



NHance, Inc.
A Delaware Corporation
3310 West End Avenue, Suite 620
Nashville, TN 37203
(800) 841-6583
www.nhance.com

FRANCHISE DISCLOSURE DOCUMENT

The franchise offered is for the operation of an N-Hance Business which provides wood cleaning, coating, protection and other wood care and renewal products and services for wood flooring, cabinetry, trim and other wood furnishings to residential and commercial customers, plus additional services with additional training. The total investment necessary to begin operation of an N-Hance franchised business is ~~\$70,700~~70,695 to ~~\$192,000~~194,995. This includes ~~\$64,000~~63,995 to ~~\$86,500~~89,495 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact your sales representative at 3310 West End Avenue, Suite 620, Nashville, TN 37203, 435-755-0099.

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

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

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

Issuance Date: March ~~29, 2024~~31, 2023, as amended July 19, 2023, as amended January 17, 2024.

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risks(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, advertising, and other 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. Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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.

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on 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.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision I.
- (i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise disclosure are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Office of the Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
Lansing, MI 48913
517-373-7117

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Exhibits

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is Nhance, Inc., a Delaware corporation incorporated on December 19, 2012. The franchisor is called “NHI,” “we,” “our” or “us” in this disclosure document. We will refer to the person who buys the franchise as “you” throughout the disclosure document. Our principal business address is 3310 West End Avenue, Suite 620, Nashville, TN 37203. Our previous principal business address was 124 12th Ave. South, Suite 300, Nashville, TN 37203. We have an additional location at 1530 North 1000 West, Logan, Utah 84321. We do business under our corporate name “N-Hance.” If we have an agent for service of process in your state, we disclose that agent in Exhibit A.

On July 10, 2019, BELFOR (USA) Group, Inc., a Colorado corporation incorporated on June 9, 1995 (“BELFOR”), acquired control of NHI and its affiliate, BFG Holdco, Inc. (“BFG Holdco”) from Baird Capital Partners (“BCP”). BFG Holdco was formerly known as HRI Holdings, Inc., until the corporation’s name was changed in 2022. BFG Holdco, its wholly owned subsidiary Chem-Dry, Inc. (“CDI”), formerly known as Harris Research, Inc., a Utah corporation incorporated on March 28, 1994, and NHI, all became wholly owned subsidiaries of BELFOR. BELFOR is a wholly owned subsidiary of BELFOR Holdings, Inc. (“BHI”) a Delaware corporation incorporated on May 24, 2006. BELFOR and BHI are located at 185 Oakland Ave, Suite 150, Birmingham, MI 48009. The offices of CDI are co-located with our offices in Nashville and Logan. BELFOR offers property and electronic restoration, machinery refurbishment, data and document restoration, mold remediation, emergency and disaster rapid response. ~~BELFOR does not currently operate any, nor has it offered, franchises in any line of business, although it reserves the right to do so in the future.~~ As of December 31, 2023, BELFOR owns and operates 169-174 company owned locations in the United States and Canada. BELFOR also owns and operates two (2) franchises of our affiliate ZPlumberz.

BHI is wholly owned by ASP BF Intermediate Sub, LLC, a Delaware limited liability company formed on December 21, 2018. Its principal business address is 299 Park Avenue, 34th Floor, New York NY 10171. ASP BF Intermediate Sub, LLC purchased BHI on April 4, 2019.

In a reorganization effective on December 31, 2012, CDI contributed the assets and liabilities (including the then effective franchise agreements) associated with the N-Hance franchise program in the United States to us, and then distributed all of the ownership interests in us to HRI Holdco, LLC, which was owned by BCP. As a result of that reorganization, CDI became our affiliate. On December 31, 2019, NHI became a wholly owned subsidiary of BFG Holdco.

N-Hance Business. CDI designed and developed, and we now franchise, a method for establishing and operating a business that offers wood cleaning, coating, protection, and other wood care and renewal products and services for wood flooring, and cabinetry, trim and other wood furnishings using prescribed specifications, standards, operating procedures, supplies and specialized equipment, all of which we may improve, further develop, or otherwise modify. We also call these businesses “N-Hance Businesses” or the “Business” in this disclosure document. CDI developed and manufactures and/or distributes the wood care and renewal products used by N-Hance Businesses. Except for CDI, we have no affiliates that provide products or services to franchisees.

The N-Hance process uses proprietary solutions to treat wood surfaces after you have prepared the surfaces for treatment according to our operating procedures. Our methods may use portable ultraviolet light fixtures to cure the solutions after application to complete the treatment. We recommend that new franchise owners and technicians practice application of our products on test cabinets after training to maintain, refine and enhance their knowledge and skill of the techniques we teach at training. Franchisees are obligated to follow our detailed methods and processes in providing services to customers in the N-Hance Business. ~~We call the N-Hance Business that you will operate the “Business.”~~ Your Business would provide these services to residential and commercial customers in a single defined “Franchised Area.”

Our Franchise. To become a franchisee of an N-Hance Business, you must sign the Franchise Agreement attached as **Exhibit B** and the Initial Fee Business Note (the “Business Note”) attached as **Exhibit C**. If you are a corporation, partnership, limited liability company or other business entity, all owners with more than a 5% equity ownership interest must co-sign the Business Note and sign the Owner’s and Guarantor’s Undertaking attached to the Franchise Agreement. These owners will be bound by the applicable terms of the Franchise Agreement. Under the Franchise Agreement, you must offer and perform all N-Hance Business services for your customers that we mandate. You may also offer and perform additional services that we first approve. We may require that you first successfully complete additional training and/or the purchase of additional equipment or products. The current list of additional approved services includes granite renewal, floor sanding, and cabinet door replacement services. We reserve the right to change the list of mandatory and approved additional services in our discretion.

We began offering franchises for N-Hance Businesses in January 2013. We do not operate and have never operated any N-Hance Businesses, and we do not offer and have never offered franchises in any other line of business.

Our Affiliates. NHI affiliated companies currently offering franchises or providing products or services to our franchisees include:

Company	State/Type of Entity	Date of Formation	Principal Address	Number of U.S. Outlets on 12/31/22	Franchise Line of Business
CDI doing business under the names “Chem-Dry” and “Chem-Dry, Inc.”	Utah corporation	March 1994 Successor to a California corporation incorporated in Nov. 1977	3310 West End Avenue, Suite 620 Nashville, TN 37203	1,388 1,240 in the US and 49 44 in Canada	Franchising Chem-Dry® carpet cleaning and upholstery cleaning since 1978. Offered N-Hance franchises in the U.S. and Canada from May 2003 until August 2017.
Devere International, Inc. (“DII”)	California corporation	Sept. 1987	3310 West End Avenue, Suite 620 Nashville, TN 37203 ¹	272 7053 Chem-Dry and 2 N-Hance	Offers Chem-Dry and N-Hance master franchises outside of the United States and Canada

Company	State/Type of Entity	Date of Formation	Principal Address	Number of U.S. Outlets on 12/31/22	Franchise Line of Business
Delta Development Group, LLC ("DDG")	Colorado limited liability company	Mar. 14, 2018	3310 West End Avenue, Suite 620 Nashville, TN 37203 ¹	0	Commercial and residential property mitigation, reconstruction, remodeling and consulting services.

BELFOR or BFG owns the companies that offer franchises listed in the chart below. The franchising companies have offered franchises since their year of formation, only offer franchises in the Franchise Offering column in the chart, and have never offered franchises in any other line of business. All of the franchising companies in the chart below have the following principal business address: 731 Fairfield Court, Ann Arbor, MI 48108, except the Canadian companies have the following principal business address: 3300 Bridgeway Street, Vancouver, British Columbia V5K 1H9. Winmar's principal business address is 175 Stonach Crescent, London, ON N5V 3G5. Belfor Franchise Group UK Limited has a principal business address of Curzon Street Business Centre, Curzon Street, Burton On Trent, Staffs, DE13 2DH. Winmar, a subsidiary of BELFOR, whose principal business address is 185 Oakland Ave., Suite 150, Birmingham, Michigan 48009 The Canadian companies, including Winmar, offer franchises for sale in Canada.

Company	State/Type of Entity	Date of Formation	Number of U.S. Outlets on 12/31/22	Franchise Line of Business
BFG				
HOODZ International, LLC ("HOODZ")	Delaware limited liability company	Oct. 3, 2008	<u>128</u>	Performing commercial kitchen exhaust system cleaning, inspection, maintenance and restoration services.
DUCTZ International, LLC ("DUCTZ")	Michigan limited liability company	Mar. 30, 2004	6686667	HVAC <u>system</u> restoration, <u>coil cleaning</u> , and <u>dryer vent and duct cleaning</u> services, <u>to various large volume, emergency, and rapid response projects.</u>
1 800 WATER DAMAGE International, LLC ("1 800 WD")	Delaware limited liability company	Apr. 16, 2015	467 <u>178</u>	Water damage restoration services, <u>carpet cleaning services</u> , mold remediation, odor removal, fire and smoke and related cleaning services.
PACKOUTZ International, LLC ("BLUE KANGAROO PACKOUTZ")	Delaware limited liability	August 29, 2019	22 <u>103</u>	Contents restoration, packing, cleaning, and permanent climate-controlled storage.

Company	State/Type of Entity	Date of Formation	Number of U.S. Outlets on 12/31/22	Franchise Line of Business
	company			
PLUMBERZ International, LLC ("Z PLUMBERZ")	Delaware limited liability company	Mar. 25, 2019	2830	Plumbing, sewer, and drain service to residential, commercial, and industrial buildings.
Patch Boys International, LLC ("THE PATCH BOYS")	Delaware limited liability company	May 6, 2020	298 308	Performing light restoration and reconstruction services in residential homes and commercial businesses.
1-800 BOARDUP International, LLC*	Delaware LLC	July 8, 2022	7590 9075	Emergency Structural stabilization services.
Safer Home Services International, LLC	Michigan limited liability company	September 29, 2022	34	Pest protection, termite control, rodent control, and other related services to residential and commercial markets
COOL BINZ International, LLC	Michigan limited liability company	September 29, 2022	0	Portable storage containers, devices and equipment, including, climate-controlled and non-climate-controlled storage containers, mobile offices, mobile refrigeration units and freezers
HOODZ Canada, Inc.	Federal company (Canada)	Oct. 4, 2011	140	Performing commercial kitchen exhaust system cleaning, inspection, maintenance and restoration services.
DUCTZ Canada, Inc. (operating under the name "DUCTK-BUSTERS")	Federal company (Canada)	Jan. 12, 2018	2	HVAC <u>system</u> restoration, <u>coil cleaning</u> and duct cleaning <u>dryer vent services to various large volume, emergency, and rapid response projects.</u>
Patch Boys Canada, Inc.	Federal company (Canada)	Jan. 12, 2018	0	Performing light restoration and reconstruction services in residential homes and commercial businesses
Redbox+ International, LLC ("Redbox+")	Michigan LLC	May 28, 2021	27 07	Roll-off container/portable toilet combination using our patented technology
JunkCo+ International, LLC	Michigan	December 6,	04	Junk hauling and demolition

Company	State/Type of Entity	Date of Formation	Number of U.S. Outlets on <u>12/31/22</u>	Franchise Line of Business
North America, LLC	<u>Delaware</u> LLC	2023 <u>January 25, 2024</u>		services
BELFOR				
Winmar (Canada) International Ltd. (“Winmar”)	Federal company (Canada)	Dec. 7, 2018	91	Restoration services for residential and commercial properties across Canada that specialize in water damage, fire and smoke restoration services, mold inspection and removal as well as damage restoration and recovery.

Our Parent, BFG, also owns the following affiliates that do not currently have or offer franchises, but reserve the right to have or offer franchises in the future.

Company	State/Type of Entity	Date of Formation	Principal Address	Number of Outlets	Industry
<u>1 800 WATER DAMAGE North America, LLC (“WDNA”)</u>	<u>Delaware LLC</u>	<u>Sept. 28, 2015</u>	<u>731 Fairfield Court, Ann Arbor, MI 48108</u>	<u>0</u>	<u>Water damage restoration services, carpet cleaning services, mold remediation, odor removal, fire and smoke and related cleaning services.</u>
DUCTZ North America, LLC (“DZNA”)	Delaware LLC	July 24, 2007	731 Fairfield Court, Ann Arbor, MI 48108	5 (company-owned DUCTZ Businesses)	HVAC <u>system</u> restoration, <u>coil cleaning</u> and <u>duct cleaning</u> <u>dryer vent</u> services to various large volume, emergency, and rapid response projects.
HOODZ North America, LLC (“HZNA”)	Delaware LLC	Nov. 12, 2009	731 Fairfield Court, Ann Arbor, MI 48108	6	Commercial exhaust hood system and oven cleaning, inspection, maintenance and restoration services.
PACKOUTZ North America, LLC (“BLUE	Michigan LLC	25-Mar-19	731 Fairfield Court, Ann Arbor, MI 48108	1	Contents restoration, packing, cleaning, and permanent climate-controlled storage.

KANGAROO PACKOUTZ NA")					
PLUMBERZ North America, LLC ("Z PLUMBERZ NA")	Michigan LLC	25-Mar-19	731 Fairfield Court, Ann Arbor, MI 48108	77	Plumbing, sewer, and drain service to residential, commercial, and industrial buildings.
SAFER HOME SERVICES NORTH AMERICAN, LLC ("SHS NA")	Michigan, LLC	29-Oct-22	731 Fairfield Court, Ann Arbor, MI 48108	38	Pest protection, termite control, rodent control, and other related services to residential and commercial customers
COOL BINZ, NORTH AMERICA, LLC ("CB NA")	Michigan, LLC	29-Oct-22	731 Fairfield Court, Ann Arbor, MI 48108	42	Portable storage containers, devices and equipment, including, climate-controlled and non-climate-controlled storage containers, mobile offices, mobile refrigeration units and freezers
<u>JunkCo North America, LLC</u>	<u>Michigan LLC</u>	<u>December 5, 2023</u>	<u>731 Fairfield Court, Ann Arbor, MI 48108</u>	<u>1</u>	<u>Junk removal and demolition services.</u>
<u>Hidrent, LLC (offering services as "Task Hero")</u>	<u>Delaware</u>	<u>Jan 22, 2024</u>	<u>731 Fairfield Court, Ann Arbor, MI 48108</u>	1	<u>A pioneering technology platform that connects off-duty fire fighters with residential or commercial customers in need of safe, trustworthy, and reliable handyman- type services.</u>
BHI Distribution, LLC ("BHI")	Delaware LLC	Feb. 19, 2008	731 Fairfield Court, Ann Arbor, MI 48108	1	Procurement and distribution of vehicles, equipment and supplies for BELFOR USA and its affiliates and subsidiaries.

CS Holdings, LLC d/b/a Colman Wolf ("Colman Wolf")	Michigan LLC	29-Jun-09	185 Oakland Ave, Birmingham, Michigan 48009	1	Procurement and distribution of equipment and supplies for BELFOR USA and its affiliates and subsidiaries
DRIPLOC, LLC	Delaware LLC	12-May-10	185 Oakland Ave, Birmingham, Michigan 48009	1	Grease containment, may provide equipment and related services to franchisees.

****** 1-800 BOARDUP International, LLC is a "fractional franchise" as it is defined in 16 CFR §436.2(d)(2007). In some states, 1-800 BOARDUP, International, LLC is not considered a franchise.

Competition. You will compete with other wood care, refinishing, and renewal businesses and similar businesses, some of which are part of national chains or are franchised, and others are local businesses. These competitors may concentrate in wood care services or offer wood care services as part of overall maintenance services.

Regulations. There are no government regulations specifically applicable to wood care and wood refreshing businesses and you must comply with all national, state and local laws, regulations, and codes. Our solutions generally are water-based. Our system contemplates that applications will be performed for the Business by its trained operators in protective gear. There may be environmental regulations that could apply to the cleaning and refreshing of wood surfaces in your state. You must obtain any permits or licenses required by federal law, your state, or locality for performing the work of the franchise. The franchise is subject to federal, state and local occupational health and safety regulations, as well as licensing requirements for performing certain restoration work. The Environmental Protection Agency ("EPA") has issued a rule concerning lead paint that applies to work performed on pre-1978 homes by restoration businesses and does require training and certification under the Lead Renovation, Repair and Painting program ("RRP"). We do not provide this training as of the Issuance Date.

We urge you to make inquiries about laws, regulations and codes that may apply to the Business. You should consult with your state and local licensing offices to determine if any specific trade or general contractor's or other licenses are required to be obtained for the type of work to be performed by your Business. Some jurisdictions have these types of requirements. Our training is not designed to assist successful trainees to meet license qualification standards. You should investigate and decide whether you can meet the experience, training, certification and financial requirements that apply to the license needed for the Business in your state and local area before you sign a Franchise Agreement. You must comply with federal, state, and local health and environmental safety regulations concerning the proper use and disposal of the products used in the Business, in the places where the use of such products will occur. Indoor or enclosed spaces where some products are applied to surfaces may require certain ventilation systems to be meet local codes. The Franchise Agreement obligates you to obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the franchise, including, without limitation, licenses to do business and any required contractor's licenses, as and when required.

Item 2

BUSINESS EXPERIENCE

President: Robert V. DeGraff, Jr.

Mr. DeGraff became President of NHI, located in Ann Arbor, MI, in January 2024. Prior to being named President, Mr. DeGraff was the owner and operator of RVDJr Enterprises, LLC d/b/a N-Hance of Buffalo, in Alden, NY. Mr. DeGraff acquired his N-Hance franchised business in 2016 and will continue to oversee its operation for the foreseeable future.

Director: Sheldon Yellen

Mr. Yellen became a Director of BFG Holdco on July 10, 2019. Mr. Yellen has served as Chief Executive Officer for DUCTZ, BFG, and DZNA, located in Ann Arbor, MI, since July 2007. Mr. Yellen has served as Chief Executive Officer of HOODZ and HZNA, located in Ann Arbor, MI, since September 2008. Mr. Yellen has served as Chief Executive Officer of 1-800 WD and WDNA, located in Ann Arbor, MI, since October 2015. Mr. Yellen has served as Chief Executive Officer of BELFOR, located in Birmingham, MI since April 2004. Mr. Yellen has served as Director and CEO of BELFOR Holdings, in Birmingham, MI, since its inception in September 2006.

