall have the right to distribute and/or publish the monthly sales reports for the Franchised Business without compensation to or the prior consent of the Franchisee.
3. Franchisee shall, at its expense, submit to RM, upon request, within thirty (30) days after request, a complete income statement and balance sheet or copies of the annual and interim financial statements prepared by the auditors or accountants of the Franchisee. Each shall be signed by the Franchisee attesting that it is true and correct.
4. Franchisee must submit to RM's audit department by December 1st of each year, all federal, state or other business tax returns for the prior year, together with such other information as RM may reasonably require, at Franchisee's expense.
5. Franchisee shall, at its expense, submit to RM upon request, within ninety (90) days after request, a complete financial statement for the preceding calendar year, including both a profit and loss statement and a balance sheet certified by an independent public accountant, together with such other information in such form as RM may reasonably require.

B. Customer Information. Franchisee must also keep accurate lists of all customers and supplies.

C. Retention of Records.

1. Franchisee agrees to keep all such records available for a period of seven (7) years following the year for which they were kept.
2. Termination of this Agreement shall not alter Franchisee's obligation to retain records for said seven (7) year period.

D. Right To Audit Franchisee's Records.

1. RM or its designated agents shall have the right at all reasonable times to examine, at its expense, the books, records, and tax returns of the Franchisee and any other business in which the Franchisee or its principal owners have a financial interest. In connection with any such examination, the Franchisee will execute IRS Form 4506, or other similar form, authorizing RM to obtain the applicable tax returns of the Franchisee, at the request of RM. Franchisee and any personal guarantors, by signing this Agreement, hereby explicitly consent to provide copies of all personal and business tax returns specified above by RM and hereby waive any right to refuse to provide tax returns or any privilege afforded by Applicable Laws.
2. If Franchisee fails to fully cooperate with any reasonable request by RM for an audit or inspection, Franchisee shall reimburse RM for any and all costs and expenses of conducting an audit or inspection including, without limitation, travel, lodging, wage expense and any reasonable accounting and attorneys' fees. RM shall also have the right, at any time, to have an independent audit made at its cost of the books of the Franchisee. If an audit or inspection is caused by Franchisee's failure to prepare or forward required reports or if an audit or inspection should reveal that payments have been understated in any report to RM, then the Franchisee shall immediately pay to RM the amount understated and interest from the date

such amount was due until paid, at one and one-half percent (1-1/2%) per month or the maximum rate permitted by law, whichever is less. If an audit or inspection discloses an understatement of two percent (2%) or more, the Franchisee shall, in addition to payment of any understated amounts, reimburse RM for any and all costs and expenses connected with the audit or inspection including, without limitation travel, lodging, wage expense and reasonable accounting and attorneys' fees. The remedies set forth in this Article shall be in addition to any other remedies RM may have and shall survive termination of this Agreement.

## **ARTICLE VII: TRANSFERABILITY OF INTEREST**

- A. Franchisee's Right To Transfer. Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee (or, in the case of a corporate or partnership Franchisee, to the Franchisee's principal(s)), and that RM has entered into this Agreement with Franchisee in reliance upon individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Accordingly, Franchisee shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement without the prior written consent of RM. Any purported assignment or transfer, by operation of law or otherwise, without the prior written consent of RM, shall be null and void and shall constitute a material breach of this Agreement. Franchisee's transfer of 5% interest or more in this Agreement will require an amendment to add such new 5% owner as a personal guarantor. If, as a result of any transfer to one or more persons or entities, in a single transaction or series of transactions, the original Franchisee's ownership interest (or that of the original Franchisee's principal(s)) in this Agreement falls below 51%, then Franchisee must sign the then-current form of Franchise Agreement and all of the then-current terms of that agreement will apply thereafter.
- B. Approval Procedure. RM may approve or reject a request for a transfer of the Franchised Business, in its sole discretion. RM also reserves the right to condition its consent to a transfer on the satisfaction of any or all requirements that RM establishes in its sole discretion, including without limitation, the following:
1. All of the Franchisee's accrued monetary obligations to RM and all other outstanding obligations related to the Franchised Business have been satisfied;
  2. Franchisee shall have executed a general release, in a form satisfactory to RM, of any and all claims against RM, its affiliates, subsidiaries, parents, partners, their officers, directors, shareholders, agents and employees, in their corporate and individual capacities including, without limitation, claims arising under any Applicable Laws;
  3. The transferee does not, and does not intend to, own, operate or be involved in any business that competes directly or indirectly with or is similar to the Franchised Business;
  4. The transferee shall demonstrate to RM's satisfaction that it meets RM's managerial and business standards, possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Business;
  5. The transferee shall execute (and/or, upon RM's request, cause all interested parties to execute) the then-current standard Franchise Agreement, a general release and such other ancillary agreements as RM may require for transfer of the Franchised Business. At the transferee's expense and upon such other terms and conditions as RM may reasonably require, the transferee (or if the transferee is a corporation, the transferee's officer or manager) or managerial employees of transferee acceptable to RM must have successfully

