

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 Georgia. 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 Georgia 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. **Sales Performance Required: You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.**

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

Type of Fee ¹	Amount	Due Date	Remarks
	the transfer is to a spouse of an existing owner, and (iii) \$500 if the transfer is to an existing owner of the franchise		
AOS Training for Additional Persons and Subsequent or Replacement Trainees	\$5,000 per person for a 2-week program	Due at closing for transfers; due upon demand for all other trainees	Payable for additional trainees or subsequent/replacement trainees. Price includes training, class materials, and some meals. The AOS Training fee for two people to attend the AOS Training is included in the Initial Franchise Fee or Transfer Fee.
Certification Fees	Currently, \$1,500 – \$2,500 per person per License	As incurred	Payable to us or third parties for certifications we may require you to obtain to participate in optional programs (such as servicing National Accounts, providing cleaning to specialized industries (such as IT and healthcare), and offering certain sales programs), as specified in the Operations Manual. Currently, such certifications must be renewed and you must pay the then-current fee every two years. In addition, we require Clean Franchises to obtain Cleaning Industry Management Standard (CIMS) certification after reaching certain sales levels.
Ongoing Training Programs	The then-current registration fees, which are currently \$500 per Clean Franchise for regional meetings; fees for other training shall be specified from time to time.	Due upon registration	Payable if you attend our Spring and Fall Regional Meetings and other training programs that we require or offer. You are responsible for all travel, hotel costs, and some meal costs that you or your trainees incur while attending training. See Item 11.
Customer Acquisition Fee	Currently, \$12.50 per customer lead that we generate and a one-time charge of 1% to 2% of such customer's initial bill.	As incurred	Payable if you choose to receive additional sales support from us. We may, in our sole discretion, offer additional sales support to assist you in generating and acquiring customers. We may modify this fee and the support that we provide from time to time.
Convention Attendance Fee	The then-current fees, which are currently up to \$1,000 per Clean Franchise per year	Due upon registration	Payable for you to attend our annual convention. We may increase the fees from time to time. You are responsible for all travel, hotel costs, and some meal costs that you or your trainees incur while attending any conventions.
Renewal Fee	The then-current fee. Currently, \$2,000 per Franchise Agreement.	When Franchise Agreement is renewed	Payable for you to enter into a renewal term for each Franchise Agreement.
Lead Fee	\$10,000	At closing of the transfer	Payable if we refer a qualified lead to an existing franchise owner and such lead purchases the franchise owner's interest within 18 months of our referral of such lead. See Note 6.
Change Fee	The then-current fee. Currently, \$500 per change per Franchise Agreement.	As incurred	Payable if adding, deleting, or changing an owner's name (other than an owner's spouse); reallocating ownership interests between existing owners; changing business entity name; changing DBA (doing business as) name; or changing form of entity. No charge to change DBA name or form of entity during first year of initial term. If any changes are being made in conjunction with a transfer of 50% or more ownership of the Clean Franchise, the Transfer Fee shall apply, instead of the Change Fee. For non-controlling transfers, the

vehicle payments, taxes and licensing of vehicles, bank charges, taxes, additional advertising expenses, three months of Technology Fees, miscellaneous supplies and equipment, and other miscellaneous items. We have based these figures on our and our Predecessor's experience franchising ServiceMaster Franchises and includes the categories of expenses incurred by a typical Clean Franchise.

13. **Total Initial Investment.** These figures are estimates based on our and our Predecessor's many years of experience franchising ServiceMaster Franchises. ~~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 and its geographical and topographical make-up.~~ 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

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

Currently, we require you to purchase certain cleaning solutions, specialty items, equipment, vehicle graphics, insurance, printed materials, and uniforms from suppliers that we have designated or approved. We have made arrangements with a single approved supplier to make available to you most of the Goods that you will need to establish and operate your Franchised Business, but you are only required to purchase certain Goods described in the previous sentence from such supplier. Currently, we and our affiliates are not approved suppliers of any Goods, but we reserve the right to become an approved or designated supplier in the future.

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

Vehicles. You are required to lease or purchase a van or pick-up truck for the operation of your Clean Franchise, to transport equipment, cleaning solutions, products, and employees. We do not mandate a specific vehicle or type of vehicle. We do require that the vehicle you choose must accommodate the equipment of your business type, that the vehicle passes or meets your state's safety requirements, and that the vehicle is clean, neat in appearance without any dents or rust, and displays the ServiceMaster® Clean colors and decals in accordance with the Operations Manual.