President BELFOR Franchise Group, LLC: Rusty Amarante

Executive Chairman and Director: Rusty Amarante

Mr. Amarante became Executive Chairman and a Director of BFG Holdco on July 10, 2019. Mr. Amarante ~~served also currently serves~~ as President of Redbox+ International, LLC, located in Ann Arbor, MI ~~from and has done so since~~ September 2022 ~~to January 2024~~. ~~Mr. Amarante has served as President of 1-800 WATER DAMAGE International, LLC from April 2015 until August, 2018.~~ Mr. Amarante has served as Director of Operations for BELFOR USA Group, Inc., located in Birmingham, MI, since November 1999. ➔

Chief Financial Officer of Belfor Franchise Group, LLC: David Robertson

Mr. Robertson became Chief Financial Officer for BELFOR Franchise Group LLC, in Ann Arbor, MI, in October 2023. Prior to joining us, he was President of Lake's Lawn & Landscape, in Waterford, MI, from April 2023 through October 2023. From April 2018 through April 2022, Mr. Robertson was Senior Vice President and CFO of Altarum Institute in Ann Arbor, MI. Prior to that, he served as Principal of Rehmann, in Ann Arbor, MI, from September 2005 through April 2018.

Chief Financial Officer: Janette Sims

Ms. Sims became Chief Financial Officer for CDI and NHI, in Nashville, TN, in November, 2020. Previously she was the Controller of CDI and NHI from August 2014 until November 2020. ~~She has served in the same capacity for our affiliate, DDG, located in Arvada, CO, since March 2018.~~

Senior Vice President of Franchise Sales: D'Wayne Tanner

Mr. Tanner joined NHI in May 2017 in Nashville, TN as the Senior Vice President of Franchise Sales. Prior to joining NHI, Mr. Tanner was Vice President of Franchise Sales for D1 Sports Training in Franklin, TN from

February 2017 to April 2017 and, from June 2015 to August 2016, Vice President of Franchise Sales for UFC Gym in Irvine, CA.

Senior Vice President of Legal and Franchise Administration: Melanie Parker

Ms. Parker became Senior Vice President of Legal and Franchise Administration for NHI and our affiliate CDI, in Nashville, TN, in June 2019. Previously, she served as Vice President of Legal and Franchise Administration from October 2015 to June 2019. She has served in the same capacity for our affiliates ~~DDG, located in Arvada, CO, since March 2018 and~~ BFG, located in Ann Arbor, MI, since September 2019.

Vice President of Marketing: Abigail Baker

Ms. Baker became the Vice President of Marketing for NHI and CDI in Nashville, TN in February 2021. Previously, she joined CDI and NHI in July 2016 as the Director of Marketing in Nashville, TN.

Item 3

LITIGATION

Prior Action:

Scott Torok v Nhance, Inc.: On October 20, 2017, NHI franchisee Scott Torok filed a demand with the American Arbitration Association, Case No. 01-17-0006-3692, in Nashville, Tennessee. Torok sought \$74,000 (subject to revision) for alleged breaches of the N-Hance franchise agreements by NHI, fraud in the inducement and common law and statutory unfair trade practices. On February 27, 2018, Torok filed his statement of claim in which he alleged that various misrepresentations were made to him by NHI concerning: NHI's relationship with The Home Depot, startup costs and projected revenues. Torok also claims NHI's support program was deficient, and the N-Hance product and service processes were inefficient. NHI filed a response denying Torok's allegations and a counterclaim for Torok's breach of the N-Hance franchise agreements for non-payment of franchise fees and amounts due under the franchise agreements. On April 1, 2019 the parties agreed to mutually terminate the franchise agreements and NHI agreed to repurchase certain major equipment, marketing materials and telephone numbers, and released certain installment obligations resulting in a cash payment to the franchisee of \$78,000, plus the exchange of mutual releases.

Pending Actions:

Nhance, Inc. v. SME Services, LLC; Samuel Ou; and Erin Ou: On July 19, 2023, NHI filed a demand for arbitration with the American Arbitration Association, Case No. AAA Case No. 01-23-0003-1910, in Nashville, Tennessee, against a former franchisee. NHI's demand ~~sought~~ to enforce its post-termination covenant against competition and ~~sought~~ \$74,999 in damages. On November 6, 2023, the parties agreed to dismiss the arbitration and SME Services, LLC, Samuel Ou, and Erin Ou agreed to pay NHI \$2,485.84, return the equipment to NHI, -and agreed to cease use of NHI's trademarks and confidential information. The demand for arbitration was dismissed on November 9, 2023.

Nhance, Inc. v. Artemis Renovations, LLC, James M. Verney, and Krissy R. Verney: On June 21, 2023, NHI filed a demand for arbitration with the American Arbitration Association, Case No. AAA Case No.

01-23-0002-7691, in Nashville, Tennessee, against a former franchisee. NHI's demand soughteeks to enforce its post-termination covenant against competition and soughteeks \$74,999 in damages. The demand for arbitration was dismissed on December 11, 2023.

Other than these actions, 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

You must pay NHI an initial fee ("Initial Fee") ranging from \$22,500 to \$86,500 which includes an initial license fee (the "Initial License Fee"), ~~an~~ additional territory ("Supplemental Territory Fee"), and, if applicable, an operating supplies, inventory and equipment package ("Initial Package").

Package One – Traditional

For your first N-Hance Business franchise, the Initial Fee comprises the following components:

- (1) An Initial License Fee of \$45,000 for an area of up to 350,000 persons located in the Franchised Area.
- (2) Initial supplies, equipment, and marketing resource packages (collectively, the "Initial Package") totaling ~~\$41,500~~\$41,495 - \$44,495, plus applicable sales tax.

If you request a Franchised Area larger than 350,000 residents, then you will be required to pay us a lump sum Supplemental Territory Fee equal to \$170 for every 1,000 persons over 350,000.

You must execute the Equipment Agreement in **Exhibit I** to purchase the equipment in the Initial Package. The Initial Fee for Package One is due when you sign the Franchise Agreement and is not refundable.

Package Two – Traditional

If you are a current N-Hance franchisee, in good standing (no default under any Franchise Agreement with us or an affiliate), NHI may, at its discretion, permit you to acquire an additional franchise for which you pay us the Initial License Fee only (no Initial Package required). The Initial Fee for Package Two is \$40,000 for an area of up to 350,000 persons. If you request a Franchised Area larger than 350,000 residents, then you will be required to pay us a lump sum Supplemental Territory Fee equal to \$170 for every 1,000 persons over 350,000. The Initial Fee for Package Two is due when you sign the Franchise Agreement and is non-refundable.

If you are an existing N-Hance franchisee, you will be required to execute a release as a condition to acquiring an additional franchise (See **Exhibit D to the Franchise Agreement**). If the Franchised Area for the

additional franchise you are acquiring is not adjacent to one of your current Franchised Areas, NHI may require you to purchase an additional franchise using Package One, including the Initial Package.

Package Three – Small Market Franchise

From time to time, in select markets only, you may be able to acquire a Business franchise designated as a “Small Market” franchise. The Small Market Franchise is defined as an area with a population density of fewer than 200 people per square mile and no hub city with a population greater than 75,000 people.

The Initial Fee for the Small Market Franchise comprises the following components:

- (1) An Initial License Fee of \$22,500.
- (2) Initial product, equipment, and marketing resource packages (collectively referred to as the “Initial Package”) totaling \$~~41,500~~41,495 - \$44,495, plus applicable sales tax.

You must execute the Equipment Agreement in **Exhibit I** for the equipment acquired in the Initial Package.

The Initial Fee for Package Three is due when you sign the Franchise Agreement and is non-refundable.

Package Four – Small Market Franchise

If you are an existing N-Hance franchisee in good standing NHI may, at its discretion, permit you to purchase a Small Market Franchise license only (no Initial Package included). The Small Market Franchise is defined as an area with a population density of fewer than 200 people per square mile and no hub city with a population greater than 75,000 people. The Initial Fee for this Package is \$22,500.

The Initial Fee for Package Four is due when you sign the Franchise Agreement and is non-refundable. If you are an existing N-Hance franchisee, you will be required to execute a release as a condition to acquiring an additional franchise (See **Exhibit D to the Franchise Agreement**). If the Franchised Area for the additional franchise you are acquiring is not adjacent to one of your current Franchised Areas, NHI may require you to purchase the additional franchise using Package Three, including the Initial Package.

Related Franchisee Package

If you are currently a franchisee in good standing (defined above), at our sole discretion, with one of our franchising affiliates (a “Related Franchisee”) you may qualify to purchase an N-Hance franchise at a reduced Initial Fee.

The Initial Fee for the Related Franchisee comprises the following components:

- (1) An Initial License Fee that is reduced by a discount of twenty-five percent (25%) off the standard Initial License Fee for the Package you purchase; and
- (2) Initial product, equipment, and marketing resource packages (collectively referred to as the “Initial Package”) totaling \$~~41,500~~41,495 - \$44,495 plus applicable sales tax.

You must execute the Equipment Agreement in **Exhibit I** to purchase the equipment included in the Initial Package. The Initial Fee for the Related Franchisee is due when you sign the Franchise Agreement and is non-refundable.

Down Payments and Other Payments

When you sign the Franchise Agreement and the Business Note, you must pay NHI a non-refundable down payment as indicated in Item 10. NHI will finance the remainder of the Initial License Fee over 60 months to pay the remaining balance in full if we approve you for financing. All installment payments are due on or before the tenth day of each month and are non-refundable. Payments generally begin the fourth month following your completion of New Buyer Training, or the month after you sign your Franchise Agreement if you are an existing Franchisee. If you don’t complete New Buyer Training on time, your Business Note will be accelerated and become immediately due and payable.

NHI may offer you financing on a portion of the Initial Package, as indicated in Item 10, if we approve you for financing. NHI requires an automatic debit program for the payment of all fees and loan payments. In the event you are acquiring multiple franchises at the same time as the purchase of your first franchise, NHI may agree to stagger the payment start dates on the amounts financed for subsequent franchise purchases.

We determine the interest rate applicable to any financing based on our underwriting standards.

Additional Equipment

You may purchase the following equipment if you qualify and complete any training and certification we require.

EQUIPMENT	PRICE
Floor Sander Kit	\$15,400 18,995 - \$20,995 plus tax
Color Tinting Kit	\$8,395 9,995 - \$10,995 plus tax

Payment for the Floor Sander Kit and the Color Tinting Kit is due when you sign the Franchise Agreement and is non-refundable. You must execute the Equipment Agreement in **Exhibit I** to purchase this equipment. NHI does not provide financing for the purchase of the Floor Sander Kit or the Color Tinting Kit.

Discounts

From time to time, we may offer incentives of cash grants, equipment, product, or other items as an inducement to prospective franchisees when business circumstances warrant and in states where such incentives can be offered without restrictions. We reserve the right to limit, change or cancel any offer at any time.

If you pay the Initial License Fee in full within six months of signing the Franchise Agreement and the Business Note, NHI will offer you a Cash Discount of 10% off the Initial License Fee amount. The amount of the discount varies with the package purchased.

We are a member of the International Franchise Association (“IFA”) and participate in the IFA’s Vet Fran Program, which provides a discount on the Initial License Fee for veterans and spouses of current active

duty personnel of the U.S. Armed Forces who meet the requirements of the VetFran Program. We also offer a discount on the Initial License Fee to “First Responders” which include sworn police officers, paid firefighters, and paid emergency medical technicians and paramedics actively serving in an emergency medical service. The discount offered to veterans and first responders is as follows and applies to the first franchise acquisition only:

- \$4,500 for Package One
- \$2,250 for Package Three

The discount will be deducted from the Initial License Fee and applied to the down payment. If you pay the Initial License Fee in full when you purchase your initial franchise, the Cash Discount will be applied net of the VetFran discount.

Referral Fee

Where permitted by law without franchise broker or seller registration, NHI will pay to any N-Hance franchisee a referral fee of \$5,000 for potential franchisees you refer to NHI that purchase a new N-Hance franchise from NHI. You must be the first person to provide NHI with the name, address and phone number of the potential franchisee. If he or she purchases the N-Hance franchise within 90 days after you provide NHI the information in writing, you will receive \$5,000 as a referral fee.

Item 6

OTHER FEES

NAME OF FEE¹	AMOUNT	DUE DATE	REMARKS
Royalty – Traditional Franchise	The greater of (1) 2% of your Gross Revenue ² or (2) the Minimum Monthly Royalty of \$412.07 <u>424.43</u> for months 1 – 6 and \$824.79 <u>849.53</u> thereafter	10 th day of the following month	For your first N-Hance Business, payment begins in the fourth month following completion of the New Buyer Training program. For an additional Franchise acquisition, payment generally begins the first month after you sign the Franchise Agreement. This fee must be paid via electronic funds transfer.
Royalty – Small Market Franchise	The greater of (1) 2% of your Gross Revenue ² or (2) the Minimum Monthly Royalty of \$219.85 <u>226.45</u> for months 1 – 6 and \$439.71 <u>452.90</u> thereafter	10 th day of the month	For your first N-Hance Business, payment begins in the fourth month following completion of the New Buyer Training program. For an additional Franchise acquisition, payment generally begins the first month after you sign the Franchise Agreement. This fee must be paid via electronic funds transfer.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Yearly Minimum Purchase Amount	\$4,200	As incurred	You must purchase a minimum of \$4,200 (subject to an annual CPI increase; updated amount published in Manual) of proprietary products from NHI or CDI each calendar year for each Business you own.
Customer Relationship Management Software Fee ⁹	\$100 - \$300 \$500, per month, \$200-500 data import fee	As incurred	You are required to use our web-based customer management system in the operation of the Business. Existing franchisees must pay <u>up to \$200-500</u> once to import their existing database.
Non-Reporting Fee	\$300	As incurred	Payable each month you do not provide the required reports in the manner prescribed by NHI; repeatedly not providing the required reports could result in further action. We may change the amount of this fee once annually in the Manual
Brand Marketing Fund ("BMF") Contribution – Traditional Franchise	Up to \$400 per month	Monthly on the 25 th of each month	Your contributions to the BMF will be due beginning the same month your first Franchise Royalty payment is due. See Item 11 for additional details. Subject to change upon 30 days' notice from NHI.
Brand Marketing Fund ("BMF") Contribution – Small Market Franchise	Up to \$200 per month	Monthly on the 25 th of each month	Your contributions to the BMF will be due beginning the same month your first Franchise Royalty payment is due. See Item 11 for additional details. Subject to change upon 30 days' notice from NHI.
National Accounts Program Handling & Processing Fee ³	Currently 10% - 25% of invoice total	As incurred	NHI or CDI remits to you all the payments received from completed national accounts jobs minus this handling & processing fee. This Fee can vary between National Accounts.
Catalyst Out-of-Area Fee	<u>Up to</u> 15% of Invoice Total ⁵	As incurred	NHI collects this fee on any work you perform outside of your Franchise Area with our permission. NHI will contribute one-third of the Catalyst Out-of-Area Fee amount collected from each job to the BMF. Jobs performed outside of your Franchised Area without NHI prior written approval are subject to a fine or termination of the franchise agreement.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Sub-Site (websites) ⁴	\$35 per month per site	10 th day of month	Development, hosting and maintenance fees for one franchisee local site. Does not include web marketing services. The first six months' fees of one sub-site is included in the Initial Package.
Fine for Improper Advertising	\$2,000, per violation, or termination of the franchise agreement	As incurred	Payable if you use any advertising, promotional or marketing materials not prepared or approved by NHI or inconsistent with NHI's current marketing and advertising guidelines. Failing to correct issues involving improper advertising could result in the termination of your franchise agreement.
Fine for use and/or possession of unapproved equipment or products	\$5,000, per occurrence	As incurred	Payable if you use or possess any equipment or product not approved by NHI. Failing to correct issues involving possession of unapproved equipment or products could result in the termination of your franchise agreement.
Fine for setting an appointment, providing a written estimate, or accepting or performing a job outside of your Franchised Area ⁶	\$5,000 or ½ of the total job ticket/invoice amount, whichever is greater, per violation ⁶	As incurred	Payable if you set an appointment, provide a written estimate, or accept or perform a job outside of your Franchised Area without NHI's prior written approval. Multiple violations could result in the termination of your franchise agreement.
Fine for Failure to Comply with Annual Training Requirements ⁷	\$500 per year	As incurred	Payable if you do not attend at least one (1) in-person training event each calendar year or otherwise fail to fulfill annual training requirements. Multiple violations could result in the termination of your franchise agreement.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Failed Quality Control (“QC”) Evaluation Fee	Will vary	As incurred	If you fail a QC Evaluation you may be required, at your own expense, to complete additional training, pay for the cost of the QC Evaluation, costs associated with the service provided, and to correct the quality of the service for the customer. Fee could range between \$2,800 - \$8,000, depending on the <u>service</u> provided.
Transfer	\$3,000	Upon <u>filing of</u> transfer request	Due if you: (i) transfer the Franchise Business or its assets <u>to an existing franchisee or to a buyer not introduced to you by NHI nor working with NHI in the past 18 months</u> or (ii) transfer any portion of the Franchise Business to a transferee who was introduced to you by NHI or was working with NHI in the past 18 months.
Transfer Fee for prospect introduced to you by NHI or its affiliates or working with NHI in the past 18 months	10% of the sales price, but no less than \$10,000	When you request our approval of a transfer	Payable if you propose to transfer the Franchise Business or its assets, with our prior approval, to a prospect introduced to you by NHI or who had been working with NHI in past 18 months to buy a N-Hance franchise.
Non-Controlling Interest Transfer or Transfer to Select Family Member	\$1,000	Upon filing of transfer request	Due if you: (i) transfer a non-controlling interest in the Franchise Business or (ii) transfer Franchise Business to your spouse or adult offspring.
Area Transfer	\$5,000 plus fee for additional population in requested territory based on our fee formula then in effect	Due at the beginning of the area transfer process and prior to the issuance of successor franchise agreement or amendment.	Due if you propose to relocate your Business, with our approval, to to a different Franchise Area.
Renewal Fee	\$2,500	Prior to expiration of the initial term	Fee that is due at the end of the initial five-year term to acquire a successor franchise agreement