completed RM's training program then in effect for new franchisees. Franchisee or the transferee must pay RM the then-current transfer, training, and processing fees to complete the transfer.

6. If this is a transfer of an existing Franchised Business, transferee agrees to purchase all of the then-required supplies, equipment and products required in RM's then-current Franchise Agreement as well as the Operations Manual if any of those items are not included in the sale of the Franchised Business. The transferee must also have a Service Vehicle equipped with the Detail Package if it is not included in the sale of the Franchised Business.
7. The Franchisee agrees that for a period of not less than two (2) years, commencing on the effective date of the transfer, neither Franchisee nor any member of Franchisee's immediate family nor any partner(s) or shareholder(s) of Franchisee shall have any direct or indirect interest as a disclosed or beneficial partner, shareholder or franchisee in any mobile or fixed specialty mitigation, restoration, transformation, and manufacturing business within an area extending 75 miles from the outer perimeter of an area to include the county or counties in which the Franchised Business is conducted.
8. Franchisee must enter into an agreement with RM providing that all obligations of the transferee to make installment payments of the purchase price or interest thereon to Franchisee shall be subordinate to the obligations of the transferee to pay Monthly Fees, and obligations for purchases from RM and approved suppliers authorized to furnish supplies and products to RM franchisees.
9. Franchisee and transferee will be responsible for the transfer of material assets; any missing assets will be replaced at transferee's expense.
10. Franchisee or transferee must pay the then-current transfer fee (the "**Transfer Fee**") charged by RM to its franchisees. Currently, the Transfer Fee is \$10,000.
11. The Franchisee must make provision for the continued operations of the business in the interim period between transfer of the business and the transferee's successful completion of the transfer.
12. RM must approve the material terms and conditions of such transfer, including without limitation, that the price and terms of payment are not so burdensome as to affect adversely the continuation of the Franchised Business.
13. All obligations imposed on Franchisee by this Agreement must be assumed by the transferee.

C. Transfer to a Spouse or Child. In the event a transfer of a controlling interest in the Franchised Business is to Franchisee's spouse, then no Transfer Fee will be assessed by RM. In the event of a transfer of a controlling interest in the Franchised Business is to Franchisee's adult child who is at least 18 years of age, Franchisee or the transferee will only be required to pay 50% of the then-current Transfer Fee.

D. Transfer Upon Death or Disability. Upon Franchisee's death or permanent disability as defined under the Social Security Act, the executor, administrator, conservator, or other personal representative of such person shall assign Franchisee's interest in the Franchised Business or License to a third party only upon approval of RM. Such disposition shall be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, and shall be subject to all the terms and conditions applicable to assignments contained in Article VII, Paragraph B of this Agreement. If the interest is not disposed of within a reasonable time, RM may terminate this Agreement.

E. Transfer to Competitor Prohibited. Franchisee will not sell, assign or transfer this Agreement, any

interest in the Franchisee or the Franchised Business, or any assets or accounts of the Franchisee or the Franchised Business, to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any business that is in any way competitive with RM or the Franchised Business. If RM refuses to permit a transfer or assignment based upon this provision, the Franchisee's only remedy will be to have a court of competent jurisdiction determine whether the proposed transferee is a competitor of RM.

F. Transfer to Franchisee's Corporation or Limited Liability Company. Franchisee acknowledges that RM entered into this Agreement in reliance upon and in consideration of the personal qualifications and representations of Franchisee if Franchisee is an individual, or those individuals who will actively and substantially participate in the operations of the Franchised Business if Franchisee is a corporation, limited liability company or a partnership. If, with the consent of RM, the rights of Franchisee hereunder are assigned to a corporation or limited liability company, and the individual or individuals executing this Agreement remain the owner(s) of not less than fifty-one percent (51%) of the total voting capital shares thereof with the effective unencumbered right to vote said shares, there will be no processing fee levied if transferred to a corporation, limited liability company, or a partnership within one (1) year after the date of the initial Agreement. A processing fee will be charged if transfer to such entity occurs after the first year after the date of the initial Agreement. RM's consent to such transfer to the corporation or limited liability company shall not be unreasonably withheld if:

1. The corporation or limited liability company is closely held;
2. The corporation or limited liability company conducts only such business as is authorized by this Agreement;
3. The front of each share certificate clearly indicates that the shares represented by the certificate are subject to the terms of this Agreement;
4. The bylaws or operating agreement reflects that the shares are so restricted; and
5. Each officer, director, and holder of five percent (5%) or more of the issued and outstanding shares and their spouse executes the attached Guaranty.
6. The corporation or limited liability company and its shareholders or members execute the ~~then-current-then-~~ current Franchise Agreement and any such other ancillary agreements as RM may require.

The Franchisee acknowledges that the purpose of the foregoing restrictions is to protect the RM System, Marks, trade secrets, and operating procedures, as well as RM's reputation and image, for the mutual benefit of RM, the Franchisee, and the entire RM franchise network.

Further, the individuals, including all shareholders or members executing this Agreement on behalf of the corporation or limited liability company shall be jointly and severally liable for the faithful and timely performance of all covenants of this Agreement. The loss or surrender of said ownership or effective unencumbered right to vote said shares, by any means whatever, shall constitute a breach of the terms of this Agreement. Such transfer to a Franchisee's corporation or limited liability company does not preclude subsequent transfers.

G. Referral Fee. Franchisee may enlist RM to help Franchisee find a potential buyer for the Franchised Business. If RM is enlisted to help, RM will: process telephone calls, leads and documents for Franchisee, and make reasonable efforts to make inquiries into Franchisee's Territory available to Franchisee. If RM refers a lead to Franchisee and the lead purchases all or a portion of the Franchised Business within 18 months of such referral, regardless of the form of acquisition, Franchisee must pay RM a fee of \$10,000 for its assistance.

H. RM's Right To Transfer. This Agreement and all rights hereunder may be assigned and transferred by RM without Franchisee's consent and, if so, shall be binding upon and inure to the benefit of RM's respective assignee(s).

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

J. Transfer of Assets. The transfer fee paid to RM does not include any equipment, products or marketing material to transferee. Further, RM makes no warranty as to the viability of any assets purchased from the Franchisee.

K. Survival of Transfer Obligations. The terms of this Article VII shall survive termination or expiration of this Agreement for a period of twenty-four (24) months. The parties agree and acknowledge that such extended obligation is necessary to fulfill the intent of Franchisee and RM and is a material term of this Agreement.

## **ARTICLE VIII: VIOLATION AND TERMINATION**

A. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement and all rights granted to Franchisee hereunder shall terminate automatically without notice to Franchisee upon the occurrence of the following:

1. Franchisee or a guarantor becomes insolvent, makes a general assignment for the benefit of creditors, or is adjudicated bankrupt, unless otherwise restricted by the relevant bankruptcy laws; or
2. A petition in bankruptcy for liquidation, reorganization, or other proceeding is filed by or against Franchisee; a receiver is appointed; a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's Franchised Business or assets is allowed; or the real or personal property of Franchisee is attached or levied upon by any sheriff, marshal, or constable.

B. Termination For Incurable Defaults. Franchisee shall be deemed to be in default under this Agreement and RM may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, upon the occurrence of any of the following events:

1. Franchisee voluntarily abandons or ceases to actively operate the Franchised Business, which is defined as:
  - a. ceasing to provide services under the Franchised Business for more than ten (10) consecutive business days, unless prior approval is obtained in writing from RM;
  - b. disconnecting the Franchised Business telephone; or
  - c. not having a Service Vehicle.
2. Franchisee or any of its officers or directors is or has been convicted, pleads guilty, or pleads no contest to a felony or other crime or offense that RM believes is reasonably likely to have an adverse effect on the Marks, the goodwill associated therewith, or RM's interest therein;
3. Franchisee fails on four (4) or more occasions to comply with any material provisions of this Agreement or any other RM Franchise Agreement, whether or not such failures to comply are cured after written notice thereof to Franchisee;

7. Franchisee (including its shareholders, guarantors or agents) engages in any solicitation of sales or marketing of the Franchised Business outside the Territory, contrary to Article I;
8. Franchisee fails to provide RM notice and receive approval of suppliers for products or services that are not approved suppliers of RM;
9. Franchisee or any other person(s) required to complete training fails to complete training in a manner satisfactory to RM;
10. Franchisee attempts or completes an unauthorized transfer, assignment, sale or encumbrance of its rights, title or interest to this Agreement or of the Franchised Business in any respect;
11. Franchisee does not comply with all of the provision of Article V, Paragraph M, Insurance; or 12. Franchisee is in default of any provision of this Agreement or Franchisee (or any owner or affiliate of Franchisee) is in default of any provision of any Related Agreement.