Insurance. You must acquire by the deadline that we specify and maintain the insurance coverage in the amounts, covering the risks, and containing only the exceptions and exclusions that we specify from time to time in the Operations Manual or otherwise in writing. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we may specify from time to time). All coverage must be on an "occurrence" basis, except for the employment practices liability insurance coverage, which is on a "claims made" basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. We may periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

such software. As part of the Initial Franchise Fee, we will provide you with access to an online e-learning tutorial on how to use the accounting software.

You must install and maintain a software connection to enable accurate and complete transmittal of accounting data from you to us at the times and in the manner specified by us. We must have independent access to the information generated and stored in your computer systems. You must update master file records to comply with changes to the accounting practices as prescribed by us. You must electronically transmit to us all data stored on your accounting application daily. The technical support for the software will be provided by the accounting application hosting vendor.

We have no obligation to upgrade your hardware. You have no contractual obligation to upgrade hardware components (other than if our standards change), but you should upgrade your individual systems if you wish to take full advantage of the speed and improvements of the software packages. Additionally, if you choose to run hardware that does not meet our minimum standards for running software that causes conflicts, we will not be able to provide you with support.

You are responsible for installing anti-virus software on all your Clean Franchise computers and mobile equipment and must enable firewalls on all internet modems accessed by the Clean Franchise computer and mobile equipment.

Opening

If you are opening a new Cleaning Services Franchise, you typically will open your Clean Franchise 60 to 120 days after you sign the Franchise Agreement or 15 days after you successfully complete the AOS Training. Factors that affect the length of this time period usually include obtaining a satisfactory office location, financing arrangements, completion of the AOS Training program, and hiring and training employees.

If you have acquired your Clean Franchise through a transfer of an existing franchise, your business is already open and operating by trained employees and, depending upon the agreement you have with the former owner, perhaps some assistance from the former owner.

If you are a Conversion Franchise, your business is already operating. However, you will need to complete AOS Training in one of the next three scheduled sessions of the AOS Training that take place after the purchase of your Clean Franchise.

AOS Training

AOS Training is a school of intensified training and is two weeks long (which may not be consecutive and may include evenings and weekends). AOS Training is offered approximately quarterly and is held in Atlanta, Georgia, Memphis, Tennessee, or any other site designated by us. At any time, we may provide all or part of the AOS Training, or any other training programs, virtually via videoconference or another online platform. Currently, AOS Training is held in-person for two full weeks, which cannot be split between sessions. Attendees are required to complete some initial coursework online prior to attending AOS Training in our learning management system, which we refer to as ServiceMaster Brands University (“SMBU”).

The tuition and some meals for your Designated Trainees to attend the AOS Training are included in the Initial Franchise Fee ~~or Transfer Fee, as applicable~~. Your “**Designated Trainees**” include up to two trainees, which may include you (if you are not an entity), your owners, or, if approved by us, your managers. We may charge a training fee for AOS Training for (i) each person in excess of two trainees, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent owner or manager who attends the course. You must pay for travel and living expenses for any of your representatives attending in-person AOS Training.

2023, (ii) reported Gross Service Sales in all 12 months of Fiscal Year 2023, and (iii) was owned by the same Franchise Ownership Group throughout Fiscal Year 2023. Some Active Franchises that had active Franchise Agreements throughout Fiscal Year 2023 did not report Gross Service Sales in all 12 months of the year because they (a) did not have any sales in certain months despite being in operation, (b) allocated sales to other Clean Franchises owned by the same Franchise Ownership Group (for example, if a Franchise Ownership Group owned five Clean Franchises, they allocated all sales in a month to one of the five Clean Franchises), (c) failed to timely report sales in a given month, or (d) temporarily suspended operations for certain months for personal or other reasons.

This Item 19 does not include data related to (i) company-owned units (there were not any that operated in Fiscal Year 2023) and (ii) Franchise Operating Groups that did not have at least one Active Franchise operating throughout all of Fiscal Year 2023 because (a) they did not have any Clean Franchises that reported Gross Service Sales in all 12 months of Fiscal Year 2023, (b) they transferred ownership of all of their franchises in Fiscal Year 2023, (c) they opened their first franchise during Fiscal Year 2023, or (d) they ceased operating all of their franchises in Fiscal Year 2023.