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Month to month Royalty Fee on expired Franchise Agreement	Currently \$1,649.58 <u>\$1,699.07</u> for a Traditional Market Franchise or \$879.42 <u>\$905.80</u> for a Small Market Franchise; Two times the then current Minimum Monthly Royalty for either a Traditional or Small Market Franchise ¹	10 th day of month	NHI reserves the right to charge a month to month royalty fee beginning the 10 th of the month following the expiration of your Franchise Agreement and continues each month thereafter that you continue to operate the business, until you sign your successor Franchise Agreement or you cease operation of your Business. This fee must be paid via electronic funds transfer.
Administrative Fee	\$500 per transaction.	As incurred	Due upon your request or when we are required, due to your actions or request, to amend the Franchise Agreement.
Audit	Cost of inspection or audit	As incurred	Due if you do not provide reports, supporting records, or other required information or understate royalties or any other contribution by more than 2%.
Late Fee and Interest	1.5% per month, not to exceed highest rate allowed by law	15 days after billing	Payable on all amounts overdue to us.
<u>Non-Sufficient Funds Fee</u>	<u>\$50</u>	<u>As incurred</u>	<u>If we debit your account for monies owed and there are insufficient funds available, we will also charge our current non-sufficient fund fee ("NSF Fee")</u>
Additional Training ⁷	\$100 - \$2,500	Prior to start date of training	Includes cost to comply with annual training requirements, technician training for your employees and -any training and certification that may be required to participate in national account programs. Costs for such state certification and training provided by third parties will vary depending on the type and the location of the course. May include optional web-based training and attendance at the annual convention.
Credit Card Processing Fee ⁹	Will vary	As incurred	Payable on credit card transactions. Although we do not currently mandate a specific provider for this service, NHI reserves the right to do so in the future.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Convention Fee	<u>1,299—\$2,500 The then current fee, which is presently \$749 per person to attend Convention.</u>	Prior to convention	Registration fee and lodging (one hotel room) for two people to attend the first annual convention following the purchase of your initial N-Hance franchise is included in the Initial Package. <u>You will be responsible for all lodging and other expenses</u> For existing franchisees, cost can vary depending on when you register. <u>You will be responsible for all lodging and other expenses.</u> You will be required to attend at least two conventions during the term of the Franchise Agreement with the first attendance occurring during the first three years of your Franchise Agreement.
Enforcement Costs and Attorneys' Fees	Will vary	As incurred	Payable if we engage attorneys to enforce your Franchise Agreement.
Indemnification	Will vary	As incurred	You indemnify and hold us harmless against claims arising from your N-Hance Business operations, including costs of investigation, defense and resolution. Certain claims are covered by your insurance.
Liquidated Damages	Will vary under circumstances	As incurred	If your Franchise Agreement terminates before expiration, you will owe us the Monthly Franchise Fee, <u>minimum purchase requirements</u> and the BMF Contribution then in effect multiplied by the number of months remaining in the term of your franchise, plus all other loans and amounts accrued before termination.
Minimum Monthly Marketing Spend by You ⁵	The greater of (1) 5% of your Gross Revenue or (2) a fixed dollar amount ⁵	Monthly	You must spend a minimum amount each month on advertising, marketing and promotional programs for your N-Hance Business.
Customer Complaint Resolution ¹⁰	Will vary ¹⁰	As incurred	Payable by you to resolve customer complaints concerning your job performance. If we resolve your customer issue, you must reimburse us for amounts that we spend to resolve the complaint.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Applicable taxes	Will vary	As incurred	You must pay all state and federal taxes for your Business when due and agree to reimburse us for any payments of tax, interest and penalties we must make on your behalf. Our fees are net of tax so we may “gross up” the amount you pay to cover any applicable taxes on our fees.
OPTIONAL ITEMS			
Optional Local Email Account	\$50	Annually	Annual fee for business email account using the proprietary <i>nhancelocal</i> service. The first year’s fee is included in the Initial Package.
Optional Web Marketing Services	\$150 per setup, \$100-\$550 ¹ per month per program	10 th day of month	Service provides on-going editing and basic maintenance of digital advertising content on franchise websites for search engine optimization, pay per click or social media management.
Optional Video Customization	\$50 per video ¹ /If utilizing on You Tube, \$150 initial set fee for new channel ¹	As incurred	This service includes personalizing videos for your N-Hance business, embedding your video on your website, uploading the videos to your You Tube Channel, and adding descriptions, links, and tags. If you have a You Tube channel for your N-Hance Business, you do not have to pay the initial set up fee.
Optional Marketing Package	\$2,000 - \$6,000 ¹	As incurred	Optional service includes optimizing your directory listings, social media platforms and website; PPC, social advertising and partnerships with lead generation sources at an additional cost. You can also choose to add various marketing collateral, branded shirts, sample doors, vehicle graphics and several other al la carts marketing items.

¹ All fees imposed by and payable to us are non-refundable. The fees and costs are uniform as to all persons currently being offered a franchise.

² “Gross Revenue” means all your revenue from the sales of services and products of any kind (but excluding taxes collected from customers and paid to taxing authorities). The Minimum Monthly Royalty amounts are:

Minimum Monthly Royalty – Traditional Franchise

Months 1 – 6	\$ 412.07 <u>424.43</u>
Month 7 and thereafter	\$ 824.79 <u>849.53</u>

Minimum Monthly Royalty – Small Market Franchise

Months 1 – 6	\$ 219.85 <u>226.45</u>
Month 7 and thereafter	\$ 439.71 <u>452.90</u>

~~Beginning May 1, 2023,~~ The Minimum Monthly Royalty is subject to annual increase of either 2% or the CPI (Consumer Price Index), whichever is greater. The increase for ~~2022-2024~~ was ~~43~~ 43%. The increase for 2023 ~~was~~ is 5%.

- 3 The National Accounts Program Handling & Processing Fee covers the cost of generating the lead, payment collection, and remitting payment to you.
- 4 We may require you to use web marketing services we designate.
- 5 The Monthly Marketing Minimum Spend appears in Item 11. These amounts will not be increased more than once each calendar year to reflect increases in the CPI. Neither the acquisition cost of a national account lead nor any contributions to the BMF will apply towards the Monthly Marketing Minimum Spend requirements.
- 6 At times, NHI may request, assign, or approve a job for you in another Franchisee's Franchised Area. This fine would not be applicable in those instances.
- 7 This fee includes training provided by NHI and/or third parties. As mentioned in Item 1, you may be required to obtain additional training and/or certification from third parties, such as the US EPA. Please consult your local government offices for information about the tuition, fees and costs associated with such training.
- 8 All N-Hance franchisees are required to use a web-based customer management system designed to help you manage service calls and appointments, maintain customer lists, process credit card payments, and support your marketing efforts. You will be required to sign a Software License Agreement for this system. (See **Exhibit J**)
- 9 Rates generally range between 1.9% - 3.5% depending on vendor.
- 10 Customer Complaint Resolution Fees will vary. In our last fiscal year, this fee ranged from \$~~470~~500 to \$~~18,155~~4,500.

Item 7

YOUR ESTIMATED INITIAL INVESTMENT

Initial Franchise Purchase

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee ⁽¹⁾ Initial Package: Equipment, Product, Marketing and Operations Package Fee ⁽¹⁾	\$22,500 to \$45,000, per franchise \$41,500 \$41,495 - \$44,495	Part Lump Sum, Remainder, installments	The Initial Fee is payable when you sign the Franchise Agreement.	NHI
Business Vehicle ⁽²⁾	\$0 - \$60,000	Usually down payment plus monthly installments; or lease payments	Prior to Opening	Third Parties
Three Month's Rent ⁽³⁾	\$0 - \$7,500	Lump Sum	At Signing of Lease	Landlord
Telephone and Business License	\$400 - \$4,000	Lump Sum	Prior to Opening	Third Parties
Travel Expenses While Attending Training (if applicable) ⁽⁴⁾	\$1,000 – \$4,000	Lump Sum	As incurred for training period	Third Parties
Insurance ⁽⁵⁾	\$600 - \$6,000	Lump Sum	Prior to Opening	Third Parties
Additional Funds – 3 months ⁽⁶⁾	\$2,500 - \$12,000	Lump Sum	As Incurred During First 3 Months	Third Parties
Computer System ⁽⁷⁾	\$0 - \$2,000	Lump Sum	Prior to Opening	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Advertising – 3 months ⁽⁸⁾	\$1,500 - \$5,000	Lump Sum	As Incurred During First 3 Months	Third Parties
Permits and Licenses ⁽⁹⁾	\$700 - \$5,000	Lump Sum	Prior to Opening	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT – for Initial Franchise Purchase	\$70,700 \$192,000 <u>\$70,695 - \$194,995</u>			
YOUR ESTIMATED INITIAL INVESTMENT Existing Franchisees Purchasing Additional Franchise				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee ⁽¹⁾	\$-22,500 to \$40,000, per franchise	Part Lump Sum, Remainder, installments	The Initial Fee is payable when you sign the Franchise Agreement	NHI
Initial Package	\$0 to \$41,500 <u>\$44,495</u>	Part Lump Sum, Remainder, installments	When the Franchise Agreement is signed; if you are approved for financing, it may be payable in installments	NHI
Business Vehicle ⁽²⁾	\$0 - \$60,000	Part down payment, plus monthly Installments	Prior to Opening	Third Parties
Three Month's Rent ⁽³⁾	\$0 - \$7,500	Lump Sum	At Signing of Lease	Landlord
Telephone and Business License	\$0 - \$4,000	Lump Sum	Prior to Opening	Third Parties
Travel Expenses While Attending	\$1,250 - \$3,000	Lump Sum	Prior to attending training	

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Training (if applicable) ⁽⁴⁾				NHI or CDI and Third Parties
Insurance ⁽⁵⁾	\$0 - \$6,000	Lump Sum	Prior to Opening	Third Parties
Additional Funds – 3 months ⁽⁶⁾	\$2,500 - \$12,000	Lump Sum	As Incurred During First 3 Months	Third Parties
Computer System ⁽⁷⁾	N/A	Lump Sum	Prior to Opening	Third Parties
Advertising – 3 months ⁽⁸⁾	\$1,500 - \$5,000	Lump Sum	As Incurred During First 3 Months	Third Parties
Permits and Licenses ⁽⁹⁾	\$0 - \$5,000	Lump Sum	Prior to Opening	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT – for Existing Franchisees Purchasing an Additional Franchise	\$27,750 - \$184,000 <u>\$186,995</u>			

Notes:

1. You must pay NHI the Initial Fee as outlined in Item 5. The Initial Fee is non-refundable. Financing terms are disclosed in Item 10. All Initial Fees are imposed by and payable to us. If you pay the Initial License Fee in full within 6 months of signing the Franchise Agreement and the Business Note, NHI will offer you a Cash Discount of ~~42~~10% of the Initial License Fee amount.

2. A white cargo van or a white pickup truck with a trailer is required for the operation of the Business and is used to transport equipment and products to a job site (the “Business Vehicle”). In order for a Business Vehicle to be approved by NHI, the Business Vehicle must be a clean, well-maintained white cargo van or white pickup truck with an enclosed trailer and compliant with the current N-Hance standards. The Business Vehicle must be marked professionally and clearly on both sides with the N-Hance approved logos. Your first Business Vehicle must generally be marked and in operation within 90 days of the Franchise Agreement date. This item estimates the cost of your first van, the price for which could vary based on market conditions. If you already own a suitable, insurable Business Vehicle, there may be no need to purchase or lease an additional vehicle. However, the Business Vehicle must comply with standards of professionalism a

consumer would expect when contracting for N-Hance services and meet the current operations standards published in the Manual.

3. If you do not own adequate space for the operation of the Business, you must lease suitable commercial/industrial space. Generally, this will require you to pay the first and last month's rent, plus a security deposit. N-Hance Businesses are generally located in light industrial space that must be at least 1,000 square feet. Your monthly rent could vary based on market conditions.

4. You are responsible for costs associated with travel to attend training and conventions and for your own accommodations and meals while there. This amount does not include the cost of compensation, taxes, benefits and insurance for persons attending training.

5. You must obtain and maintain commercial general liability coverage as well as vehicle liability coverage during the term of your Franchise. You will pay this estimated premium amount during the first three months of operations and then pay the balance of the annual premium monthly or quarterly. See Item 8 for additional details.

6. Additional Funds for First Three Months for one Franchised Area. You will need more funds if you are developing more than one Franchised Area. These estimates include payroll costs, but do not include any draw or salary for the business owner. We cannot guarantee that you will not have additional expenses starting the business. NHI relied on its years of experience in the wood cleaning, coating, protection and renewal services to compile these estimates.

7. A computer system suitable to maintain and service your customer base is required for your business. If you already own a suitable computer system, there may be no need to purchase an additional one. However, you must obtain, install and use the applications software designated by NHI. You must also maintain an Internet connection and an email and must check your email account at least daily. High speed internet connection is strongly recommended.

8. This is an estimate of amounts you should spend on advertising your Business in the Franchised Area and are in addition to the marketing resources provided in the Initial Package. You should make further inquiries as to advertising amounts specific to your Franchised Area.

9. You must obtain any governmental permits and licenses required to serve your Franchised Area. You must also obtain training and certification under the RRP by attending this training and obtaining certification from a third party. This training is not provided by us at this time.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must own, purchase or lease one or more Business Vehicles suitable for the purpose of transporting various equipment, supplies and materials needed to operate an N-Hance Business. The Business Vehicle must comply with standards of appearance, maintenance and repair a consumer would expect from a professionally operated service business and meet all of the current requirements in NHI's Advertising Rules & Guidelines,

or otherwise in the Manual, regarding type of Business Vehicle, color and proper markings. In order for a Business Vehicle to be approved by us, the Business Vehicle must be ~~a~~ clean, well-maintained (operating properly, free from visible dents, scratches and damage), and with the proper logo package. The Business Vehicle must be marked professionally and clearly on both sides.

NHI has negotiated with an insurance broker to provide insurance coverage to you according to our specifications at a discounted rate. You are not required to use this insurance vendor; however, you must obtain and maintain the following minimum business liability coverage as well as vehicle liability coverage as a condition for receiving or maintaining a franchise:

- The minimum amount of business (general) liability coverage required is \$1,000,000.00 per occurrence.
- The minimum amount of \$100,000/~~\$300~~400,000/\$75,000 (or ~~\$300~~500,000.00 Combined Single Limit) is required for the vehicle liability coverage. All “non-owned” or “hired” vehicles must be insured with the same limits.
- NHI and CDI (and their officers, directors, employees, agents and parents, affiliates and subsidiaries) must be named as additional insureds on both the General Liability and Vehicle Liability insurance policies.
- The business liability insurance policy must state that the work product is covered at a minimum of \$50,000 per occurrence, or that there is no “workmanship” or “care, custody, and control” exclusion.
- You must also have Workers Compensation insurance based on your statutory requirements.
- You must submit to us an acceptable Certificate of Insurance for the Business, any vehicles used in the Business and Workers Compensation within 30 days after the date of the Franchise Agreement, and then annually prior to the expiration of your insurance coverage showing renewal or replacement with coverage conforming to our insurance requirements and showing the proper additional insureds.

The above insurance requirements are a minimum level of insurance needed for your Business and are not meant to limit the insurance you may select for your Business for adequate protection.

Required And Approved Suppliers

You may use only equipment, processes, products, suppliers, and supplies (“Products”) which have either been obtained from or approved by NHI (“Approved Products”). You must purchase the Initial Package disclosed in Item 5 from NHI, the costs of which are included in the Initial Fee for Packages One and Three and the Related Franchisee Package. To protect the integrity of the N-Hance mark and assure consistent, high quality results, you may not use any wood cleaning, coating, protection, or other wood care or renewal products other than the products supplied by NHI or CDI (the “Proprietary Products”) including, but not limited to, the products listed in Item 14. We or CDI are the only approved supplier of the Proprietary Products. You must purchase the Proprietary Products at the then-current list price, plus applicable taxes, and pay for all purchases within 30 days of the invoice date. If you (1) use any product other than the Approved Products or (2) use or possess any wood cleaning, coating, protection or other wood care or renewal product other than the Proprietary

Products, NHI shall have the right to impose on you a fine of \$5,000 or to terminate your franchise agreement for your material breach. You must purchase a minimum of \$4,200- per franchise (changed not more than once each calendar year to reflect changes in the CPI) of Proprietary Products from us or CDI each calendar year. We may require you to purchase additional Approved Products and/or Proprietary Products. You may purchase other Products from us or CDI at the then current list price, plus applicable taxes, and must pay for all purchases within 30 days after the invoice date. We or CDI may require advance or progress payments for your purchases of Products. We may approve only a limited number of sources or a single source (which may include us or our affiliates) for certain equipment, products, supply items, promotional materials and business services (such as credit card processing).

No officer of the franchisor owns more than a 2% interest in any suppliers, however some of the BELFOR officers have an ownership interest in our affiliates BHI Distribution and Colman Wolf, which may, in the future, supply products and services to N-Hance Businesses.