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

F. Other Remedies. Nothing in this Article VIII precludes RM from seeking other remedies or damages under state or federal laws, common law, or under this Agreement including, but not limited to, attorneys' fees, damages and equitable relief.

G. Intranet. Upon receipt by Franchisee of Notice of Termination all Intranet privileges shall be revoked.

#### **ARTICLE IX: RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION, TERMINATION OR NON- RENEWAL**

A. Franchisee's Obligations. Upon expiration or termination of this Agreement and the License granted hereunder for any reason, and regardless of any dispute which may exist between the parties, Franchisee shall:

1. Immediately cease using and thereafter abstain from using all Marks, as well as all signs, structures, vehicles, and forms of advertising indicative of RM or the Franchised Business or products thereof, and make or cause to be made such changes in signs, buildings, vehicles and structures as RM shall reasonably direct to effectively distinguish them from their former appearance and from any other aspect of the Franchised Business;
2. Relinquish all interest in and rights to use all telephone and facsimile numbers, all listings, email addresses and all social media accounts whether or not bearing the Marks (collectively "listings and accounts") used by the Franchisee in any manner related to the operation of, or applicable to, the Franchised Business and shall be transfer to or vest in RM and RM shall thereupon have the full and exclusive right to use such listings and accounts or to authorize the use thereof by another franchisee of RM. The Franchisee hereby appoints RM as its attorney in fact to direct the telephone company and all listing agencies to transfer such listings and accounts to RM or as it may in writing direct. Any amounts owing by the Franchisee on account of such listings and accounts shall be paid immediately by the Franchisee. Further, Franchisee will execute a telephone supersedure form which can be submitted to the telephone company upon the termination of this Agreement to effectuate the assignment of the telephone number(s) and listing(s). (Exhibit

- A-2) If Franchisee shall fail or omit to take such actions or cause them to be taken, then RM shall have the right but not the obligation to enter upon the Franchised Business premises without being deemed guilty of trespass or any other tort, and shall have the right to make such changes or cause them to be made at the expense of Franchisee, which expense Franchisee shall pay on demand. This right includes authority to communicate directly with the companies which furnish telephone lines service or directory publishing (printed and electronic) to enforce this provision. Franchisee agrees to reimburse RM for all costs, expenses and legal fees incurred by RM to require Franchisee to cease using such Marks, telephone numbers, signs, stationery, advertising, or other means of identification;
3. Within ten (10) days, ship all printed forms, advertising pieces and manuals bearing the Marks, (all of which are acknowledged to be RM's property) as well as all supplies, chemicals and equipment and photographic proof of service vehicle de-stripping of all automotive logo markings, freight prepaid, in good condition, to an address designated by RM;
  4. Within ten (10) days, ship all van logo markings, printed forms, advertising pieces and manuals bearing RM Marks, supplies and equipment (all of which are acknowledged to be RM's property), freight prepaid, in good condition, to an address designated by RM;
  5. Pay to RM, as directed, within fifteen (15) days after the effective date of termination or expiration, such Initial Franchise Fee, Monthly Fees, amounts owed for purchases by Franchisee, interest and fees due on any of the foregoing, and all other amounts which are then due and unpaid including the minimum fees due for the remainder of the Term of this Agreement;
  6. Franchisee shall immediately turn over to RM all manuals, records, files, instructions, computer software and any and all other materials relating to the operation of the Franchised Business in the Franchisee's possession, except for the Franchisee's copy of this Agreement, any correspondence between the parties, and any other documents which the Franchisee reasonably needs for compliance with any provision of law.
  7. Franchisee must immediately cease operating all social media pages within its control associated with, or previously associated at any time with, the Franchised Business, including but not limited to, Facebook, Instagram, YouTube, TikTok and X (Twitter). Franchisee must also immediately cease operating all online business directory listings within its control associated with, or previously associated with, the Franchised Business, including but not limited to, Yelp, Nextdoor, LinkedIn, Google, YP (Yellow Pages), and Angi. Franchisee must promptly provide RM with all login credentials or other information necessary for RM to assume exclusive control over each social media and business directory account, page, or listing. To the extent that Franchisee is aware of or becomes aware of any social media or business directory account, page, or listing associated with the Franchised Business that is not within its control, it must promptly notify RM thereof in writing.