In the tables below, we have presented Gross Service Sales data for Single-Franchise Ownership Groups with one Active Franchise operating throughout Fiscal Year 2023 and for all Franchise Ownership Groups that had any Active Franchises operating throughout Fiscal Year 2023.

TABLE 1:
GROSS SERVICE SALES BY QUARTILES
SINGLE-FRANCHISE OWNERSHIP GROUPS
WITH ONE ACTIVE FRANCHISE
FOR FISCAL YEAR ~~2022~~2023

Quartiles	Number of Single-F OGs	Average Gross Service Sales	Number and Percentage of Single-FOGs Attaining or Exceeding Average Gross Service Sales	Median Gross Service Sales	Lowest Gross Service Sales	Highest Gross Service Sales
Top Quartile	46	\$1,979,495	17 / 37.0%	\$1,670,291	\$827,052	\$5,434,106
2 nd Quartile	46	\$593,339	21 / 45.7%	\$583,035	\$404,483	\$812,336
3 rd Quartile	45	\$266,702	21 / 46.7%	\$263,808	\$162,370	\$401,907
Bottom Quartile	46	\$84,571	24 / 52.2%	\$85,896	\$15,760	\$161,986
Total	183	\$733,564	56 / 30.6%	\$404,483	\$15,760	\$5,434,106

Notes to Table 1:

- As of December 31, 2023, there were 350 Franchise Ownership Groups that owned 599 Clean Franchises. Of those 350 Franchise Ownership Groups, there were 210 Single-Franchise Ownership Groups. Of those 210 Single-Franchise Franchise Ownership Groups, 183 Single-Franchise Ownership Groups had one Active Franchise throughout Fiscal Year 2023 and are represented in this table. This table does not include (i) 24 Single-Franchise Ownership Groups that did not report revenue in all 12 months of Fiscal Year 2023, (ii) one Single-Franchise Ownership Groups that transferred ownership of their franchise in Fiscal Year 2023, and (iii) two Single-Franchise Ownership Group that opened their franchise during Fiscal Year 2023. No Single-Franchise Ownership Groups ceased operating their franchises in Fiscal Year 2023.
- The 183 Single-Franchise Ownership Groups represented in this table include 108 Cleaning Services Franchises, 63 Contract Services Franchisees, two Small Market Franchises, one Floor Care Franchise, seven Commercial Franchises, and two Small Business Franchises. As described in

Note 3 in the Notes to Table 19 below, we believe that these Clean Franchises are substantially similar to the Cleaning Services Franchise that we offer to new franchisees.

**TABLE 2:
GROSS SERVICE SALES BY QUARTILES
ALL FRANCHISE OWNERSHIP GROUPS
WITH AT LEAST ONE ACTIVE FRANCHISE
FOR FISCAL YEAR ~~2022~~2023**

	Top Quartile	2 nd Quartile	3 rd Quartile	Bottom Quartile	Total
# of FOGs	79	78	78	78	313
# of Active Franchises	173	125	108	99	505
Average # of Active Franchises	2.19	1.60	1.38	1.27	1.61
# and % of FOGs at or above Average # of Active Franchises	24 / 30.4%	36 / 46.2%	22 / 28.2%	12 / 15.4%	116 / 37.1%
Median # of Active Franchises	2	1	1	1	1
Lowest # of Active Franchises	1	1	1	1	1
Highest # of Active Franchises	6	4	4	5	6
Average Gross Service Sales	\$4,074,597	\$958,017	\$430,251	\$123,563	\$1,405,163
# and % of FOGs at or above Average Gross Sales	23 / 29.1%	34 / 43.6%	42 / 53.8%	37 / 47.4%	81 / 25.9%
Median Gross Service Sales	\$2,586,035	\$906,697	\$442,831	\$111,352	\$633,307
Lowest Gross Service Sales	\$1,516,081	\$633,307	\$259,410	\$15,760	\$15,760
Highest Gross Service Sales	\$36,310,583	\$1,505,548	\$622,021	\$248,990	\$36,310,583

Notes to Table 2:

1. The data in Table 2 discloses the performance of Franchise Ownership Groups that operated one or more Active Franchises throughout Fiscal Year 2023. We have also included data about the number of Active Franchises operated by the Franchise Ownership Groups in each quartile. The table includes data from (a) 183 Single-Franchise Ownership Groups that operated one Active Franchise in a single territory (which are the Active Franchises represented in Table 1) and (b) 130 Multi-Franchise Ownership Groups that operated (i) multiple types of Clean Franchises (e.g., a Cleaning Services Franchise, Small Market Franchise, and Floor Care Franchise) that offer similar or identical services in one territory, (ii) one type of Clean Franchise (e.g., a Cleaning Services Franchise) in multiple territories, or (iii) multiple types of Clean Franchises in multiple territories. As explained in Note 4 in the Notes to Item 19 below, Clean Franchises are typically operated as a single Franchise Ownership Group business and report aggregated revenue by Franchise Ownership Group, rather than by territory or franchise type.
2. As of December 31, 2023, there were 350 Franchise Ownership Groups. Of those 350 Franchise Ownership Groups, 313 Franchise Ownership Groups had at least one Active Franchise throughout Fiscal Year 2023 and are represented in this table. This table does not include (i) 32 Franchise Ownership Groups that did not report revenue in all 12 months of Fiscal Year 2023, (ii) three Franchise Ownership Groups that transferred ownership of all of their franchises in Fiscal Year 2023, and (iii) two Franchise Ownership Groups that opened their first franchise during Fiscal Year 2023. This table also does not include seven Franchise Ownership Groups that ceased operating all of their franchises in Fiscal Year 2023 (none of which opened their franchise within the 12 months prior to closing it).
3. As of December 31, 2023, the 313 Franchise Ownership Groups that are represented in this table owned 505 Active Franchises throughout all of Fiscal Year 2023 (out of 599 total Clean Franchises

6. We calculated the figures in the tables in these financial performance representations using financial reports submitted by franchisees.
7. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than in this Item 19, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you 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, ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328, Telephone 800-756-5656, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

For the purposes of the tables in this Item 20, an outlet is defined as Clean Franchise operated under a Franchise Agreement.

**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	704	696	-8
	2022	696	655	-41
	2023	655	599	-56
Company Owned	2021	11	0	-11
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	715	696	-19
	2022	696	655	-41
	2023	655	599	-56

1. The franchised outlets include 522 Cleaning Services Franchises, 18 Small Market Franchises, 11 Floor Care Franchises, 40 Commercial Franchises, and 8 Small Business Franchises.

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

State	Year	Number of Transfers	State	Year	Number of Transfers	State	Year	Number of Transfers
AL	2021	1	KY	2021	0	OH	2021	0
	2022	0		2022	0		2022	4
	2023	<u>±0</u>		2023	0		2023	0
AR	2021	0	LA	2021	0	OK	2021	0
	2022	0		2022	0		2022	2

State	Year	Number of Transfers	State	Year	Number of Transfers	State	Year	Number of Transfers
	2023	0		2023	0		2023	0
AZ	2021	0	MA	2021	0	OR	2021	0
	2022	<u>01</u>		2022	0		2022	1
	2023	0		2023	0		2023	0
CA	2021	2	MD	2021	0	PA	2021	3
	2022	1		2022	2		2022	2
	2023	0		2023	2		2023	1
CO	2021	2	MI	2021	0	SC	2021	0
	2022	0		2022	0		2022	0
	2023	0		2023	2		2023	0
CT	2021	0	MN	2021	0	SD	2021	0
	2022	2		2022	1		2022	2
	2023	0		2023	0		2023	0
DE	2021	0	MO	2021	0	TN	2021	0
	2022	0		2022	2		2022	0
	2023	0		2023	0		2023	0
FL	2021	0	MT	2021	0	TX	2021	0
	2022	2		2022	1		2022	0
	2023	1		2023	0		2023	1
GA	2021	0	NC	2021	2	UT	2021	0
	2022	1		2022	0		2022	1
	2023	3		2023	0		2023	0
IA	2021	2	ND	2021	0	VA	2021	0
	2022	1		2022	1		2022	3
	2023	2		2023	0		2023	2
ID	2021	0	NE	2021	0	WA	2021	0
	2022	4		2022	1		2022	1
	2023	2		2023	0		2023	0
IL	2021	0	NJ	2021	2	WI	2021	0
	2022	2		2022	0		2022	0
	2023	<u>20</u>		2023	0		2023	<u>02</u>
IN	2021	0	NV	2021	0	WV	2021	0
	2022	2		2022	0		2022	0
	2023	0		2023	0		2023	0
KS	2021	2	NY	2021	0	Total	2021	16
	2022	0		2022	0		2022	<u>3940</u>
	2023	0		2023	3		2023	<u>2221</u>

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

12. ASSIGNMENT

12.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign this Agreement or all or any part of its rights or obligations under this Agreement to any person or legal entity including to distributors of Franchisor, without the approval or consent of Franchisee. Franchisee agrees to execute any forms as Franchisor may reasonably request to acknowledge or effectuate any such assignment by Franchisor. Franchisee and each Owner of Franchisee and/or Affiliates, and the transferee (and each owner and/or Affiliate of the transferee) must sign a General Release.