Approval Of Other Suppliers

If you propose to purchase or lease any equipment, product or supply item, other than a Proprietary Product, which is not then approved by NHI, you must first notify NHI in writing and, upon request, furnish to NHI specifications, photographs, drawings and/or other information or items sufficient to afford NHI a reasonable opportunity to determine whether the equipment, product or supply item complies with NHI's specifications and standards. Specifications, which we have formulated for quality, design, appearance, function and performance, are available to you in our Manual which we provide to you but are not available to suppliers. Our specific criteria for approving suppliers may not be available to you or suppliers. We may modify these specifications on reasonable written notice to you. We will consider your written request for a modification of a specification, if you explain the reason for the requested modification (or for the approval of any equipment or supply item we have not previously approved) and provide us with sufficient technical data to enable us to evaluate your request to our satisfaction. You may request in writing our approval of additional recommended suppliers. We will grant or revoke approvals of recommended suppliers based on the criteria available in our Manual or otherwise in writing, and based on inspections and performance reviews by us or others we deem to be reliable. We may grant approvals of new recommended suppliers or revoke past approvals of recommended suppliers. We will provide you with written notification of the approval or disapproval of a recommended supplier you propose within 60 days after receipt of your written request. We do not charge any fees to secure our approval of new brands and types of equipment and supplies. If you use any product other than the Approved Products, or use or possess any wood cleaning, coating, protection or other wood care or renewal product other than the Proprietary Products, NHI may impose on you a fine of \$5,000 per violation or terminate your Franchise Agreement.

You must install or have installed a business telephone and a voice mail/answering machine system for use in operating the Business. You must maintain high standards in the operation of the Business. You must also comply with all mandatory specifications, standards, operating procedures and rules ("System Standards") we publish in the Manual or otherwise communicate in writing relating to the operation of the Business. NHI will formulate and modify System Standards in our sole discretion, and we may grant waivers or modifications in specific situations that we determine are appropriate for such grants.

Revenue From Franchisee Purchases

For the year ending December 31, 202³², the revenue from the sale or lease of products and services to N-Hance franchisees was \$³3,470,795²2,782,213.72, which represents ¹⁰78.95% of our total 202³² revenue

of \$33,483,574³¹31,071,624.00. In addition, we collected \$163,254¹⁹⁹199,695 in revenue from rebates and other payments from approved suppliers based on sales made to franchisees, which represents 0.496⁴4% of our total 202³²32 revenue of \$33,483,574³¹31,071,624.00. We used these supplier payments to offset the costs of our franchisee convention and support our supplier marketing program directed to franchisees. We derived these figures from our internally prepared financial statements.

Required Purchases and Leases

We estimate that the purchases and leases you must make from us, from designated or approved suppliers, or according to our standards and specifications represent approximately 90% of your total purchases and leases of goods and services to establish, and approximately 20% to 30% of your total purchases and leases of goods and services to operate, your N-Hance Business.

Cooperatives

Currently, neither we nor any franchisees have established any purchasing or distribution cooperatives.

Negotiated Prices & Material Benefits

NHI and CDI negotiate with suppliers of uniforms, computers, computer software, web hosting services, background checks, tradeshow displays, payroll services, and credit card services on behalf of franchisees (including price terms). NHI or CDI may, in the future, negotiate other purchase arrangements with suppliers for your benefit. Neither NHI, nor CDI, provides any material benefits to you based on your purchase of particular products or services or the use of particular suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
(i) Site selection and acquisition/lease	Not Applicable	Items 7 and 11
(ii) Pre-opening purchases/leases	Sections 2A, 2B, 2C, 2D of Franchise Agreement; Section 1 Software License Agreement; Section 1 of Equipment Agreement; and the Business Note	Items 5, 7, 8, 10, 11, and 15
(iii) Site development and other pre-	Sections 2A, 2B, 2C and 2D of	Items 5, 6, 7, 8, 10 and 11

Obligation	Section in Agreement	Item in Disclosure Document
opening requirements	Franchise Agreement; Sections 1, 2, and 3 Software License Agreement; and the Business Note	
(iv) Initial and ongoing training	Sections 3A and 3B of Franchise Agreement; Section 6 of Software License Agreement	Items 6, 7 and 11
(v) Opening	Section 2D of Franchise Agreement; Section 1 Software License Agreement	Item 11
(vi) Fees	Sections 8, 9, 10, 13C and 13E of Franchise Agreement; Sections 12 and 13 Software License Agreement; Schedule 1 of Equipment Agreement; and the Business Note	Items 5, 6 and 7
(vii) Compliance with standards and policies/Operations Manual	Sections 2D, 3A, 3B, 3C, 9A, 9B, 9C, 9G, 10A, 10D, 11, and 12 of Franchise Agreement; Sections 1, 2, and 5 Software License Agreement; and the Business Note	Item 11
(viii) Trademarks and proprietary information	Sections 4, 5, 10A, 10D, 16A, and 16B of Franchise Agreement; Sections 2 and 15 Software License Agreement	Items 13 and 14
(ix) Restrictions on products/services offered	Sections 9A and 9B of Franchise Agreement; Sections 4, 5, 16, and 18 of the Software License Agreement	Items 8, 11, 12 and 16
(x) Warranty and customer service requirements	Section 9B of Franchise Agreement; and the Business Note	Not applicable
(xi) Territorial development and sales quotas	Sections 1C and 1D of Franchise Agreement	Item 12
(xii) On-going product/service purchases	Sections 9A and 9B of Franchise Agreement	Items 7, 8 and 11
(xiii) Maintenance, appearance and remodeling requirements	Section 14A of Franchise Agreement; Sections 2 and 3 Software License Agreement	Items 8 and 11
(xiv) Insurance	Section 9E of Franchise Agreement	Items 7 and 8
		Items 5, 6, 7 and 11

Obligation	Section in Agreement	Item in Disclosure Document
(xv) Advertising	Section 10 of Franchise Agreement	
(xvi) Indemnification	Section 7 of Franchise Agreement; Sections 13, 14, and 20 Software License Agreement	Item 6
(xvii) Owner's participation/management/staffing	Section 9D of Franchise Agreement; Sections 3 and 5 Software License Agreement	Items 11 and 15
(xviii) Records/reports	Section 11 of Franchise Agreement; Sections 1, 2, and 3 Software License Agreement	Item 11
(xix) Inspections/audits	Section 12 of Franchise Agreement	Item 11
(xx) Transfer	Section 13 and of Franchise Agreement; Section 5 of Equipment Agreement	Item 17
(xxi) Renewal	Section 14 and the Summary Page of Franchise Agreement	Item 17
(xxii) Post-termination obligations	Section 16 of Franchise Agreement; Sections 13, 16, and 22 Software License Agreement; and the Business Note	Item 17
(xxiii) Non-competition covenants	Sections 6 and 16D of Franchise Agreement; Section 21 Software License Agreement	Item 17
(xxiv) Dispute resolution	Sections 17C, 17F, 17G, 17H, 17I, 17J, and 17M of Franchise Agreement; Section 13 Software License Agreement; and the Business Note	Item 17
(xxv) Costs/attorneys' fees	Section 17E of Franchise Agreement; Section 13 Software License Agreement; and the Business Note	Item 6

Item 10

FINANCING

NHI has no obligation to provide you any financing for any portion of the Initial Fee. However, with approved credit, NHI may finance a portion of the Initial Fee for qualified prospective franchisees under specified terms and conditions in the Business Note. Except as disclosed below, we do not arrange financing from other sources and we do not receive direct or indirect payments from placing financing. NHI does not guarantee your obligations for third parties.

Our decision to offer financing of any portion of the Initial Fee will be based, in part, on our underwriting standards, any collateral you offer to secure the financing and our then-current financing policies. Should NHI provide financing for the Initial Fee, you must pay NHI a non-refundable down payment, as outlined in the chart below, when you sign the Franchise Agreement and provide NHI with security for the Business Note, which can include Business assets and/or other collateral that we may request. The balance will be paid to NHI in consecutive monthly payments until paid in full. Outstanding balances will bear between 8%-15% interest, depending on our underwriting standards.

Initial Fee Financing Terms

Item Financed ¹	Source of Financing	Down Payment	Amount Financed ¹	Monthly Payment ²	Number of Monthly Payments
Initial Franchise Acquisition - \$ 86,500 86,495 - \$89,495	NHI	\$ 43,600 43,598 - \$44,798	\$ 42,900 42,897 - \$44,697	\$ 869.86 869.80 - \$ 1,020.59 1,063.34	60
Additional License Only - \$40,000	NHI	\$24,000	\$16,000	\$324.42 - \$380.64	60
Small Market Franchise - \$ 64,000 63,995 - \$66,995	NHI	\$ 30,100 30,098 - \$31,298	\$ 33,900 33,897 - \$35,697	\$687. 37 31 - \$ 806.48 849.23	60
Small Market Franchise – License Only - \$22,500	NHI	\$13,500	\$9,000	\$182.49 - \$214.11	60

NHI charges interest at a rate of between 8% - 15% on the outstanding loan balance, depending on our underwriting standards. The rate is fixed when you sign the Business Note and the Franchise Agreement.

Typically, your first payment is due and interest begins to accrue (A) the month following your signing the Franchise Agreement if you are an existing NHI franchise or (B) the month that is the earlier of (i) the fourth month after your completion of New Buyer Training or (ii) the eighth month after the date of the Note. NHI

requires an automatic debit authorization for the electronic funds transfer of all Franchise Agreement Fees and monthly Note payments. Payments not received by the due date are subject to an interest charge in the amount of 1.5% per month. If you pay the Initial License Fee in full within 6 months of signing the Franchise Agreement and the Business Note, NHI will apply a Cash Discount of 10% of the Initial License Fee amount.

All Note payments are due on or before the tenth day of each month. All financing of the Initial Fee is contained in a Business Note to be issued by the franchisee and guaranteed by all of its guarantors under the Franchise Agreement, usually its equity owners. There is no prepayment penalty. The Business Note includes a waiver of defenses (or similar provisions).

If you do not make Business Note payments when due, if you are in default of your Franchise Agreement for any reason, or the Franchise Agreement terminates, NHI may accelerate the Business Note balance, demand immediate payment of the outstanding amount due plus interest and terminate the franchise under to Section 15 of the Franchise Agreement. NHI may resort to any collateral securing the Note and seek a deficiency if the value of the collateral realized by NHI does not pay the Note balance and costs of collection in full. A charge of \$4050.00 will be assessed for any installment debits returned unpaid. In the event of collection proceedings, NHI reserves the right to pursue costs associated with the collections, including court costs and attorneys' fees in accordance with the Business Note and Section 17 of the Franchise Agreement.

NHI has no present intent to sell, assign, or discount to a third party, in whole or in part, any note, contract or other instrument executed and no past or present practice of doing so; however, we have the right to do so.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, NHI is not required to provide you with any assistance:

Pre-Opening Assistance

Before you open your N-Hance Business, NHI will:

- (1) Designate the Franchised Area (Franchise Agreement – Section 1D).
- (2) Supply you with opening inventory of products and equipment (Franchise Agreement – Section 8A).
- (3) Provide you with one copy of the operating and other manuals we promulgate for the N-Hance Business (collectively, the “Manual”). (Franchise Agreement – Section 3C) See **Exhibit E** for the Table of Contents of the Manual.
- (4) Provide initial training for you if you have not previously trained with us and provide initial training for others we designate. (Franchise Agreement – Section 3A) This training is described in detail later in this Item.

NHI has no obligation to assist you with locating a site for your Business, negotiating a purchase or lease of the site, conforming the premises to local ordinances and building codes, obtaining any required

permits, constructing, remodeling or decorating the premises, hiring and training employees, and except as you obtain from us in the Initial Package, providing for necessary equipment, signs, fixtures, opening inventory and supplies. NHI may, however, provide additional assistance at its sole discretion.

Post-Opening Assistance

During operation of your N-Hance Business, NHI will:

- (1) Advise you from time to time regarding operating issues concerning your Business. In addition, NHI will provide guidance to you on standards, specifications and operating procedures and methods used by N-Hance Businesses. This guidance will, at NHI's discretion, be furnished in the Manual, bulletins, newsletters or other written materials and/or during telephone consultations and/or consultations at the places we designate and may be at your expense (Franchise Agreement – Section 3C).
- (2) Revise the Manual from time to time. (Franchise Agreement – Section 3C).
- (3) Hold additional training and conventions for all franchisees at the times and locations we designate (Franchise Agreement – Section 3B).
- (4) Inspect and observe the operations of your Business from time to time to determine whether you are complying with the Franchise Agreement and all System Standards (Franchise Agreement – Section 12). You will be provided of the results of any such inspection in writing or by telephone call.
- (5) Provide advertising materials for purchase (Franchise Agreement – Section 10).
- (6) Sell you wood care and renewal equipment, products and supplies provided you are current in your financial obligations to NHI (Franchise Agreement – Section 9B).
- (7) Be responsible for all billings to, and collections from, national accounts. NHI or CDI will remit to you all of the payments we receive from completed national accounts that you service, minus a handling and processing fee ranging between 10% - 25% of the amount collected, depending on the terms of the national account. (See Item 6 and Franchise Agreement – Section 10.E.)

Except as expressly set forth in the foregoing list, NHI has no obligation to provide you with any assistance in developing products or services to be offered to your customers, hiring and training employees, improving and developing the franchised business, establishing prices, establishing and using administrative, bookkeeping, accounting and inventory control procedures, or resolving operating problems you may encounter in operating the Business.

Advertising

We are not obligated to conduct advertising for the franchise system separate from the Brand Marketing Fund.

Local Marketing and Promotion By You

You must spend the following amounts each month on local advertising, marketing and promotional programs for the Business:

<u>Month After Opening</u>	<u>Monthly Marketing Minimum Spend – Traditional Market</u>
Months 1 – 12	\$1,000 or 5% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$1,500 or 5% of Gross Revenue, whichever is greater
<u>Month After Opening</u>	<u>Monthly Marketing Minimum Spend – Small Market</u>
Months 1 – 12	\$500 or 5% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$750 or 5% of Gross Revenue, whichever is greater

The Monthly Marketing Minimum Spend will not be increased more than once each calendar year to reflect increases in the CPI from the prior change. Neither the acquisition cost of a national account lead nor contributions to the BMF will apply towards the Monthly Marketing Minimum Spend requirements. NHI will credit against the Monthly Marketing Minimum Spend any amounts spent for internet marketing, online directories, and any other amounts you spend to advertise, market, or promote the Business. You must spend the amount by which the aggregate Monthly Marketing Minimum Spend requirement exceeds the total of your Cooperative contributions on other marketing programs over the time period for the Cooperative contributions. NHI may review your books and records from time to time and/or require you to submit reports periodically to determine your spending on qualifying advertising, marketing and promotion.

Your advertising, promotion and marketing content must be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that NHI requires from time to time. Before you use them, you must send to NHI for approval samples of all original advertising, promotional and marketing materials which NHI has not prepared or previously approved in the last 12 months. If NHI does not approve the materials within 15 days of NHI's receipt of them, they will be deemed disapproved. If approved, NHI will have the right to duplicate and distribute the materials to all N-Hance franchisees. You also must follow our standards and specifications regarding use of social media that in any way uses or references the Marks or involves the Business. "Social media" includes personal blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools. You may not use any advertising, promotional or marketing materials, or any other forms of marketing, that NHI has disapproved. If you use any advertising, promotional, marketing materials or any other forms of marketing which NHI has not prepared or approved, NHI may (a) impose on you a fine of up to \$2,000 per occurrence or (b) terminate your Franchise Agreement.

Brand Marketing Fund

The Franchise Agreement includes a required monthly contribution to the BMF of \$220 - \$400 for each Traditional Franchise ~~you own~~ and \$110 - \$200 for each Small Market Franchise you own (the “BMF Contribution”). The current BMF Contribution amount is \$235.67 for the Traditional Franchise and \$117.84 for the Small Market Franchise and can be increased with 30 days written notice from NHI. Any company owned N-Hance locations operated by NHI or an affiliate of NHI will contribute at the same rates to the BMF. Some franchisees will, until they sign successor franchise agreements, contribute a percentage of revenue rather than a flat-fee each month to the BMF. We also may deposit marketing, promotional, and other payments we receive from suppliers or you into the BMF. In 2023³², BMF Contributions were spent as follows: 42% on production, 940% on media placement, 0.271% on administrative expenses, and 5% on other miscellaneous expenses.

NHI will administer the BMF and will disburse the BMF to pay for marketing, advertising, promotional, public relations, reimbursement of amounts owed to CDI, and other similar activities intended to benefit the System and all franchised locations. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, ~~+~~ advertising production, (f) advertising and public relations agency fees and expenses, (g) product research and development, and (h) creative services. We also may use the BMF to pay or reimburse us for our administrative overhead expenses, including salaries, incurred for activities supported by the BMF by both in-house marketing and third-party marketing service providers. Any amounts in the BMF not spent at the end of each fiscal year will remain in the BMF, provided that amounts contributed to the BMF may be used to pay taxes associated with unspent amounts on deposit in the BMF.

We will design and direct all activities and programs funded by the BMF with the assistance of the Brand Marketing Fund Committee. The Brand Marketing Fund Committee is an advisory board composed of seven franchisees and two members of the N-Hance corporate staff. Franchisee members of the Brand Marketing Fund Committee are appointed by us and generally serve two-year terms. The BMF will not be separately audited, and we have no obligation to make its financial statements available to franchisees. You acknowledge that we have no obligation to expend BMF amounts for your benefit ~~equivalent~~ equivalent to or proportionate to your BMF Contribution, and we do not warrant or guaranty that you will receive or derive any benefit from BMF activities. We will make all studies and reports produced by the BMF available to you at no cost as Confidential Information. We will make copies of all materials produced by the BMF for any franchisee’s use in their Business available to you at your expense for use in your Business. We may suspend, terminate, or reinstate the BMF at any time. The BMF will not terminate, however, until we have spent all amounts in the BMF for the purposes set forth above. (Franchise Agreement – Section 10.B.). Upon your written request, we will provide you a summary of annual BMF expenditures during the most recently ended fiscal year, on a confidential basis. No portion of the BMF will be used directly for the purpose of soliciting new franchise sales.

Websites

Any website and online presence is considered “advertising” under the Franchise Agreement, and will be subject to (among other things) NHI’s prior content approval as described above. You may not establish a separate website without NHI’s prior written consent. If NHI approves a separate website for you, then you must comply with NHI’s requirements for websites. NHI may revoke its approval of a website at any time, in writing, and require that you discontinue use of a separate website. In addition, N-Hance business landing pages must be supported by and linked back to your N-Hance.com local site. (Franchise Agreement – Section 10.D.)