Notwithstanding the foregoing, RM may in its exclusive discretion demand that Franchisee

delete, deactivate, or otherwise modify each social media or business directory account or listing at any time. Franchisee must comply with our demand immediately on receipt.

A-

**Attachment 2**

*[This document is to be used when: (a) a married individual signs a Franchise Agreement, personal guarantee, or other agreement containing financial obligations to us; and (b) that individual's spouse is NOT also signing the same agreements.]*

**SPOUSE ACKNOWLEDGMENT**

My name is \_\_\_\_\_.

I am the spouse of \_\_\_\_\_.

I am aware that:

- my spouse is investing in a Renew Medic franchise;
- in connection with the franchise, my spouse is signing a Franchise Agreement, personal guarantee, and/or other documents that involve financial obligations to Renew Medic Franchising, LLC and its affiliates (the “**Franchise Documents**”); and
- Renew Medic Franchising, LLC and its affiliates are relying on all assets of my spouse, including jointly owned marital property, in accepting my spouse’s obligations under the Franchise Documents.

I understand the financial obligations undertaken by my spouse in connection with the franchise, and that the Franchise Documents are being signed for the benefit of, and will be binding on, my marital community.

I understand that this Spouse Acknowledgment does not subject my separate, non-marital property to my spouse’s financial obligations under the Franchise Documents.

I understand that my spouse is bound personally by the following provisions of the Franchise Agreement, and I agree to be bound by them as well: (i) the confidentiality provision in Article V, Section V of the Franchise Agreement; (ii) the non-competition covenants in Article V, Section W of the Franchise Agreement; and (iii) the governing law and dispute resolution provisions in Article XII of the Franchise Agreement.

\_\_\_\_\_, individually  
Signature

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

Home Address \_\_\_\_\_

## EXHIBIT A-2

### **TELEPHONE LISTING AUTHORIZATION AGREEMENT**

THIS AGREEMENT, entered into between RENEW MEDIC FRANCHISING, LLC (hereinafter referred to as "RM"), and \_\_\_\_\_, (hereinafter referred to as "Franchisee").

#### WITNESSETH

WHEREAS, RM is the franchisor of the Renew Medic System and RM's parent or its affiliate is the owner of the "Renew Medic" trademark; and

WHEREAS, RM and Franchisee have entered into a Franchise Agreement (the "Franchise Agreement") pursuant to which Franchisee is granted the limited right to use the trademark and related commercial symbols in Franchisee's business telephone directory listings; and

WHEREAS, Franchisee is authorized to continue using the Renew Medic commercial symbols until such time as the Franchise Agreement is terminated or expires.

NOW, THEREFORE, the parties hereby agree as follows:

1. Franchisee is authorized to obtain separate telephone service, and/or participate in a central telephone service for Franchisee's Renew Medic franchised business. Such service shall not be used in conjunction with any other business or residential telephone service.
2. Franchisee is authorized and agrees to secure white pages and directory assistance listings only in the Franchisee's approved doing business as (dba) name ("Renew Medic by .....") as listed in the Franchise Agreement. No other names may be used in conjunction with the Renew Medic trademark and no additional listings may be used with the telephone number assigned unless approved in writing in advance by RM.
3. All telephone listings, display advertising, layout, and copy shall be approved in advance in writing by RM, and Franchisee agrees that the telephone company shall not accept placements of any such copy unless written approval by RM is attached.
4. Franchisee shall be responsible for the payment of all monthly service charges, directory listings and Yellow Page advertising or reasonable share of central numbers and associated listings and advertising.
5. Franchisee agrees that such telephone number(s), namely, \_\_\_\_\_, and listings and advertisements shall be considered to be the sole property of RM. Upon termination of the Franchise Agreement for whatever reason, Franchisee agrees that Franchisee shall immediately cease all use of such telephone number(s) and listings and advertisements and that all such telephone number(s), listings and advertisements shall become the sole property of RM, at its option, subject to RM's obligation to pay all fees due therefore becoming due and payable after the date of cessation of use.
6. Franchisee, by this Agreement, hereby releases and forever discharges RM and its successors or assigns and the telephone company from liability of any kind or character which results or may result directly or indirectly from RM's exercise of its rights hereunder or from the telephone company's cooperation with RM in effecting the terms