12.2 Transfer by Franchisee.

12.2.1 Franchisee's Owners. Franchisee represents and warrants that ~~Section 29.3~~Exhibit A of this Agreement completely and accurately identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date.

12.2.2 Transfer by Franchisee-Defined. Franchisee acknowledges that the rights and duties this Agreement creates are personal to Franchisee and its Controlling Owners and that Franchisor has granted Franchisee the rights under this Agreement in reliance upon Franchisor's perceptions of Franchisee's and its Controlling Owners' collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, unless otherwise specified in this Section 12.2, neither this Agreement (or any interest in this Agreement), the Franchised Business or substantially all of its assets, nor any ownership interest in Franchisee or any Owner (if such Owner is a legal entity) may be transferred (as defined in this Agreement) without complying with the terms and conditions applicable to such transfer in this Section 12.2. A transfer of the Franchised Business' ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without complying with the terms and conditions applicable to such transfer in this Section 12.2 including Franchisor's approval is a material breach of this Agreement. Franchisor reserves the right to conduct an audit of the Franchised Business as a pre-condition to consent to Transfer.

12.2.3 Non-Control Transfers. Subject to the other provisions of this Section 12.2, Franchisee and/or any of its Owners may consummate any Non-Control Transfers, without seeking or receiving Franchisor's consent, if (i) neither the proposed transferee nor any of its direct and indirect owners (if the transferee is a legal entity) own, operate, or are directly or indirectly involved in any Competing Business; (ii) such transfer does not, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), result in the transfer or creation of a direct or indirect Controlling Ownership Interest in Franchisee; and (iii) promptly after the closing of such Non-Control Transfer, Franchisor receives written notice of such Non-Control Transfer from Franchisee, together with payment of the then-current Change Fee, which notice shall fully and completely describe such Non-Control Transfer and the parties involved in such Non-Control Transfer and certify in writing to Franchisor that any such Non-Control Transfer complied with the terms of this Agreement. Within 30 days after the effective date of any Non-Control Transfer, Franchisee shall provide Franchisor (i) an updated list of Owners of Franchisee (if the previous list of Owners provided to Franchisor has changed) and their ownership interests in a form that Franchisor prescribes and (ii) such other information as Franchisor reasonably requests from time to time concerning any new Non-Controlling Owners. Failure to provide such notice and requested information within 30 days is an incurable event of default and will be counted as an event of default as set out in Sections 13.3.5 and 13.3.13 below.

12.2.4 Control Transfers. Franchisee must notify Franchisor in writing at least ten days in advance of Franchisee's listing the Franchised Business or a direct or indirect Controlling Ownership Interest in Franchisee for sale and promptly send Franchisor all information that Franchisor reasonably requests regarding any proposed sale. In connection with any proposed Control Transfer, Franchisee must submit to Franchisor, on behalf of the proposed transferee, a complete application for a new franchise agreement (the "**Change of Ownership Application**"), accompanied by payment of Franchisor's then-current application fee (if any). The same qualifications apply to all potential transferees including spouses, adult children, and existing managers of the

the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by Franchisor from time to time). Franchisor may modify this policy from time to time in the Operations Manual.

4. **ADDITIONAL SALES SUPPORT** (Section 3.2): Franchisor may, in its sole discretion, offer additional sales support services to Franchisee, including lead generation and customer acquisition services. If Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.
5. **INITIAL LICENSE FEE** (Section 4.1.1): If the Agreement pertains to the original issuance of the license, then the Initial License Fee described in Section 4.1.1 of the Agreement is \$32,500 minus any applicable discounts granted by Franchisor. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
6. **MONTHLY ROYALTIES** (Section 4.1.2): The monthly Royalties shall equal the greater of \$250, or a percentage of Franchisee’s monthly Gross Service Sales, determined as follows:

i) Except as set forth below, for services as defined in Section 1 of this Exhibit A, Franchisee shall report and pay fees determined on a graduated monthly Royalties scale basis as indicated below:

<u>MONTHLY GROSS SERVICE SALES</u>	<u>FEES PAYABLE TO FRANCHISOR</u>
\$1 - \$10,814.99	7% of Gross Service Sales in this range
\$10,815 - \$26,264.99	\$735 plus 6% of Gross Service Sales in this range
\$26,265 - \$87,549.99	\$1,635 plus 5% of Gross Service Sales in this range
\$87,550 or more	\$4,610 plus 4% of Gross Service Sales equal to or more than \$87,550

The levels of monthly Gross Service Sales amounts shall increase annually on April 1 of each year of this Agreement in accordance with the Consumer Price Index, or 3%, whichever is greater. The minimum monthly Royalties of \$250 shall not be due during the first four full calendar months of the term of the Agreement (the “**Grace Period**”), except that this initial minimum fee waiver shall not apply to transfer, renewal, or amended agreements. Moreover, this initial minimum Royalties waiver does not affect or in any way alter Franchisee’s obligation to pay all monthly Royalties for services performed by Franchisee during the Grace Period.

ii) For any services not rendered on a recurring basis, including services rendered for a prospective customer, including residential customers, Franchisee shall report and pay fees equal to 10% of Franchisee’s monthly Gross Service Sales.

iii) For any recurring janitorial services account in which carpet cleaning alone makes up greater than 20% of the total revenue of the job, Franchisee shall report and pay fees equal to 10% of Franchisee’s monthly Gross Service Sales from carpet cleaning. For all other services rendered for the same account, Franchisee shall report and pay fees determined on the graduated monthly Royalties scale basis set forth above.

iv) For transfers only: The fee schedule specified in Exhibit A of the transferred Franchised Business’ franchise agreement shall apply to any transferee for the first 12 monthly Royalties payments after the date of transfer. Thereafter, the fee schedule specified above in this Exhibit A shall apply going forward.

7. **ADVERTISING FUND CONTRIBUTION** (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of \$25 or 0.5% of Franchisee’s monthly Gross Service Sales.

8. **OWNERSHIP INTERESTS** (Section 5.6): ~~If Franchisee is a corporation or limited liability company, then in~~

~~such event; and 12.2.1): The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:~~

«Shareholders or members»

<u>OWNER NAME</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>

~~shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.~~

9. **MINIMUM MONTHLY SALES REQUIREMENT** (Section 5.17): The Minimum Monthly Sales Requirement is at least \$6,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).
10. **PROPRIETARY MARKS** (Section 6.1.3): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)

11. **BUSINESS SERVICE SOFTWARE** (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business (the “**Business Service Software**”). If such operating system is not required upon the purchase of a licensed territory, Franchisor will provide at least 60 days’ notice to Franchisee that an operating system will be required in the operation of the Franchised Business. Upon the termination, expiration or non-renewal of this Agreement, Franchisee shall return all Business Service Software to Franchisor without downloading or retaining any copy thereof. Further, Franchisee agrees to give Franchisor full access to all data and input into the Business Service Software and allow Franchisor to use such data collected for the purpose of evaluation, customer retention and satisfaction of Franchisee’s customers. Franchisor shall have access to but agrees not to sell data collected to a third party or to other franchisees unless and until the Agreement is terminated, expired, not renewed or otherwise Franchisee no longer operates as a ServiceMaster franchise.
12. **LOCAL ADVERTISING COMMITMENT** (Section 10.1): Franchisee agrees to spend not less than 2% of its monthly Gross Service Sales on Eligible Local Marketing (the “**Local Advertising Commitment**”).
13. **ONLINE MARKETING FUND DEPOSIT**. If Franchisee is a new franchisee, upon signing the Agreement, Franchisee must pay to Franchisor in a lump sum an online marketing fund deposit of \$4,750 (the “**Online Marketing Fund Deposit**”), which Franchisor will pay to a vendor to generate leads in your territory through online marketing. Any portion of these monies not utilized during your first year of operation may be, at Franchisor’s sole discretion, applied to offset your accounts with Franchisor or its affiliates. If Franchisee is an existing franchisee or a transferee, Franchisee will not be required to pay the Online Marketing Fund Deposit.