National Accounts

You must participate in required promotional and national accounts programs unless NHI agrees to your request to relieve you of this responsibility. Requests to opt out of the program must be in writing and clearly state the reason you should be permitted to opt out of the program. Participation in National Accounts programs may require you to complete an approval process required by the national account entity, agree to specific rules and regulations associated with service that National Account, and, in some instances, agree to pay penalties for any violation of those rules and regulations. NHI does not guaranty you will obtain or maintain approval from a national account entity to participate in any national account programs. The leads produced by our National Account program may vary materially by Franchised Area. Further, if approved, a national account may elect not to do business with you or NHI could determine you may no longer service a national account. In any of these events, NHI or a third party may provide the necessary services. (Franchise Agreement – Section 10.E.) You are responsible for all resolving customer complaints resulting from work you perform on National Accounts or otherwise in the operation of the N-Hance Business.

Computer System

You must use the Computer System that NHI periodically designates to operate the Business. You must obtain the Computer System, software application licenses, maintenance and support services and other services related to the Computer System from the suppliers NHI specifies (which may be limited, but is not currently, to NHI or its affiliates). NHI may periodically modify specifications for and components of the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease and/or license new or modified computer hardware and/or software/applications and to obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of changes, upgrades or updates. NHI has no obligation to reimburse you for any Computer System costs.

Although we have not developed any proprietary software or applications, we reserve the right to do so in the future. NHI (or an affiliate) may charge you a reasonable fee if it develops proprietary software or applications that NHI (or its affiliate) licenses to you and for other Computer System maintenance and support services that NHI (or its affiliate) provides to you. If NHI (or its affiliate) licenses proprietary software to you, or otherwise allow you to use similar technology NHI (or its affiliate) develops or maintains, you must sign any software license agreement or similar document that NHI (or its affiliate) requires.

NHI currently requires that you use a third-party customer relationship management software system. We also recommend the use of QuickBooks Online Premier Accountant Edition in conjunction with the customer management system. NHI will have independent electronic access to the information the customer relationship management software generates and tracks.

NHI currently has no specific hardware requirements for the Computer System, however, you must obtain a computer that is capable of running the software and required applications. If you already own a suitable computer system, there may be no need to purchase additional computer hardware. You must also maintain an Internet connection and an e-mail account and must check your e-mail account at least daily. High speed internet connection is highly recommended. (Franchise Agreement – Section 2C)

You agree, at your own expense, to keep your Computer System in good maintenance and repair and install such upgrades, additions, changes, modifications, substitutions, and/or replacements to your Computer System or required software as we direct from time to time in writing. You agree that your compliance with these requirements shall be at your sole cost and expense. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts for the Computer System will be \$150 to \$500 per year.

As technology advances, you may be required to replace or upgrade your hardware to meet changing software requirements as we deem necessary. We may require you to replace or upgrade your computer hardware, software and web-based applications in our sole discretion and at your expense. The Franchise Agreement does not require any scheduled maintenance, repairs, updates or upgrades to the Computer System.

You also agree to use, subscribe to, and pay for, as directed by us, a customized website connected to our website and managed by our website provider. You may not attempt to redirect any traffic on the customized website. You may not implement a website or URL for your N-Hance Business either yourself or through a third party provider. We have discretion over the website (including timing, design, contents and continuation).

We may, but are not obligated to, create interior pages on the website(s) that contain information about your N-Hance Business and other N-Hance Businesses. If we do create such pages, we may require you to prepare all or a portion of the page for your N-Hance Business, at your expense, using a template that we provide. All such information will be subject to our approval prior to posting.

We are not obligated to provide ongoing maintenance, repairs, upgrades, or updates for the hardware or software systems. You are not obligated to upgrade the hardware however you may wish to do so to take full advantage of the speed and efficiency of the software systems. We anticipate the recommended hardware system, if purchased new, will cost between \$800 and \$2,000.

The customer relationship management software system (the “Software System”) is a web-based management system designed to help you manage service calls and appointments, maintain customer lists, and support your marketing efforts. You will be required to sign a Software License Agreement (see **Exhibit J**) and to use the Software System in the management of the franchised business. Please see Item 6 for more details about fees associated with the Software System. The monthly cost of the Software System is currently \$100 - \$300. NHI requires an automatic debit program for the payment of these fees. These monthly payments will be automatically deducted from your bank account. Existing businesses will be required to pay a one-time initial set-up fee of \$200 to import their contact and customer information.

We will not have independent access to the information that will be generated or stored in your computer system. However, there is no contractual limitation on our right to receive, review or use the information contained in the web-based Software System.

Site Selection and Opening

You must operate the Business from a location within the Franchised Area, unless otherwise approved in writing by NHI. NHI does not select or approve the location of the Business. NHI may, however, provide additional assistance at its sole discretion. You may operate from your home if it is within the Franchised Area and it is suitable to enable you to comply with System Standards and zoning and other laws and regulations.

We estimate that there will be an interval of about six weeks between the signing of the Franchise Agreement and the opening of your Business, but the interval may vary depending on your own time requirements and any local or state certification requirements. You must become operational in the Franchised Area within 90 days of the date of the Franchise Agreement. (Franchise Agreement – Section 2.D.)

Initial and New Buyer Training

NHI will furnish an initial training program on the operation of N-Hance Businesses which you must complete to NHI's satisfaction prior to commencing the Business' operations. At no additional charge to you, NHI will provide you (your principal owner if the franchisee is an entity) and one additional individual with initial training on how to (1) mix and apply wood care and renewal products under normal working conditions; (2) perform the various N-Hance service offerings; (3) operate and use equipment in performing the services required for the Business under normal working conditions; (4) compute estimates; (5) solicit and maintain business; and (6) replace inventory and otherwise commence and conduct the Business. You will be expected to complete approximately 10 hours of "New Franchisee" training courses prior to attending New Buyer Training. After completing this preparatory online training, you will participate in nine days of hands-on training at location(s) designated by NHI; followed by approximately 20 hours of content review and additional course completion. We also recommend you practice application of our products on test cabinets and practice completing the processes learned at New Buyer Training immediately after you attend New Buyer Training. All hands-on training will take place NHI's offices in Logan, UT or other location(s) specified by NHI. When acquiring multiple franchises at the same time, the first New Buyer Training will be sufficient for each of those franchises.

Your training may be conducted at multiple locations at NHI's option. Within 90 days of signing the Franchise Agreement and before opening your N-Hance Business, you and the employees NHI designates must complete the entire initial training program on the operation of an N-Hance Business. If you are an existing N-Hance franchisee and have previously attended a New Buyer Training class, you are required to train your employees and ensure that they are able to demonstrate an appropriate level of competency. You are responsible for all compensation, benefits, taxes, insurance, travel expenses and living expenses which are incurred in connection with the training program. You may be required to perform labor as part of the training program, but you will not be an employee of NHI and will not be entitled to wages or other compensation for this labor from NHI. As of the Issuance Date, NHI provides the following training on a monthly basis:

NEW BUYER TRAINING PROGRAM

Day of Training	Subject	Hours of Class-room Training	Hours of On-the-Job Training	Location
Preparatory Training	Product Line, Marketing, Quick Start, Financial Basis	N/A	N/A	Preparatory Training to be completed by you prior to attending New Buyer Training
New Franchise Training	Hands-On Training	8 – 18 hours	45 – 55 hours	Logan, Utah or another location designated by NHI
Day 1	Foundations, of <u>Wood</u> Refinishing, Wood Tone Processes, Masking	2.5 hours	5.5 hours	Onsite
Day 2	Opaque Process, Cabinet Door <u>and Kitchen Organization</u> <u>Intro</u> <u>Replacement</u> , Glazing	2.5 hours	5.5 hours	Onsite
Day 3	Real Customer – Retrieve and Prepare Doors	4.5 hour	3.5 hours	Onsite
Day 4	Real Customer – Mask, Spray, Complete Cabinets	0 hours	8 hours	Classroom and Off-Site
Day 5	Real Customer – Spray Doors and Cure with LightSpeed Machine	0 hours	8 hours	Classroom and Off-Site
Day 6	Real Customer – Hang Doors,	0 hours	4 hours	Classroom and Off-Site

Day of Training	Subject	Hours of Class-room Training	Hours of On-the-Job Training	Location
	Finishing Touches, Review			
Day 7	<u>Cabinet Door Replacement and Kitchen Organization</u> <u>Introduction to Floors, Floor Refinishing</u>	<u>2.51</u> hours	<u>5.57</u> hours	<u>Onsite Classroom</u>
Day 8	Operations, Sales, Marketing	8 hour	0 hours	<u>Onsite Classroom</u>
Day 9 (Only if Floor Sanding Kit purchased)	<u>Introduction to Floors, Floor Refinishing</u> <u>Floor sanding</u>	1 hours	7 hours	<u>Onsite Classroom</u>

Training is provided under the supervision of ~~Kelly Jensen~~ Robert V. DeGraff, Jr. who has 8 years experience ~~as the owner of an N-Hance Business with us and 15 years experience in the business.~~ Trainers include Grayson Brogden, who has 8 years experience in the cabinet, furniture and construction industry. Brennan Klynkowski who has 2 years experience in cabinet refinishing. Brandon Jensen, who has two years experience with us, 8 years experience as a business coach, and 10 years experience in the cabinetry industry. ~~Ted Peterson, who has 4 years experience with us and 10 years experience as a business coach.~~ You may elect to repeat New Buyer Training Week at our facilities in Logan, UT at any time without additional charge other than charges for your travel, meals, and lodgings.

The Table of Contents for the Training Manual is attached hereto as **Exhibit E**. The Manual contains approximately 332 pages of information related to the operation of the N-Hance Business.

NHI may require you and/or your employees to attend various training courses (including annual training and certification programs) that NHI chooses to provide periodically at the times and locations NHI designates. You are required to attend and complete at least two annual conventions during the term of the Franchise Agreement, at least one in-person training course each year during the term of the Franchise Agreement and complete all online training courses NHI may require from time to time. Further, you must attend and complete at least one annual convention during the first three years of the Franchise Agreement. NHI may charge reasonable fees for these training courses and conventions. NHI reserves the right to require your and/or your employees' attendance, in person, at training each year. You are responsible for all travel and living expenses of

all of your attendees incurred in connection with these programs. As previously disclosed in Item 6, failure to fulfill any portion of these ongoing training requirements will give NHI the right to impose a fine of up to \$500 per year or terminate your Franchise Agreement.

If NHI determines, at its sole discretion, that you or your employee failed to satisfactorily complete the Initial and New Buyer Training Program or a subsequent training or certification program, NHI may require you (or a replacement employee, as applicable) to attend an additional training program at your expense (including all travel and living expenses incurred) or to view online courses and pass a written test. If your (or the replacement employee's, as applicable) performance in the additional training program is unsatisfactory, NHI may terminate the Franchise Agreement.

Item 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You will receive a protected Franchised Area and will be required to operate your N-Hance Business solely within the Franchised Area as identified in the Franchise Agreement. The size of your Franchised Area depends on population density and geographical boundaries. A typical Traditional or Small Market Franchised Area will have a population of approximately 250,000 to 350,000 people. During the term of the Franchise Agreement, and so long as you are in compliance with the Franchise Agreement, NHI will not establish or license or franchise a third party to establish another N-Hance Business within the Franchised Area. However, and without any compensation to you, we reserve the right to solicit and service national accounts based or having work in the Franchised Area and to utilize another franchisee or a third party to perform the work if (i) we determine that you do not meet specific qualifications required by the national account (which include but are not limited to experience, necessary training and/or certification provided by either NHI or third parties), (ii) you elect not to service a national account, or (iii) the national account elects not to do business with you.

You do not receive the right to acquire additional franchises. In addition, NHI reserves the right to, in the future, maintain records of the average monthly revenues of all reporting N-Hance Businesses that have been in continuous operation for at least 29 months (which are referred to as "Seasoned Franchises"). Based on those records, NHI will calculate the average revenue for Seasoned Franchises on a running six-month basis (the "Six-Month Running Average"). At such time as your Business becomes a Seasoned Franchise, NHI reserves the right at any time to alter, suspend or eliminate any territorial protection for your Business if you fail to maintain revenues that are at least 50% of the Six-Month Running Average. In such event, we may establish or franchise another N-Hance Business in your Franchise Area, modify your Franchise Area or terminate your right to a protected Franchised Area.

You must operate and conduct the Business from a single location within the Franchised Area, unless otherwise approved in writing by NHI, from which you may operate as many crews, teams, sales forces, and Business Vehicles as you desire. If you have multiple Businesses, a separate crew must be available for each franchise. We reserve the right, at our sole discretion, to waive this obligation. You may relocate anywhere within your Franchised Area as long as you give NHI at least ten (10) days' prior written notice of the relocation and the new address.

You agree to advertise and solicit business for the authorized services within the Franchised Area only, unless otherwise approved in writing by NHI (e.g. for exhibiting at a regional Home Show). If you set an appointment, provide a written estimate, accept a job or perform a job outside of your Franchised Area (unless assigned by NHI), NHI may impose on you a fine of \$5,000 or one half the total ticket/job invoice, whichever amount is greater, or terminate your Franchise Agreement.

BFG, BFG Holdco, and BELFOR branded outlets may offer goods and services similar to N-Hance goods and services. The outlets may be franchised or company owned and operated. These outlets may solicit and accept orders within or outside your Franchised Area. Although the N-Hance business and BELFOR businesses operate in separate offices as of the Issuance Date, the support functions of these business may integrate in the future and use common facilities, technology or platforms to provide training, business information systems, supply chain and other support elements. There is no means or method of resolving conflicts between any competing franchises regarding territory, customers and franchisor support, as all of our affiliated systems operate independently of each other. There are no restrictions or restraints on competition or customer solicitation among the brand systems that may offer similar products and services.

Other than these businesses, neither NHI, nor any affiliate, has established or has any present intention to establish other franchises or company-owned outlets selling or leasing products or services similar to those offered by N-Hance Businesses under a different trade name or trademark. However, NHI retains the right in its sole discretion:

- (1) to grant franchises for any area other than the Franchised Area and on any terms NHI deems appropriate;
- (2) to develop, sell, manufacture or distribute any type of product or service identified by or associated with the Marks in any channel of distribution other than through an N-Hance Business located within the Franchised Area, including but not limited to sales to retail outlets which may operate in the Franchised Area and through catalogs, mail order, toll free numbers and electronic or remote technology (including the Internet);
- (3) to develop, sell, manufacture or distribute any type of product or service identified by trademarks or service marks other than the Marks in any channel of distribution;
- (4) to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by N-Hance Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including within the Franchised Area); and
- (5) to be acquired (regardless of the form of transaction) by a business providing products and services similar to those provided by N-Hance Businesses, or by another business, even if the business operates, franchises and/or licenses competitive businesses within the Franchised Area.

Any territorial rights or protections we grant apply only to the N-Hance Marks and to no other marks, names or identification. The Products may be distributed and sold under different marks, names and symbols than the Marks.

Item 13

TRADEMARKS

NHI grants to you the right to use the Marks, [at our discretion](#), in the operation of the Business. The following principal trademarks are registered with the U.S. Patent and Trademark Office on the Principal Register. CDI assigned the Marks and these registrations to us as part of the December 2012 reorganization. All required affidavits of use and renewals have been filed.

Mark: “NHANCE” Reg. Date: June 18, 2002 Trademark Reg. No. 2583743	Mark: “N-Hance” stylized color Reg. Date: June 7, 2005 Trademark Reg. No. 2960385
Mark: “N-Hance” Design Mark Reg. Date: November 9, 2004 Trademark Reg. No. 2902117	Mark: “N-HANCE” Reg. Date: April 7, 2015 Trademark Reg. No. 4714897
Mark: “Rethink Refinishing” Reg. Date: July 14, 2015 Trademark Reg. No. 4772511	Mark: “N-HANCE” Reg. Date: June 8, 2004 Trademark Reg. No. 2851256
Mark: “Wood Refinishing – Done Right” Reg. Date: September 12, 2017 Trademark Reg. No. 5285062	Mark: “Nance Wood Refinishing” Filing Date: January 16, 2018 Trademark Reg. No. 5380567
Mark: Lightspeed stylized color Reg. Date: September 12, 2017 Trademark Reg. No. 5285061	Mark: N-Hance logo Reg. Date: January 23, 2018 Trademark Red. No. 5384573
Mark: “N-Hance” Logo with Tagline Reg. Date: March 13, 2018 Trademark Reg. No. 5421464	Mark: “Lightspeed” Reg. Date: November 26, 2013 Trademark Reg. No. 4440018
Mark: “N-DURA” Design Mark Reg. Date October 26, 2021 Trademark Reg. No. 6540451	Mark: N-DURA Reg. Date: September 21, 2021 Trademark Reg. No. 6494078
Mark: “Your Cabinet Makeover Experts” Application Date: November 17, 2023 Serial Number: 98276338	

Additional Marks may be disclosed in the Manual or otherwise in writing by NHI.

You must follow NHI’s rules when you use the Marks. You may not attempt to register any Mark in any state or other jurisdiction. You may not incorporate using in the name of that corporation any of the Marks. You may not have displays, advertising, literature, business cards, signs or any other promotional or identifying literature, or business name portraying any Mark alone, without an immediately adjacent identifier as to product, business name or service. You may not use the Marks in connection with the sale of any unauthorized products or services or in any manner not authorized in writing by NHI.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any

pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks. There are no agreements currently in effect which significantly limit NHI's right to use or license the use of the Marks in any manner material to the franchise. NHI does not actually know of either superior rights or infringing uses that could materially affect your use of the principal trademarks in any state.