**EXHIBIT B**

**MRN AGREEMENT  
(See attached)**

A-~~86-8~~  
7

24. Use professional language. Never curse or use profane language on a job site or when in the presence of Customers.
25. Do your best to accommodate Customer's timeframe.
26. Restrict use of Customer's premises to work area.
27. Explain process and timeframes to the Customer upfront and update them as required.
28. Maintain only professional relationships and conduct with the Customer, Customer's family members and other employees.
29. Comply with all laws, rules and regulations applicable to the Franchised Services.
30. Do not consume or use any nicotine, tobacco, vapes, alcohol, illegal drugs, or other similar products while in the presence of Customers or in the Customer's home or business.
31. Clean up the work area when leaving.
32. Always ensure the property is left safe and secure.
33. Maintain and leave a safe working environment.
34. Do not play any music or the radio in the work area or in the Customer's home or business.
35. Do not remove or move any Customer's property unless authorized.
36. Permit only work-related personnel into the work area.
37. Limit photos and videos to those that are work-related.



FINANCIAL STATEMENTS OF FRANCHISOR

<u>THESE</u>	(Added)	Franchising, LLC	
<u>FINANCIAL</u>		Balance Sheet (Unaudited)	
<u>STATEMENTS</u>			
<u>ARE</u>			
<u>PREPARED</u>		Cash	\$ -
<u>WITHOUT</u>		Accounts Receivable	-
<u>AUDIT.</u>		Prepaid Assets	-
<u>PROSPECTIVE</u>		Current Assets	-
<u>FRANCHISOR</u>		Fixed Assets	-
<u>OR</u>		Goodwill and Other Assets	-
<u>OF</u>		Total Assets	-
<u>FRANCHISOR</u>		Accounts Payable	-
<u>SHOULD</u>		Other Current Liabilities	-
<u>ADVISE</u>		Current Liabilities	-
<u>NO</u>		Long Term Liabilities	-
<u>PUBLIC</u>		Total Liabilities	-
<u>ACCOUNTS</u>		Stockholders' Equity	-
<u>HAD</u>		Retained Earnings	-
<u>THESE</u>		Total Equity	-
<u>FIGURES</u>		Total Liabilities and Equity	\$ -
<u>EXPRESSED</u>			
<u>HIS/HER</u>			
<u>OPINION</u>			
<u>REGARDING</u>			
<u>THE COMPANY</u>			
<u>OR FORM</u>			

GUARANTEE OF PERFORMANCE

For value received, TCB Services HoldCo, LLC, a Delaware limited liability company (the "Guarantor"), located at 3060 Peachtree Road, NW, Suite 360, Atlanta, GA 30305, absolutely and unconditionally guarantees to assume the duties and obligations of Renew Medic Franchising, LLC, located at 57 Germantown Ct., Suite 201 Cordova, TN 38018 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2024 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Memphis, TN on the 30<sup>th</sup> day of April, 2024.

Guarantor:

TCB Services HoldCo, LLC

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

By: 7-6 "c e e t Name: Whit  
O r i a n s \_\_\_\_\_

Title: VP of Finance

TCB Services HoldCo, LLC

Unaudited Consolidated Balance Sheet

March 31, 2024

Assets

Current Assets

<u>Cash</u>	<u>\$</u>	<u>906,091</u>
<u>Accounts receivable, net</u>		<u>2,710,172</u>
<u>Prepaid expenses and other current assets</u>		<u>94,783</u>

Total Current Assets 3,711,047

<u>Property and equipment, net</u>		<u>398,093</u>
<u>Goodwill, net</u>		<u>22,460,231</u>
<u>Notes receivable</u>		<u>223,112</u>

Total Assets \$ 26,792,483

Liabilities and Members' Equity

Current Liabilities

<u>Accounts payable</u>	<u>\$</u>	<u>513,957</u>
<u>Accrued expenses and other payables</u>		<u>1,478,880</u>

Total Current Liabilities 1,992,837

Members' Equity 24,799,646

Total Liabilities and Members' Equity \$ 26,792,483

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

TCB Services Holdco, LLC

Unaudited Consolidated Statement of Operations

Period from January 1, 2024 to March 31, 2024

<u>Net Revenues</u>	<u>\$</u> <del><u>1,030,942</u></del>
<u>Operating Expenses</u>	
<u>Subcontractor costs</u>	<u>527,782</u>
<u>Cost of Goods Sold</u>	<u>144,954</u>
<u>Salaries and wages</u>	<u>893,380</u>
<u>Depreciation and amortization</u>	<u>623,825</u>
<u>General and administrative</u>	<u>646,764</u>
	<u>2,836,705</u>
<u>Net Loss</u>	<u>\$</u> <u>(905,763)</u>