3. OFFICE LOCATION (Section 1.1): Franchisee must maintain as many office locations within the Territory as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by Franchisor from time to time). Franchisor may modify this policy from time to time in the Operations Manual.
4. ADDITIONAL SALES SUPPORT (Section 3.2): Franchisor may, in its sole discretion, offer additional sales support services to Franchisee, including lead generation and customer acquisition services. If Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.
5. INITIAL LICENSE FEE (Section 4.1.1): Offered only as a transfer or renewal of an existing Small Market Services License. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
6. MONTHLY ROYALTIES (Section 4.1.2): The monthly Royalties shall equal the greater of \$250 or 10% of Franchisee's monthly Gross Service Sales. The minimum monthly Royalties of \$250 shall not be due during the first four full calendar months of the term of the Agreement (the "**Grace Period**"), except that this initial minimum Royalties waiver shall not apply to transfer, renewal, or amended agreements. Moreover, this initial minimum Royalties waiver will not affect or in any way alter Franchisee's obligation to pay all monthly Royalties for services performed by Franchisee during the Grace Period.
7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of \$25 or 0.5% of Franchisee's monthly Gross Service Sales.
8. OWNERSHIP INTERESTS (Section 5.6): ~~If Franchisee is a corporation or limited liability company, then in such event;~~ and 12.2.1): The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:

«Shareholders or members»

<u>OWNER NAME</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>

~~shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.~~

9. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$6,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).
10. PROPRIETARY MARKS (Section 6.1.3): The Proprietary Marks of Franchisor or its Affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)
11. BUSINESS SERVICE SOFTWARE (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business (the "**Business Service Software**"). If such operating system is not required upon the purchase of a licensed territory, Franchisor will provide at least 60

6. MONTHLY ROYALTIES (Section 4.1.2): The monthly Royalties shall equal the greater of \$250 or 10% of Franchisee’s monthly Gross Service Sales.
7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of \$25 or 0.5% of Franchisee’s monthly Gross Service Sales.
8. DIGITAL PLATFORM FEE (Section 4.2): The following is added to Section 4.2:

Digital Platform Fee. Franchisor may require Franchisee to pay a monthly fee for social media, digital media, and the maintenance, protection, and operation of marketing and business intelligence platform(s) and website(s) (the “**Digital Platform Fee**”). Franchisor will specify the Digital Platform Fee and related products and services in the Operations Manual. Franchisor may increase Digital Platform Fee and change the related products and services from time to time.

9. OWNERSHIP INTERESTS (Section 5.6): ~~If Franchisee is a corporation or limited liability company, then in such event; and 12.2.1):~~ The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:

«Shareholders or members»

<u>OWNER NAME</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>

~~shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.~~

10. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$6,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).
11. PROPRIETARY MARKS (Section 6.1.3): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)

12. ADDITIONAL HARDWARE AND SOFTWARE (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business. Franchisee must acquire and begin using any required software by a reasonably deadline specified by Franchisor. A ServiceMaster approved Scheduling System Software is required for all new and conversion Floor Care Services License along with a Static IP high speed internet connection.
13. ~~15.~~ LOCAL ADVERTISING COMMITMENT (Section 10.1): Franchisee agrees to spend not less than 4% of its monthly Gross Service Sales on Eligible Local Marketing (the “**Local Advertising Commitment**”).
14. ~~13.~~ CORE SERVICES (Section 28): “**Core Services**” include Core Janitorial Services and Core Specialty Services.

- “**Core Janitorial Services**” includes janitorial services (housekeeping, cleaning, and disinfection) rendered on a recurring frequency pursuant to a written or oral contractual agreement with a

Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.

5. INITIAL LICENSE FEE (Section 4.1.1): Offered only as a transfer or renewal of an existing Commercial Services License. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
6. MONTHLY ROYALTIES (Section 4.1.2): The monthly Royalties shall equal the greater of \$250 or 10% of Franchisee’s monthly Gross Service Sales.
7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of \$25 or 0.5% of Franchisee’s monthly Gross Service Sales.
8. DIGITAL PLATFORM FEE (Section 4.2): The following is added to Section 4.2:

Digital Platform Fee. Franchisor may require Franchisee to pay a monthly fee for social media, digital media, and the maintenance, protection, and operation of marketing and business intelligence platform(s) and website(s) (the “**Digital Platform Fee**”). Franchisor will specify the Digital Platform Fee and related products and services in the Operations Manual. Franchisor may increase Digital Platform Fee and change the related products and services from time to time.