NHI is not required to protect your right to use the Marks or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. You must notify NHI immediately in writing of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and may not communicate with anyone other than NHI, NHI's attorneys and your attorneys in connection with any infringement, challenge or claim. NHI will take such action as it, in its sole discretion it deems appropriate and will have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising from the infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide the assistance and take any action that, in the opinion of NHI's attorneys, may be necessary or advisable to protect and maintain its interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain NHI's interests in the Marks. NHI will reimburse you for your costs of taking any action NHI has asked you to take. However, NHI is not required to defend you against any claims of infringement or unfair competition arising out of your use of the Marks and is not required to indemnify you for any expenses or damage that you incur in any administrative or judicial proceeding involving any of the Marks. A finding of invalidity of any of the Marks will not affect your obligations to NHI.

If it becomes advisable at any time in NHI's sole discretion for NHI and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with NHI's directions within a reasonable period of time after receiving notice. NHI will not be obligated to reimburse you for any loss of revenue or goodwill attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The following patents are registered with the U.S. Patent and Trademark Office. CDI assigned the rights to these patents to us as part of the December 2012 re-organization. You will receive the non-exclusive license to operate under the following patents:

Registration Number	Patent	Reg. Date
7,887,625	Sealer Composition	February 15, 2011
7,879,406	Sealer Composition	February 1, 2011
8,097,575	Composition and Method For Cleaning and Neutralizing a Surface	January 17, 2012
10,124,623	Flexible Translucent Color Matching Apparatus	November 13, 2018
7,795,200	Textile Cleaning Composition And Method Of Use	September 14, 2010

Also, NHI claims copyright protection for the Manual and related materials although these materials have not been registered with the United States Registrar of Copyrights. The Manual and related materials are considered proprietary and confidential and may be used by you only as provided in the Franchise Agreement. You may not use NHI's confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others.

NHI does not warrant or guarantee that any patents or copyrights that it obtains or holds rights to and it licenses to you are valid or that you will have exclusive rights to operate under the claims of any such patent or copyright.

There currently are no effective material determinations of the U.S. Patent and Trademark Office, the U.S. Copyright Office (Library of Congress) or any court. There are no agreements currently in effect which will significantly limit the use of any of the patents, patent application or copyrights in any manner material to the franchise. NHI is not aware of any infringing uses which would materially affect your right to operate under any of the patents or copyrights in any state. NHI is not required by any agreement to protect or defend copyrights or confidential information.

NHI is not required to protect your right to use the patents or copyrights or to protect you against claims of infringement or unfair competition arising out of your use of any of the patents or copyrights. You must notify NHI immediately in writing of any apparent infringement or challenge to your use of any of the patents or copyrights, or of any claim by any person of any rights in any of the patents or copyrights and may not communicate with anyone other than NHI, NHI's attorneys and your attorneys in connection with any such infringement, challenge or claim. NHI will take such action as it, in its sole discretion, deems appropriate and will have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising from any infringement, challenge or claim or otherwise relating to any of the patents or copyrights. You must sign any instruments and documents, provide the assistance and take any action that, in the opinion of NHI's attorneys, may be necessary or advisable to protect and maintain its interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain NHI's interests in or copyright any of the patents or copyrights.

If it becomes advisable at any time in NHI's sole discretion for NHI and/or you to modify or discontinue the use of subject matter covered by any patent or copyright, you must comply with NHI's directions within a reasonable period of time after receiving notice. However, NHI is not obligated to reimburse you for any expenses or loss of revenue or goodwill arising from any modification or discontinuation of the subject of any patent or copyright.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

While you are not required to participate in the direct or daily operation of the business, at least one of the franchise owners must successfully complete NHI's training program. You are responsible for the successful operation of the Business and are directly responsible to us under the Franchise Agreement whether or not you participate in day-to-day operations. If you elect to use an operator to run the Business, the operator is obligated to complete NHI's Initial and New Buyer Training and other training program(s) successfully. Although the operator is not required to have any ownership interest in the Business, the identity of the operator must be disclosed to NHI. You must require your employees to sign an agreement in which the employee agrees not to divulge any trade secret or confidential or proprietary information, including the contents of the Manual, or to engage in or have any interest in any competitive business (where such restriction is permitted by law).

You must pay for any additional training that NHI requires for an employee that NHI, in its sole discretion, deems unqualified, or you must replace the unqualified employee with one who, in NHI's sole discretion, is qualified. You are not permitted to utilize independent contractors to provide services to customers. In addition, you cannot subfranchise, sublicense or delegate your franchise rights. You are solely responsible for the recruitment, selection, training, terms and conditions of employment, compensation, scheduling, supervision, discipline, and termination of your employees.

If you are a corporation, limited liability company, partnership or other entity, each of your equity owners, members, shareholders, partners, or officers must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to complete. This "Guaranty and Assumption of Obligations" is attached as Exhibit A to the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The reputation and goodwill of NHI is based upon and can be maintained and enhanced only by furnishing consistent high quality wood cleaning, coating and protection services and other related products and services to residential and commercial customers. Therefore, you must not, without the prior written approval of NHI, offer or sell any service or product that is not authorized by NHI for the Business. NHI may add or remove services from the list of approved services at any time at its sole discretion. You must also offer to your residential or commercial customers any products as NHI designates from time to time ("Resale Products"). Resale products currently include maintenance kits, floor cleaner and cabinet cleaning products. You may not resell any products other than the Resale Products. NHI reserves the right to set a maximum price for approved products and/or approved services. If and when NHI imposes such a maximum price, you may charge any price for the approved service and/or product up to and including the maximum price. We may also establish, where permitted by law, a policy governing minimum advertised prices for Resale Products.

The equipment used in the Business may not be used for any purpose other than the operation of the Business in compliance with the Franchise Agreement and in the manner in which it was intended and according to operating procedures as outlined in the Manual or the equipment manual. You may not sell, rent, lease or license your N-Hance customer list(s) or customer contracts, or otherwise use your N-Hance customer list(s)

for any purpose other than in connection with the operation of the Business. You may not perform services outside your Franchised Area without our consent.

National accounts require the highest standard of service. In an effort to maintain quality, consumers and vendors are encouraged to provide feedback on each franchisee's job performance. This feedback is generally in the form of an email survey sent to the customer and/or vendor immediately following completion of a job. We will expect that you will immediately address and correct (at your cost) any negative feedback generated from survey submissions by consumers, national accounts or vendors. We may terminate your Franchise Agreement if you engage in continued poor performance or receive substantial customer and/or vendor complaints.

You may elect not to perform services for any one or more of the national accounts ("national accounts" includes any account which contracts with NHI for services in more than one franchised area) located in the Franchised Area. (See Items 11 and 12) In addition, a national account may elect not to do business with you or NHI could determine you may no longer service an account. In any of these events, NHI, another franchisee or a third party designated by NHI may provide services for the national account in the Franchised Area. Neither NHI nor any other franchisee will be liable or obligated to pay you any compensation for doing so and neither NHI nor any franchisee will be considered in breach of your Franchise Agreement or any other agreement between NHI and you. NHI may retain a referral or processing fee with respect to any national account you service. If any multi-location account requests that you perform services outside the Franchised Area, you must refer the business for outside your Franchised Area to NHI for assignment.

You must not sell, donate, lease or otherwise transfer any Business Vehicle without first removing all of the names and marks associated with the Business from the Business Vehicle. You can only operate, solicit and advertise within your Franchised Area.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1C of the Franchise Agreement and Section 9 of the Equipment Agreement	5 years
b. Renewal or extension of the term	Section 14 of the Franchise Agreement	

Provision	Section in Franchise Agreement	Summary
		You may have the right to acquire a five-year successor term, if you meet certain qualifications.
c. Requirements for you to renew or extend	Section 14 of the Franchise Agreement	You must fulfill certain requirements having complied with all terms of the Franchise Agreement, having completed all required training, agreeing to add or replace operating assets as NHI directs, signing the then-current franchise agreement (which may contain fees, terms and conditions that differ materially from those in the current Franchise Agreement, including increased or additional fees and new product or service offerings), paying the renewal franchise fee, and purchasing all equipment and products required by NHI for successor franchises.
D. Termination by you	None	Not Applicable (subject to state law)
e. Termination by us without cause	None	Not Applicable
f. Termination by us with cause	Section 15 of the Franchise Agreement, Section 9 of the Equipment Agreement, and Section 13 of the Software License Agreement and the Business Note	We can terminate only if you commit any of the listed defaults or breaches
g. “Cause” defined-defaults which can be cured	Section 15 and the Business Note	You have 10 days to cure for non-payment and failure to provide required reports and 30 days to cure for other defaults or non-compliance with System Standards
h. “Cause” defined-defaults which cannot be cured	Section 15	You cannot cure certain defaults: material misrepresentation or omission, failure to commence operations within 90 days after signing the Franchise

Provision	Section in Franchise Agreement	Summary
		Agreement, failure to satisfactorily complete training, abandonment of the franchise, unauthorized transfer of the franchise, conviction of/no contest plea to a crime / an offense likely to adversely affect the reputation of any N-Hance Business or the goodwill of the Marks; engaging in dishonest/unethical conduct which adversely affects the reputation of the N-Hance Business or the goodwill of the Marks, unauthorized use of a Mark, unauthorized use of the Manual or other confidential information, use of non-Approved Products or non-Approved Services two or more times, non-compliance with laws, repeated defaults, bankruptcy related events, termination of another franchise agreement
i. Your obligations on termination/nonrenewal	Section 16 of the Franchise Agreement, Section 9 of the Equipment Agreement and Section 13 of the Software License Agreement	You must, among other things, pay all outstanding amounts due to NHI, its affiliates and customers; stop using the Marks, return of: patents, copyrights, and confidential information; take steps to de-identify yourself with the franchise; return confidential materials, including the Manual, and proprietary equipment to NHI, and provide NHI with access to your customer list.
j. Assignment of contract by us	Section 13A of the Franchise Agreement and the Business Note	No restriction on NHI's right to assign
k. "Transfer" by you – definition	Section 13B of the Franchise Agreement, Section 5 of the Equipment Agreement and Section 18 of the Software License Agreement	"Transfer" includes transfer of the Franchise Agreement, an ownership interest in you or the N-Hance Business or its assets
l. Our ² s approval of transfer by you	Section 13B	

Provision	Section in Franchise Agreement	Summary
		We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for our approval of transfer	Section 13C	Before NHI approves a transfer, certain conditions must be met: the transferee is qualified; the transferee assumes your obligations under the Franchise Agreement; <u>transferee assumes all obligations to customers and clients</u> ; all amounts due to NHI and its affiliates are paid in full; the transferee has no interest in a competitive business; the transferee satisfactorily completes training; the transferee signs the then-current franchise agreement and related documents; the transfer fee is paid; you sign a general release (if applicable law allows); you subordinate amounts due to you from the transferee; you correct any deficiencies, and the transferee agrees to make any requested updates; you abide by the covenant not to compete; the purchase agreement allocates the purchase price among specified categories, makes full disclosure, and states that the transferred agrees to the disposition of your payables and receivables; the transferee purchases all required equipment, and you take steps to de-identify yourself with the franchise; <u>you guarantee the performance of transferee if you finance the sale/assignment.</u>
n. Our right of first refusal to acquire your business	Section 13H	NHI has 30 days to match any written offer to buy an interest in your business, to buy an ownership interest in you, or to buy your Business assets.
o. Our option to purchase your business	Section 13F	Within six months after receiving notification of your death or permanent incapacity, NHI can repurchase or terminate your franchise

Provision	Section in Franchise Agreement	Summary
p. Your death or disability	Section 13F	We can buy the Business, and if we do not, franchise must be assigned to a party we approve within six months
q. Non-competition covenants during the term of the franchise	Section 6	Subject to state law, none of you; any shareholder, officer, director, partner, or guarantor of you, and any of your / their respective spouses and children can have any interest in, perform services for, or attempt to divert / divert any potential customer / customer to a competitive business (i.e., any business which provides or sells, or grants franchises or licenses to others to provide or sell, wood cleaning, coating, protection or other wood care or renewal services or products, or any related or ancillary services or products) or engage in activity that injures the goodwill of the Marks or NHI's franchise system.
r. Non-competition covenants after the franchise is terminated or expires	Section 16D	Subject to state law, neither you nor any of your owners can participate in or have a direct or indirect interest (e.g., through a spouse) in a competitive business for two years within the Franchised Area, within ten miles of Franchised Area or in the franchised area of any N-Hance Business
s. Modification of the agreement	Sections 1F and 17A	Modifications to the Franchise Agreement can only be made in writing by mutual agreement, but we can modify the Manual and System Standards at will.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 17O	The Franchise Agreement (including any preambles and exhibits) represents the entire agreement between you and us regarding the franchise relationship and your N-Hance Business (subject to state law); however, nothing in the Franchise Agreement disclaims or requires you to waive reliance on any representation made in this disclosure document. Any representations or promises outside of the Franchise Disclosure Document and the other agreements with us may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17F of the Franchise Agreement and the Business Note	Except for certain claims, all disputes must be arbitrated in Nashville, Tennessee (subject to state law) under the Federal Arbitration Act. Monetary claims for liquidated amounts may be asserted in litigation instead of arbitration by either you or us. The defendant may initiate arbitration of any counterclaim or underlying dispute, in which case the litigation must be dismissed, and the arbitration will be the means of dispute resolution.
V. Choice of forum	Section 17I	Litigation in Davidson County, Tennessee. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at <u>Exhibit H.</u>
w. Choice of law	Section 17H	Except where Federal Arbitration Act or other federal law applies, Tennessee law applies. Your local law may supersede this provision.

Item 18

PUBLIC FIGURES

NHI does not use any public figure to promote NHI's franchise.

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.

Every month, NHI requires all franchise owners to provide us with certain financial and other information relating to the operation of their N-Hance businesses during the preceding month. NHI may also request that all franchisees who do not submit monthly reports submit an annual report. We have not independently verified their information.

Most of our franchise owners have purchased several franchises covering separate geographic areas. We believe that a franchisee is able to achieve overhead efficiencies by supporting multiple franchises from a single operating base that is conveniently located to the franchises.

As of December 31, 2023, NHI had 11627 U.S. franchise owners who operated 288317 businesses. Of these franchise owners, 1139 franchise owners (the "Mature Franchise Owners"), representing 97.43.7% of the total franchise owners, who operate 283308 N-Hance businesses (the "Mature Franchises") in discrete Franchise Areas, representing 98.26.7% of N-Hance franchises, operated those franchises for at least 13 months as of December 31, 2023. Of those Mature Franchise Owners, 8798 franchise owners (the "Active Franchise Owners"), representing 757.2% of all franchise owners and 7782.4% of Mature Franchise Owners, who collectively own 24970 N-Hance businesses (the "Active Franchises"), representing 86.54.6% of all franchises and 887.7% of Mature Franchises, submitted annual financial data to NHI for 2023 and actively operated their business. We derived the Information presented below from the Active Franchise Owners about the Active Franchises. The information has been reported voluntarily by the Active Franchise Owners and has not been audited, reviewed or compiled by any independent accountant.

An "Active Franchise Owner" is a franchisee in the U.S. that has operated an N-Hance business on a full-time basis for the full year of 2023 by (i) completing at least two jobs through its N-Hance Business during each calendar month in 2023 and (ii) obtained at least one (1) third-party starred Google review. Active Franchise Owners include both Traditional and Small Market Franchises.

The chart below shows a revenue performance grid for Active Franchise Owners and Active Franchises for the one-year period ending on December 31, 2023, presented by various performance groupings from the

top performing to the bottom performing groups of Active Franchise Owners, with performance measured and grouped by average revenue per owner. Information from the franchisees and about the franchised businesses that did not report revenue information for all of 2023³², who did not qualify as Mature Franchise Owners, or which did not qualify as a Mature Franchise is not included in the performance grids.