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

~~FINANCIAL STATEMENTS OF FRANCHISOR~~

Renew Medic Franchising, LLC  
Opening Balance Sheet (Unaudited)

Cash	\$
Accounts Receivable	
Prepaid Assets Current	
Assets	-----
Fixed Assets	
Goodwill and Other Assets	
Total Assets	_____
	_____
Accounts Payable	
Other Current Liabilities	
Current Liabilities	_____
Long Term Liabilities	
Total Liabilities	_____
Stockholders' Equity	
Retained Earnings	
Total Equity	_____
Total Liabilities and Equity	_____
	_____

**E. Minimum NAF Contribution.** Article III.E of the Franchise Agreement is modified to replace the Minimum NAF Contribution chart with the following chart:

<b>Year of Operation</b>	<b>Minimum NAF Contribution</b>
1 (Months 1-6)	None
1 (Months 7-12)	\$500
2	\$700
3	\$900
4	\$1,100
5	\$1,600
6	\$1,650
7	\$1,700
8	\$1,750
9	\$1,800
10	\$1,850

**F. Legal Effect.** All terms not otherwise defined in this Addendum will have the same meaning as in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement will remain in full force and effect and is incorporated into this Addendum by reference.

The parties have signed this Addendum on the date set forth at the beginning of this Addendum.

**RENEW MEDIC FRANCHISING, LLC**

“Franchisor”

\_\_\_\_\_  
“Franchisee”

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

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

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MINNESOTA	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East Suite 280 St. Paul, MN 55101-2198
NEW YORK	NYS Department of Law Bureau of Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236	Secretary of State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
RHODE ISLAND	Securities Division Department of Business Regulations 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9585	Director of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of the Division of Insurance South Dakota Department of Labor and Regulation Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501
VIRGINIA	State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk, <del>Virginia</del> <a href="#">of the</a> State Corporation Commission <del>Tyler Building, Ninth Floor</del> 1300 <del>E.</del> <a href="#">East</a> Main Street <a href="#">, 1<sup>st</sup> Floor</a> Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	Director of Financial Institutions 150 Israel Road SW Tumwater, WA 98501

**ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

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

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

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

[The Illinois Attorney General’s Office has imposed a surety bond requirement on us due to Franchisor’s financial condition. We have posted a surety bond in the State of Illinois, in compliance with such requirements.](#)

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

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

This Addendum relates to franchises sold in the state of Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Franchise Agreement (the "Agreement"), RENEW MEDIC FRANCHISING, LLC (the "Franchisor") and Franchisee agree to amend the Agreement as follows:

The conditions under which the Franchise Agreement can be terminated and the rights upon nonrenewal may be affected by Illinois Law, 815 ILCS 705/19 and 705/20.

Pursuant to 815 ILCS 705/4, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State. Therefore, Article XII.J. of the Agreement, under the heading "Governing Law," is amended by the substitution of the following language for the original language that appears therein:

"This Agreement shall be interpreted and construed under the laws of the State of Illinois and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of Illinois, which laws shall prevail in the event of any conflict of law except as provided for in Article XII(A), Arbitration, of this Franchise Agreement."

Article XII.F. of the Agreement, under the heading "Two-Year Limitation on Claims" is deleted and replaced by the following language;

"Any claim arising under the Illinois Franchise Disclosure Act, in connection with or in relation to this Agreement or its interpretation or enforcement, or alleging non-performance or any breach hereof on the part of FM shall be filed no later than 3 years from the date of its creation, or such claim will be automatically waived and forever barred.

[The Illinois Attorney General's Office has imposed a surety bond requirement on Franchisor due to Franchisor's financial condition. Franchisor has posted a surety bond in the State of Illinois, in compliance with such requirements.](#)

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same day and year that the Franchise Agreement has been executed.

**RENEW MEDIC FRANCHISING, LLC:**

**FRANCHISEE**

:

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

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

Title: \_\_\_\_\_ Title: \_\_\_\_\_

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

9. The following is added to the end of Item 17: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is executed on \_\_\_\_\_ by:

- (i) \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_ (“Franchisee”);
- (ii) \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_ [and \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_] (“Owners”); and, if applicable,
- (iii) \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_ (“Transferee”).