9. OWNERSHIP INTERESTS (Section 5.6): ~~If Franchisee is a corporation or limited liability company, then in such event; and 12.2.1):~~ The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:

«Shareholders or members»

<u>OWNER NAME</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>

~~shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.~~

10. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$6,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).
11. PROPRIETARY MARKS (Section 6.1.3): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)

12. BUSINESS SERVICE SOFTWARE (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business (the “**Business Service Software**”). If such operating system is not required upon the purchase of a licensed territory, Franchisor will provide at least 60 days’ notice to Franchisee that an operating system will be required in the operation of the Franchised

Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.

5. INITIAL LICENSE FEE (Section 4.1.1): Offered only as a transfer or renewal of an existing Small Business Services License. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
6. MONTHLY ROYALTIES (Section 4.1.2): The monthly Royalties shall equal the greater of \$250 or 10% of Franchisee’s monthly Gross Service Sales.
7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of \$25 or 0.5% of Franchisee’s monthly Gross Service Sales.
8. DIGITAL PLATFORM FEE (Section 4.2): The following is added to Section 4.2:

Digital Platform Fee. Franchisor may require Franchisee to pay a monthly fee for social media, digital media, and the maintenance, protection, and operation of marketing and business intelligence platform(s) and website(s) (the “**Digital Platform Fee**”). Franchisor will specify the Digital Platform Fee and related products and services in the Operations Manual. Franchisor may increase Digital Platform Fee and change the related products and services from time to time.

9. OWNERSHIP INTERESTS (Section 5.6): ~~If Franchisee is a corporation or limited liability company, then in such event; and 12.2.1):~~ The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:

«Shareholders or members»

<u>OWNER NAME</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>

~~shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.~~

10. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$6,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).
11. PROPRIETARY MARKS (Section 6.1.3): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)

# of Franchises	First Name	Last Name	City	State	Telephone	Category
1	Carrie	Earl	Canastota	NY	(315) 225-7010	Ceased
1	Jeffrey	Young	Smithtown	NY	(631) 961-9644	Non-Renewal
1	Liz	Litt	Olmstead Falls	OH	(440) 666-6061	Terminated
1	Charles	Russell	Shelby	OH	(419) 347-8809	Non-Renewal
1	Karen	Stamper	Clinton	OK	(580) 323-3391	Non-Renewal
5	Samuel	Okafor	Clackamas	OR	(503) 285-5221	Ceased
3	Chris	Taylor	Union	OR	(541) 962-2639	Non-Renewal
1	Katy	McCabe	Duncansville	PA	(814) 317-5136	Non-Renewal
1	Antonie	Adolphues	Philadelphia	PA	(267) 357-7281	Terminated
1	Robert	Lonsdale	Wilkes Barre	PA	(570) 825-9444	Non-Renewal
1	Bob	Slepsky	Wilmerding	PA	(412) 856-8626	Ceased
1	Matt	McMurray	Franklin	TN	(615) 585-2190	Non-Renewal
1	Judy	Caldwell	Paris	TN	(731) 642-2247	Non-Renewal
1	Horace	Alexander	Midland	TX	(432) 664-2823	Ceased
1	Brad	Thurman	Plano	TX	(469) 964-1554	Ceased
1	Danny	Teachey	Lynchburg	VA	(252) 331-1331	Non-Renewal
1	Sam	Roth	Bellingham	WA	(360) 733-7788	Ceased
2	Vicky	Russell	La Crosse	WI	(608) 783-6199	Terminated

Transfers

The following is a list of every ServiceMaster Clean® franchise that was transferred in 2023:

# of Franchises	First Name	Last Name	City	State	Telephone / Email	Category
1	Jessica	Ackerson	Phoenix	AZ	(623) 486-0206	Transferre d
1	Linda	Freveletti-C olbert	Fort Myers Beach	FL	(239) 785-3319	Transferre d
3	Cliff	Nielsen	Norcross	GA	(770) 447-6868	Transferre d
2	Katherine	Cyrowski	Cedar Rapids	IA	(608) 783-6161	Transferre d
1	Evan	Strickfaden	Lewiston	ID	(208) 798-1685	Transferre d
2	Christiana	Logansmith	Millersville	MD	(410) 987-2727	Transferre d
2	Dawn	DeBlaay	Lansing	MI	(517) 327-5650	Transferre d
1	Mike	Matheny	Maryland Heights	MO	(314) 739-4741	Transferre d
2	Chip	Ross	Canastota	NY	(315) 363-9040	Transferre d
1	David	Siegmann	Kenmore	NY	DaveS@ servicemasterbmpros.co m	Transferre d