<u>Group Ranked by Average Revenue</u>	<u>Number of Owners</u>	<u>Number of Franchised Areas</u>	<u>Average Revenue/ Owner</u>	<u>Average Revenue/ Territory</u>	<u>Average Revenue/ Job</u>	<u>Owners Exceeding Avg Rev/ Owner</u>
<u>Top Performer</u>	<u>1</u>	<u>7</u>	<u>\$4,409,851</u>	<u>\$629,979</u>	<u>\$7,656</u>	
<u>Top 10%</u>	<u>9</u>	<u>49</u>	<u>\$1,999,531</u>	<u>\$367,261</u>	<u>\$7,124</u>	<u>4</u>
<u>1st Quartile</u>	<u>21</u>	<u>90</u>	<u>\$1,388,154</u>	<u>\$323,903</u>	<u>\$7,261</u>	<u>6</u>
<u>2nd Quartile</u>	<u>22</u>	<u>67</u>	<u>\$543,466</u>	<u>\$178,451</u>	<u>\$5,629</u>	<u>7</u>
<u>3rd Quartile</u>	<u>22</u>	<u>47</u>	<u>\$320,784</u>	<u>\$150,154</u>	<u>\$5,623</u>	<u>11</u>
<u>4th Quartile</u>	<u>22</u>	<u>45</u>	<u>\$174,022</u>	<u>\$85,077</u>	<u>\$4,478</u>	<u>11</u>
<u>Bottom 10%</u>	<u>9</u>	<u>19</u>	<u>\$127,179</u>	<u>\$60,243</u>	<u>\$4,117</u>	<u>4</u>
<u>Bottom Performer</u>	<u>1</u>	<u>2</u>	<u>\$91,137</u>	<u>\$45,568</u>	<u>\$4,487</u>	

<u>Group Ranked by Average Revenue</u>	<u>Number of Owners</u>	<u>Number of Franchised Areas</u>	<u>Average Revenue / Owner</u>	<u>Owners Exceeding Avg Rev/ Owner</u>	<u>Percentage of Owners Exceeding Average Revenue Per Owner</u>	<u>Solutions as a % of Revenue</u>	<u>Tech Labor as % of Revenue</u>
<u>Top Performer</u>	<u>1</u>	<u>7</u>	<u>\$4,409,851</u>			<u>3.4%</u>	<u>25.6%</u>
<u>Top 10%</u>	<u>9</u>	<u>49</u>	<u>\$1,999,531</u>	<u>4</u>	<u>44.4%</u>	<u>3.6%</u>	<u>23.0%</u>
<u>1st Quartile</u>	<u>21</u>	<u>90</u>	<u>\$1,388,154</u>	<u>6</u>	<u>28.6%</u>	<u>3.3%</u>	<u>24.5%</u>
<u>2nd Quartile</u>	<u>22</u>	<u>67</u>	<u>\$543,466</u>	<u>7</u>	<u>31.8%</u>	<u>4.1%</u>	<u>28.5%</u>
<u>3rd Quartile</u>	<u>22</u>	<u>47</u>	<u>\$320,784</u>	<u>11</u>	<u>50.0%</u>	<u>4.0%</u>	<u>28.1%</u>
<u>4th Quartile</u>	<u>22</u>	<u>45</u>	<u>\$174,022</u>	<u>11</u>	<u>50.0%</u>	<u>6.1%</u>	<u>32.0%</u>
<u>Bottom 10%</u>	<u>9</u>	<u>19</u>	<u>\$127,179</u>	<u>4</u>	<u>44.4%</u>	<u>7.0%</u>	<u>37.4%</u>
<u>Bottom Performer</u>	<u>1</u>	<u>2</u>	<u>\$91,137</u>			<u>7.1%</u>	<u>35.5%</u>

<u>Number of Franchised Areas Per Owner</u>	<u>Number of Owners</u>	<u>Number of Franchised Areas</u>	<u>Average Franchised Areas/ Owner</u>	<u>Average Revenue / Owner</u>	<u>Median Revenue/ Owner</u>	<u>Average Revenue/ Franchised Area</u>	<u>Median Revenue/ Franchised Area</u>
<u>1</u>	<u>18</u>	<u>18</u>	<u>1.0</u>	<u>\$323,928</u>	<u>\$253,769</u>	<u>\$323,928</u>	<u>\$253,769</u>
<u>2</u>	<u>25</u>	<u>50</u>	<u>2.0</u>	<u>\$345,808</u>	<u>\$325,045</u>	<u>\$172,904</u>	<u>\$162,523</u>
<u>3 or More</u>	<u>44</u>	<u>181</u>	<u>4.1</u>	<u>\$852,666</u>	<u>\$640,034</u>	<u>\$207,278</u>	<u>\$159,267</u>
<u>Total</u>	<u>87</u>	<u>249</u>	<u>2.9</u>	<u>\$597,623</u>	<u>\$413,849</u>	<u>\$208,808</u>	<u>\$210,259</u>

<u>Number of Franchised Areas Per Owner</u>	<u>Number of Owners</u>	<u>Number of Franchised Areas</u>	<u>Average Franchised Areas/ Owner</u>	<u>Average Revenue / Job</u>	<u>Number of Owners Exceeding Avg Revenue Per Owner</u>	<u>Percentage of Owners Exceeding Average Revenue Per Owner</u>	<u>Solutions as % of Revenue</u>
<u>1</u>	<u>18</u>	<u>18</u>	<u>1.0</u>	<u>\$5,039</u>	<u>7</u>	<u>38.9%</u>	<u>3.4%</u>
<u>2</u>	<u>25</u>	<u>50</u>	<u>2.0</u>	<u>\$5,499</u>	<u>12</u>	<u>48.0%</u>	<u>4.2%</u>
<u>3 or More</u>	<u>44</u>	<u>181</u>	<u>4.1</u>	<u>\$6,797</u>	<u>16</u>	<u>36.4%</u>	<u>3.7%</u>
<u>Total</u>	<u>87</u>	<u>249</u>	<u>2.9</u>	<u>\$6,303</u>	<u>27</u>	<u>31.0%</u>	<u>3.8%</u>

<u>Group Ranked by Average Revenue</u>	<u>Number of Owners</u>	<u>Number of Franchised Areas</u>	<u>Average Revenue/ Owner</u>	<u>Median Revenue/ Owner</u>	<u>Average Revenue/ Territory</u>	<u>Average Revenue/ Job</u>	<u>Owners Exceeding Avg Rev/ Owner</u>
Top Performer	1	7	\$4,616,614	\$4,616,614	\$659,516	\$8,303	n/a
Top 5%	5	31	\$2,542,894	\$2,243,054	\$410,144	\$7,600	1
Top 10%	10	50	\$1,913,761	\$1,545,430	\$382,752	\$7,184	3
1 st Quartile	24	103	\$1,309,239	\$987,969	\$305,065	\$7,031	6
2 nd Quartile	24	77	\$548,071	\$529,622	\$170,827	\$5,354	12
3 rd Quartile	25	48	\$318,480	\$303,394	\$165,875	\$4,945	12
4 th Quartile	25	42	\$173,492	\$171,777	\$103,269	\$4,585	12
Bottom 10%	10	19	\$126,087	\$127,523	\$66,361	\$4,455	5
Bottom 5%	5	9	\$99,612	\$112,333	\$55,340	\$3,891	2
Bottom Performer	1	1	\$78,420	\$78,420	\$78,420	\$2,821	n/a

Group Ranked by Average Revenue	Number of Owners	Number of Franchised Areas	Average Revenue/ Owner	Owners Exceeding Avg Rev/ Owner	Percentage of Owners Exceeding Average Revenue Per Owner	Solutions as a % of Revenue	Tech Labor as % of Revenue
Top Performer	1	7	\$4,616,614			3.3%	22.8%
Top 5%	5	31	\$2,542,894	1	20%	4.0%	24.2%
Top 10%	10	50	\$1,913,761	3	30%	3.7%	24.6%
1 st Quartile	24	103	\$1,309,239	6	25%	3.7%	24.7%
2 nd Quartile	24	77	\$548,071	12	50%	5.0%	26.7%
3 rd Quartile	25	48	\$318,480	12	48%	4.9%	31.4%
4 th Quartile	25	42	\$173,492	12	48%	7.1%	32.5%
Bottom 10%	10	19	\$126,087	5	50%	8.3%	34.5%
Bottom 5%	5	9	\$99,612	2	40%	11.0%	39.2%
Bottom Performer	1	1	\$78,420			5.2%	29.3%

# of Franchised Areas per Owner	Number of Owners	Number of Franchised Areas	Average Franchised Areas/ Owner	Average Revenue/ Owner	Median Revenue/ Owner	Average Revenue/ Franchised Area	Median Revenue/ Franchised Area
1	24	24	1.0	\$248,425	\$243,721	\$248,425	\$243,721
2	26	52	2.0	\$392,532	\$325,736	\$196,266	\$162,868
3 or More	48	194	4.0	\$848,056	\$692,775	\$209,828	\$154,659
Total	98	270	2.8	\$580,355	\$390,320	\$210,647	\$195,045

# of Franchised Areas per Owner	Number of Owners	Number of Franchised Areas	Average Franchised Areas/ Owner	Average Revenue/ Job	# Owners Exceeding Avg Revenue Per Owner	Percentage of Owners Exceeding Average Revenue Per Owner	Solutions as % of Revenue
1	24	24	1.0	\$4,824	11	45.8%	4.9%
2	26	52	2.0	\$4,974	11	42.3%	4.3%
3 or More	48	194	4.0	\$6,572	18	37.5%	4.4%
Total	98	270	2.8	\$5,998	33	33.7%	4.4%

Notes:

1. A number of factors impact franchise owner's revenue, such as the operational capability of the franchise owner, the price that the franchise owner decides to charge for services, the competition in the market, and the franchise owner's ability to sell ancillary products and higher-margin services. The price you charge and your ability to sell may differ from the Active Franchise Owners.

2. "Owners", reflects the number of individual franchise owners in each measured category out of the total 98 Active Franchise Owners.

3. "Number of Franchised Areas" reflects the total number of Franchised Areas owned by the franchise owners in each given row. The number of "Franchise Areas" is based on the franchises owned at the end of each calendar year.

4. "Average Revenue Per Owner" reflects the average revenue reported by the Active Franchise Owners for the calendar year ending December 31, ~~2022~~2023.

5. "Average Revenue Per Job" reflects the price data that Active Franchise Owners voluntarily report to us for transactions during the calendar year ending December 31, ~~2022~~2023.

6. "Median Revenue Per Job" reflects the price data that Active Franchise Owners voluntarily report to us for transactions during calendar years ending December 31, ~~2022~~2023.

7. "Owners Exceeding Average Revenue Per Owner" is the number of Active Franchise Owners that reported revenues above the "Average Revenue Per Owner" for the row from their respective groups.

8. "Tech Labor as a % of Revenue" refers to the reported cost of technician labor used in the performance of the jobs by the Reporting Owners, as a percentage of the revenues of the Reporting Owner. It is a portion of the costs of performance but does not include any other costs for other materials, supplies or other categories of expenses you would incur to operate your N-Hance Business.

10. "Solutions as a % of Revenue" refers to the reported cost of our NHI-supplied treatment products used in the performance of the jobs by the Reporting Owners, as a percentage of the revenues of the Reporting Owner. It is a portion of the costs of performance, but does not include any other costs for labor, other materials, supplies or other categories of expenses you would incur to operate your N-Hance Business.

11. In these financial performance representations, NHI considers each franchise agreement to be one "franchise" or "unit" for purposes of counting the number of Active Franchises. In the N-Hance franchise network, there sometimes is one individual, group of individuals or an entity who has management responsibility for a number of different franchises operating under different franchise agreements. For example, that individual, group or entity may be the franchisee under each of the franchise agreements, or an owner (whether of a majority or minority of the ownership interests) of those franchisees, or have management responsibility (for example, as a managing member or partner) of those franchisees.

12. The N-Hance brand is established in many of the markets in which the Active Franchises operate. If you operate your N-Hance business franchise in a new region or market where the N-Hance brand is not yet developed, your franchise may not benefit as much from an established trade identity in the market

or from marketing activities that other N-Hance business franchise owners historically conducted.

13. This financial performance representation does not reflect variable or fixed operating expenses, or other costs or expenses that must be deducted from the revenue figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your N-Hance business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

Other than the preceding financial performance representation, NHI does not make any financial performance representations. NHI also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, NHI may provide you with copies of the reports and information NHI has received about that outlet. We do not represent or warrant the accuracy of franchised unit information reported to us by franchisees.

If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting, our President, [Kelly Jensen](#)[Robert DeGraff](#), at 3310 West End Avenue, Suite 620, Nashville, TN 37203, (800) 841-6583, the Federal Trade Commission, and the appropriate state regulatory agencies.

Some businesses have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

NHI will provide written substantiation for the data used to prepare this financial performance representation upon your reasonable request.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS – 2021-2023

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
<u>Franchised</u>	<u>2021</u>	<u>428</u>	<u>383</u>	<u>-45</u>
-	<u>2022</u>	<u>383</u>	<u>317</u>	<u>-66</u>
-	<u>2023</u>	<u>317</u>	<u>288</u>	<u>-29</u>
<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>428</u>	<u>381</u>	<u>-47</u>
-	<u>2022</u>	<u>381</u>	<u>315</u>	<u>-66</u>
-	<u>2023</u>	<u>315</u>	<u>288</u>	<u>-279</u>

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	505	428	-77
-	2021	428	383	-45
-	2022	383	317	-66
Company-Owned	2020	0	0	0
-	2021	0	0	0
-	2022	0	0	0
Total Outlets	2020	505	428	-77
-	2021	428	383	-45
-	2022	383	317	-66

TABLE 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(other than the Franchisor) FOR YEARS 2020 – 2022

State	Year	Number of Transfers
California	2020	3
	2021	0
	2022	0
Colorado	2020	0
	2021	0
	2022	8
Florida	2020	0
	2021	3
	2022	0
Idaho	2020	0
	2021	2
	2022	0
Montana	2020	1
	2021	0
	2022	0

Nebraska	2020	0
	2021	1
	2022	0
New Mexico	2020	2
	2021	0
	2022	0
New York	2020	1
	2021	0
	2022	0
Texas	2020	7
	2021	0
	2022	2
TOTALS	2020	12
	2021	8
	2022	10
<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
<u>Colorado</u>	2021	0
	2022	8
	2023	0
<u>Florida</u>	2021	3
	2022	0
	2023	3
<u>Idaho</u>	2021	2
	2022	0
	2023	0
<u>Nebraska</u>	2021	1
	2022	0
	2023	0
<u>Nevada</u>	2021	0
	2022	0
	2023	4
<u>Ohio</u>	2021	0
	2022	0
	2023	4
<u>Texas</u>	2021	0
	2022	2
	2023	0
<u>Utah</u>	2021	0

<u>TOTALS</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
	<u>2021</u>	<u>8</u>
	<u>2022</u>	<u>10</u>
	<u>2023</u>	<u>12</u>

TABLE 3

STATUS OF FRANCHISED OUTLETS FOR THE YEARS 2021-2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Totals
Alabama	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	1	2	0	0	0	3
Arizona	2020	10	0	4	1	0	0	5
	2021	5	0	1	0	0	0	4
	2022	4	3	2	0	0	0	5
Arkansas	2020	6	0	0	0	0	3	3
	2021	3	2	3	0	0	0	2
	2022	2	0	0	0	0	0	2
California	2020	62	0	7	4	0	3	48
	2021	48	3	6	6	0	0	39
	2022	39	0	5	3	0	0	31
Colorado	2020	10	0	0	1	0	0	9
	2021	9	2	0	1	0	0	10
	2022	10	0	0	0	0	0	10
Connecticut	2020	5	0	0	1	0	0	4
	2021	4	1	0	1	0	0	4
	2022	4	0	0	0	0	3	1
Delaware	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	48	1	2	1	0	0	46
	2021	46	4	5	1	0	0	44
	2022	44	3	0	2	0	0	45
Georgia	2020	11	1	2	0	0	0	10

State	Year	Outlets at Start of Year	Outlets Opened	Termi- nations	Non- Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Totals
	2021	10	2	0	0	0	0	12
	2022	12	0	5	0	0	0	7
Hawaii	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Idaho	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Illinois	2020	12	0	2	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	0	3	0	0	0	7
Indiana	2020	5	2	0	0	0	0	7
	2021	7	0	1	0	0	0	6
	2022	6	2	0	1	0	0	7
Iowa	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Kansas	2020	5	0	0	0	0	2	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Kentucky	2020	10	1	0	0	0	0	11
	2021	10	0	3	0	0	0	7
	2022	7	1	1	0	0	0	7
Louisiana	2020	4	0	0	1	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Maryland	2020	4	0	0	0	0	0	4
	2021	4	0	1	0	0	0	3
	2022	3	0	0	0	0	0	3
Massachusetts	2020	8	0	2	0	0	0	6
	2021	6	2	0	0	0	0	8
	2022	8	0	1	1	0	1	5
Michigan	2020	13	1	8	1	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Minnesota	2020	10	0	5	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Termi- nations	Non- Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Totals
	2021	5	0	4	1	0	0	0
	2022	0	0	0	0	0	0	0
Mississippi	2020	3	0	0	0	0	0	3
	2021	3	0	2	0	0	0	1
	2022	1	0	0	1	0	0	0
Missouri	2020	14	0	3	0	0	0	11
	2021	11	1	7	0	0	0	5
	2022	5	1	0	0	0	2	4
Montana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nebraska	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Nevada	2020	5	0	0	1	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
New Hampshire	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	2	0	0	0	0
New Jersey	2020	15	0	0	0	0	0	15
	2021	15	0	0	0	0	0	15
	2022	15	0	0	0	0	2	13
New Mexico	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	1	0	0	0	3
New York	2020	30	1	6	1	0	0	24
	2021	24	0	0	0	0	0	24
	2022	24	0	0	1	0	0	23
North Carolina	2020	14	6	7	0	0	0	13
	2021	13	0	0	0	0	0	13
	2022	13	0	2	1	0	1	9
Ohio	2020	18	0	0	0	0	0	18
	2021	18	0	0	0	0	0	18
	2022	18	2	4	0	0	0	16

State	Year	Outlets at Start of Year	Outlets Opened	Termi- nations	Non- Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Totals
Oklahoma	2020	5	0	1	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Oregon	2020	9	0	0	0	0	0	9
	2021	9	0	5	0	0	0	4
	2022	4	0	0	0	0	0	4
Pennsylvania	2020	17	0	0	0	0	4	13
	2021	13	2	4	0	0	0	11
	2022	11	0	0	2	0	0	9
Rhode Island	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	3	0
South Carolina	2020	10	0	1	0	0	0	9
	2021	9	1	2	0	0	0	8
	2022	8	0	0	0	0	0	8
South Dakota	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	-	0	0	2
Tennessee	2020	7	1	0	0	0	0	8
	2021	8	2	2	0	0	0	8
	2022	8	0	2	0	0	0	6
Texas	2020	53	0	9	0	0	0	44
	2021	44	0	9	2	0	0	33
	2022	33	0	13	1	0	2	17
Utah	2020	5	1	1	1	0	0	4
	2021	4	3	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Vermont	2020	2	0	2	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Virginia	2020	22	0	0	0	0	0	22
	2021	22	0	2	2	0	0	18
	2022	18	0	4	2	0	0	12
Washington	2020	18	0	0	1	0	0	17
	2021	17	0	1	0	0	0	16

State	Year	Outlets at Start of Year	Outlets Opened	Termi- nations	Non- Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Totals
	2022	16	0	1	0	0	0	15
West Virginia	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	1	2	0	0	0
Wisconsin	2020	7	0	5	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Wyoming	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
TOTALS	2020	505	18	69	14	0	12	428
	2021	428	27	58	14	0	0	383
	2022	383	14	49	17	0	14	317

State	Year	Outlets at Start of Year	Outlets Opened	Termi- nations	Non- Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Totals
Alabama	2021	4	0	0	0	0	0	4
	2022	4	1	2	0	0	0	3
	2023	3	0	0	0	0	0	3
Arizona	2021	5	0	1	0	0	0	4
	2022	4	3	2	0	0	0	5
	2023	5	0	1	0	0	1	3
Arkansas	2021	3	2	3	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	2	0	0	0	0
California	2021	48	3	8	6	0	0	37
	2022	37	0	5	3	0	0	29
	2023	29	0	1	2	0	1	25
Colorado	2021	9	2	0	1	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
Connecticut	2021	4	1	0	1	0	0	4
	2022	4	0	0	0	0	3	1
	2023	1	0	0	0	0	0	1