RECITALS

A. RENEW MEDIC FRANCHISING, LLC (“Franchisor”) and Franchisee are parties to the following Franchise Agreements (collectively, the “Franchise Agreements”):

Franchise Agreement Number(s)	Date of Agreement

B. Franchisee, Owners, and (if applicable) Transferee are executing this Release as a condition of (check one):

- (i) Franchisor consenting to a transfer of any interest in the Franchise Agreement or Franchisee’s business or entity;
- (ii) Franchisor agreeing to enter into a successor Franchise Agreement with Franchisee; or
- (iii) Franchisor agreeing to amend the Franchise Agreement or waive any of its rights under the Franchise Agreement.

If this Release is executed under the conditions set forth in (ii) or (iii) above, all references in this Release to “Transferee” should be ignored.

AGREEMENT

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. **Release by Franchisee, Transferee, and Owners.** Franchisee and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Owners (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the “Releasors”) freely and without any influence forever release (i) Franchisor, (ii) Franchisor’s past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) Franchisor’s past and present parents, subsidiaries, predecessors, and affiliates and their respective past and present

officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual

capacities (collectively, the “**Released Parties**”), from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, or suspected or unsuspected (collectively, “**Claims**”), which any Releasor ever owned or held, now owns or holds, or may in the future own or hold arising out of, or relating to, any act, omission, or event occurring on or before the date of this Release, including, without limitation, (a) Claims arising under federal, state, and local laws, rules, and ordinances and (b) Claims arising out of, or relating to, the Franchise Agreement and any other agreements between any Releasor and Franchisor or Franchisor’s parents, subsidiaries, or affiliates.

**2. Risk of Changed Facts.** Franchisee, Transferee, and Owners (on behalf of all Releasors) (a) understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true and (b) hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

**3. Covenant Not to Sue.** Franchisee, Transferee, and Owners (on behalf of all Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

**4. No Prior Assignment and Competency.** Franchisee, Transferee, and Owners (on behalf of all Releasors) represent and warrant that: (a) the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (b) each Releasor has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order; and (c) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

**5. Complete Defense.** Franchisee, Transferee, and Owners (on behalf of all Releasors): (a) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and (b) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

**6. Waiver of Statutory Preservation Provisions.** Franchisee, Transferee, and Owners (on behalf of all Releasors) each expressly waives any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, to the extent such provision would be applicable, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasors reside. Franchisee, Transferee, and Owners (on behalf of all Releasors) acknowledge and represent that they have each consulted with legal counsel before executing this release and that they understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this release shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands, and causes of action.

~~**7. Claims Under Washington Franchise Investment Protection Act. This Release shall not apply to any**~~

7. [Claims Under Washington Franchise Investment Protection Act. This Release shall not apply to any](#) Claims arising under the Washington Franchise Protection Act, RCW 19.100, and the rules adopted thereunder.

**8. Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

**9. Counterparts.** This Release may be executed in two or more counterparts (including by scanned copy), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Franchisee, Transferee, and Owners have executed this Release as of the date shown

OWNER:

\_\_\_\_\_

Print Name:

\_\_\_\_\_

Date:

\_\_\_\_\_ **OWNER** \_\_\_\_\_

above.

**FRANCHISEE:**

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

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

Title: \_\_\_\_\_

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

**OWNER:**

**TRANSFEREE:**

\_\_\_\_\_

Print Name:

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

Date:

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

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

Title: \_\_\_\_\_

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

**OWNER:**

\_\_\_\_\_

---

**OWNER:**

---

Print Name:

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

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I signed the Franchise Agreement and Addendum (if any) on \_\_\_\_\_, 20\_\_\_\_, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including any franchise broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None."

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C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "**Executive Order**") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "**Anti-Terrorism Measures**"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

**State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
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<u>STATE</u>	<u>EFFECTIVE DATE</u>
<u>California</u>	<u>September 4, 2024</u>
<u>Illinois</u>	<u>Pending</u>
<u>Indiana</u>	<u>July 10, 2024</u>
<u>Maryland</u>	<u>Pending</u>
<u>Michigan</u>	<u>July 11, 2024</u>
<u>Minnesota</u>	<u>Pending</u>
<u>New York</u>	<u>Pending</u>
<u>Rhode Island</u>	<u>July 11, 2024</u>
<u>Virginia</u>	<u>September 11, 2024</u>
<u>Washington</u>	<u>Pending</u>
<u>Wisconsin</u>	<u>July 10, 2024</u>

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