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Termi- nations</u>	<u>Non- Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operation Other Reasons</u>	<u>Totals</u>
<u>Delaware</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Florida</u>	<u>2021</u>	<u>46</u>	<u>4</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>44</u>
	<u>2022</u>	<u>44</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>45</u>
	<u>2023</u>	<u>45</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45</u>
<u>Georgia</u>	<u>2021</u>	<u>10</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
	<u>2022</u>	<u>12</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>Hawaii</u>	<u>2021</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>Idaho</u>	<u>2021</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>Illinois</u>	<u>2021</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2022</u>	<u>10</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
<u>Indiana</u>	<u>2021</u>	<u>7</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2022</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>Iowa</u>	<u>2021</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Kansas</u>	<u>2021</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>Kentucky</u>	<u>2021</u>	<u>10</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2022</u>	<u>7</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>4</u>
<u>Louisiana</u>	<u>2021</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>Maryland</u>	<u>2021</u>	<u>4</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>Massachusetts</u>	<u>2021</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2022</u>	<u>8</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>5</u>
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Termi- nations</u>	<u>Non- Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operation Other Reasons</u>	<u>Totals</u>
<u>Michigan</u>	<u>2021</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2022</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>Minnesota</u>	<u>2021</u>	<u>5</u>	<u>0</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Mississippi</u>	<u>2021</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Missouri</u>	<u>2021</u>	<u>11</u>	<u>1</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2022</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>Montana</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Nebraska</u>	<u>2021</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Nevada</u>	<u>2021</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>New Hampshire</u>	<u>2021</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New Jersey</u>	<u>2021</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
	<u>2022</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>13</u>
	<u>2023</u>	<u>13</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
<u>New Mexico</u>	<u>2021</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2022</u>	<u>4</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>New York</u>	<u>2021</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24</u>
	<u>2022</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>23</u>
	<u>2023</u>	<u>23</u>	<u>0</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>18</u>
<u>North Carolina</u>	<u>2021</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
	<u>2022</u>	<u>13</u>	<u>0</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>9</u>
	<u>2023</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
<u>Ohio</u>	<u>2021</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>
	<u>2022</u>	<u>18</u>	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Termi- nations</u>	<u>Non- Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operation Other Reasons</u>	<u>Totals</u>
	<u>2023</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>14</u>
<u>Oklahoma</u>	<u>2021</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>Oregon</u>	<u>2021</u>	<u>9</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2022</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>Pennsylvania</u>	<u>2021</u>	<u>13</u>	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>
	<u>2022</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>9</u>
	<u>2023</u>	<u>9</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
<u>Rhode Island</u>	<u>2021</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>South Carolina</u>	<u>2021</u>	<u>9</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2022</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2023</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
<u>South Dakota</u>	<u>2021</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Tennessee</u>	<u>2021</u>	<u>8</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2022</u>	<u>8</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>Texas</u>	<u>2021</u>	<u>44</u>	<u>0</u>	<u>9</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>33</u>
	<u>2022</u>	<u>33</u>	<u>0</u>	<u>13</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>17</u>
	<u>2023</u>	<u>17</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>
<u>Utah</u>	<u>2021</u>	<u>4</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2022</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
<u>Vermont</u>	<u>2021</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Virginia</u>	<u>2021</u>	<u>22</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>18</u>
	<u>2022</u>	<u>18</u>	<u>0</u>	<u>4</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>12</u>
	<u>2023</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>11</u>
<u>Washington</u>	<u>2021</u>	<u>17</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
	<u>2022</u>	<u>16</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
	<u>2023</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>14</u>
<u>West Virginia</u>	<u>2021</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Termi- nations</u>	<u>Non- Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operation Other Reasons</u>	<u>Totals</u>
<u>Wisconsin</u>	<u>2022</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2021</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>TOTALS</u>	<u>2021</u>	<u>428</u>	<u>27</u>	<u>6058</u>	<u>14</u>	<u>0</u>	<u>0</u>	<u>3813</u>
	<u>2022</u>	<u>3813</u>	<u>14</u>	<u>49</u>	<u>17</u>	<u>0</u>	<u>14</u>	<u>3157</u>
	<u>2023</u>	<u>3157</u>	<u>7</u>	<u>1722</u>	<u>107</u>	<u>0</u>	<u>7</u>	<u>2888</u>

TABLE 4

STATUS OF COMPANY-OWNED OUTLETS

FOR YEARS ENDING 20210-20232

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	NON- RENEWALS	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHIS EES	OUTLETS AT END OF YEAR
TOTAL	<u>20210</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>20221</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>20232</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

TABLE 5

PROJECTED OPENINGS AS OF JANUARY 1, 20243

<u>STATE</u>	<u>FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED</u>	<u>PROJECTED SALES TO NEW FRANCHISEES</u>	<u>PROJECTED COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR</u>
<u>Alabama</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Alaska</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Arizona</u>	<u>0</u>	<u>2</u>	<u>0</u>
<u>Arkansas</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>California</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Colorado</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Connecticut</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Delaware</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Florida</u>	<u>0</u>	<u>2</u>	<u>0</u>

<u>STATE</u>	<u>FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED</u>	<u>PROJECTED SALES TO NEW FRANCHISEES</u>	<u>PROJECTED COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR</u>
<u>Georgia</u>	<u>0</u>	<u>2</u>	<u>0</u>
<u>Hawaii</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Idaho</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Illinois</u>	<u>0</u>	<u>2</u>	<u>0</u>
<u>Indiana</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Iowa</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Kansas</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Kentucky</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Louisiana</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Maine</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Maryland</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Massachusetts</u>	<u>0</u>	<u>2</u>	<u>0</u>
<u>Michigan</u>	<u>0</u>	<u>2</u>	<u>0</u>
<u>Minnesota</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Mississippi</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Missouri</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Montana</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Nebraska</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Nevada</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New Hampshire</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New Jersey</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New Mexico</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New York</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>No. Carolina</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>No. Dakota</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Ohio</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Oklahoma</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Oregon</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Pennsylvania</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>Rhode Island</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>So. Carolina</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>So. Dakota</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Tennessee</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Texas</u>	<u>0</u>	<u>2</u>	<u>0</u>
<u>Utah</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Vermont</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Virginia</u>	<u>0</u>	<u>1</u>	<u>0</u>

<u>STATE</u>	<u>FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED</u>	<u>PROJECTED SALES TO NEW FRANCHISEES</u>	<u>PROJECTED COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR</u>
<u>Washington</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>W. Virginia</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Wisconsin</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Wyoming</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Totals</u>	<u>0</u>	<u>18</u>	<u>0</u>

<u>STATE</u>	<u>FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED</u>	<u>PROJECTED FRANCHISED NEW OUTLETS IN THE NEXT FISCAL YEAR</u>	<u>PROJECTED COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR</u>
<u>Alabama</u>	-	0	0
<u>Alaska</u>	-	0	0
<u>Arizona</u>	-	1	0
<u>Arkansas</u>	-	1	0
<u>California</u>	-	2	0
<u>Colorado</u>	-	0	0
<u>Connecticut</u>	-	0	0
<u>Delaware</u>	-	0	0
<u>Florida</u>	-	1	0
<u>Georgia</u>	-	2	0
<u>Hawaii</u>	-	0	0
<u>Idaho</u>	-	0	0
<u>Illinois</u>	-	2	0
<u>Indiana</u>	-	0	0
<u>Iowa</u>	-	0	0
<u>Kansas</u>	-	1	0
<u>Kentucky</u>	-	0	0
<u>Louisiana</u>	-	0	0
<u>Maine</u>	-	0	0
<u>Maryland</u>	-	0	0
<u>Massachusetts</u>	-	0	0
<u>Michigan</u>	-	0	0

Minnesota	-	1	0
Mississippi	-	0	0
Missouri	-	2	0
Montana	-	0	0
Nebraska	-	0	0
Nevada	-	1	0
New Hampshire	-	0	0
New Jersey	-	1	0
New Mexico	-	0	0
New York	-	2	0
No. Carolina	-	2	0
No. Dakota	-	0	0
Ohio	-	0	0
Oklahoma	-	0	0
Oregon	-	0	0
Pennsylvania	1	2	0
Rhode Island	-	0	0
So. Carolina	-	0	0
South Dakota	-	0	0
Tennessee	-	1	0
Texas	1	2	0
Utah	-	0	0
Vermont	-	0	0
Virginia	-	2	0
Washington	-	0	0
W. Virginia	-	0	0
Wisconsin	-	0	0
Wyoming	-	0	0
Totals	2	26	0

A list of franchisees and their business telephone numbers and addresses as of December 31, 2023³² is attached as **Exhibit F**. A list of the name and last known business address, city, state and business telephone number of every franchisee who has had their franchise agreement terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement for the period ending December 31, 2023³² and/or who had their franchise agreement terminated, canceled, not renewed in 2023³² or who has not communicated with us within 10 weeks of the date of issuance of this document is attached as

Exhibit G. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some current and former franchisees have signed confidentiality clauses in the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with N-Hance franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. There are no trademark-specific franchisee organizations associated with the N-Hance franchise system. NHI has established an N-Hance Franchise Advisory Council (NFAC) consisting of eight franchisee representatives. Generally, a new chairperson is elected each year. The current chairperson of the NFAC is ~~Ken Koger~~Michael Markese and he can be reached at c/o Nhance, Inc., 3310 West End Avenue, Suite 620, Nashville, TN 37203.

Item 21

FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document in **Exhibit D** are the fiscal year end audited consolidated financial statements of BFG Holdco, Inc. (formerly known as HRI Holdings, Inc.), our affiliate company, for the years 202~~10~~, 202~~21~~ and 202~~32~~, ~~and its unaudited financial statements for the period of January 1, 2023 to September 30, 2023.~~ Our affiliate BFG Holdco, Inc. has guaranteed our performance with you. A copy of the Guaranty of Performance is included in **Exhibit D**.

Item 22

CONTRACTS

The Franchise Agreement is attached as **Exhibit B** to this disclosure document along with the Release Agreements, and the Consolidated Office Agreement (“COA”). The Initial Fee Business Note is attached as **Exhibit C**. The Equipment Agreement is attached as **Exhibit E** to the franchise agreement. The Software License Agreement is attached as **Exhibit F** to the franchise agreement. The Disclosure Questionnaire is attached as **Exhibit I** to this disclosure document (page 115).

EXHIBIT A

LIST OF STATE ADMINISTRATORS

State	State Administrator
CALIFORNIA	Commissioner of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 213.576.7500 or Toll Free 866.275.2677
CONNECTICUT	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza, Hartford, CT 06103-1800 (860) 240-8299
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808.586.2722
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 217.782.1090
INDIANA	Indiana Secretary of State Securities Division Franchise Section, Room E-111 302 West Washington Street Indianapolis, IN 46204 317.232.6681
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410.576.6360
MICHIGAN	Michigan Department of Attorney General Division of Securities Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 517.373.7117
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 651-539-1600

State	State Administrator
NEW YORK	New York State Department of Law Investor Protection Bureau, 28 Liberty Street, 21 st Floor, New York, NY 10005 212.416.8222
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor Dept. 414 Bismarck, ND 58505-0510 701-328-4712
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Securities 350 Winter Street, N.E. #410 Salem, OR 97310 503.378.4387
RHODE ISLAND	Department of Business Regulation Division of Securities 1151 Pontiac Avenue Building 69-1 Cranston, RI 02920 401.222.3048
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 605.773.3563
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 804.371.9051
WASHINGTON	Director of Dept. of Financial Institutions Securities Division <u>P.O. Box 41200 Olympia, WA 98504-1200150 Israel Rd. SW Tumwater, WA 98501</u> 360.902.8760
WISCONSIN	Wisconsin Securities Commissioner Department of Financial Institutions 201 W. Washington Avenue, 3 rd Floor P.O. Box 1768 Madison, WI 53703 608.261.9555

AGENTS FOR SERVICE OF PROCESS

State	Agent for Service of Process
CALIFORNIA	California Commissioner of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 213.576.7500 or Toll Free 866.275.2677
CONNECTICUT	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza, Hartford, CT 06103-1800 (860) 240-8299
HAWAII	Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, HI 96813 808.586.2722
ILLINOIS	Illinois Attorney General 500 South Second Street Springfield, IL 62706 217.782.1090
INDIANA	Indiana Secretary of State 201 State House Indianapolis, IN 46204 317.232.6681
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 410.576.6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 670 Law Building Lansing, MI 48913 517.373.7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 651-539-1600
NEW YORK	Secretary of State, New York One Commerce Plaza 99 Washington Avenue, 6 th floor Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Commissioner 600 East Boulevard Avenue

	State Capital, Fifth Floor Dept. 414 Bismarck, ND 58505-0510 701.328.4712
OREGON	Director of Oregon Department of Insurance and Finance 350 Winter Street, N.E. #410 Salem, OR 97310 503.378.4387
RHODE ISLAND	Director of Rhode Island Department of Business Regulation 1151 Pontiac Avenue Building 69-1 Cranston, RI 02920 401.222.3048
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 605.773.3563
VIRGINIA	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 804.371.9051
WASHINGTON	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 360.902.8760
WISCONSIN	Commissioner of Securities of Wisconsin Department of Financial Institutions 201 W. Washington Avenue, 3 rd Floor P.O. Box 1768 Madison, WI 53703 608.261.9555

EXHIBIT B
FRANCHISE AGREEMENT

Franchise Number:

Effective Date:



**N-HANCE® FRANCHISE AGREEMENT
(the “Franchise Agreement”)**

SUMMARY PAGES

FRANCHISE NUMBER: _____

License Type: _____

~~The “Effective Date” as referenced in this Agreement is the date the Franchise Agreement is executed by an authorized representative of Franchisor.~~

The following terms are used throughout this Agreement, its Exhibits and Addenda, and are defined as follows:

Parties

~~1. — This Franchise Agreement is made and entered into on the date of the last signature provided by an authorized representative of the Franchisor, (the “Effective Date”).~~

2. Franchisor: NHance, Inc., a Delaware corporation, with its principal office at 3310 West End Avenue, Suite 620, Nashville, Tennessee 37203 (together with its successors and assigns, referred to in this Agreement as “NHI,” “we,” or “us”).

~~32.~~ Franchisee: _____, a resident of the State of _____, or

~~3.~~ _____, a _____ with its principal office at _____ (referred to in this Agreement as “FRANCHISEE” or “You”).

4. The “Ownership Interest” referred to in Section 1.B. of the Franchise Agreement, if FRANCHISEE is at any time a corporation, limited liability company, or general or limited partnership (collectively, an “Entity”), FRANCHISEE represents that the following information about the Entity is true and accurate:

The following is a list of all current owners, managers and officers of FRANCHISEE (the “Owners”).

Type of Ownership Interest: _____

Name, Offices	Address	Telephone	Email	Percentage Ownership/Shares/Units
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Franchise Number:

Effective Date:

5. The “Franchised Area” as referenced in Section 1.D. of the Franchise Agreement is as follows:

6. The population for the Franchised Area on the Effective Date is _____.

7. The “Initial Fee” as referenced in Section 8.A. of this Agreement is \$_____ and consists of the “Initial License Fee” of \$_____ and the “Initial Package” price of \$_____.

8. The “Down Payment” as referenced in Section 8.A. of this Agreement is \$_____ and is due at the time FRANCHISEE executes this Agreement. The Business Note principal amount is \$_____, calculated as the Initial Fee less the Down Payment. The Business Note is payable over 60 months unless payable sooner in accordance with its terms.

9. The “Royalty” as referred to in Section 8.B. of this Agreement, is equal to the greater of (i) two percent (2%) of the Gross Revenue of the BUSINESS accruing during each month of the Term, or (ii) the fixed dollar amount set forth below:

Minimum Monthly Royalty for Traditional Franchise

Months 1 – 6	\$ 412.07 424.43
Months 7 and thereafter	\$ 824.79 849.53

Minimum Monthly Royalty for Small Market Franchise

Months 1 – 6	\$ 219.85 226.45
Months 7 and thereafter	\$ 439.71 452.90

10. The “~~Renewal~~Successor Fee” as referenced in Section 14 of this Agreement is \$~~2,500~~_____.

11. The “Transfer Fee” as referenced in Section 13 of this Agreement is:

(i) \$3,000, or, if the transfer is a non-controlling interest conveyed to a spouse or adult offspring, a transfer fee of \$1,000; or

(ii) If NHI assisted FRANCHISEE in its efforts to identify a buyer for the BUSINESS or introduced transferee to FRANCHISEE in the eighteen (18) months prior to the transfer of any assets of the BUSINESS, then FRANCHISEE or the transferee will pay NHI a Transfer Fee of 10% of the sales price, but no less than \$10,000, subject to Section 13 of this Agreement; or

(iii) If requesting a “Franchised Area Transfer” the fee as referenced in Section 13.D. of this Agreement the Transfer Fee is \$5,000.

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EXHIBITS AND ATTACHMENTS

EXHIBIT A GUARANTY AND ASSUMPTION OF OBLIGATIONS

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N-HANCE®**FRANCHISE AGREEMENT**

THIS AGREEMENT is made and entered into on the Effective Date by and between NHI and FRANCHISEE.

1. GRANT OF FRANCHISE.**A. ACKNOWLEDGEMENTS BY THE PARTIES.**

1. NHI has designed and developed a system and franchise opportunity for the operation of businesses which offer wood cleaning, coating, protection, and other wood care and renewal products and services for wood flooring, cabinetry, trim and other wood furnishings under the “N-Hance” name and other trademarks (“~~Franchised N-Hance~~ Businesses”). ~~N-Hance Franchised~~ Businesses have distinctive formats, methods, procedures, designs, layouts, standards and specifications, all of which may be improved, further developed or otherwise modified from time to time. NHI owns all rights to, interest in and goodwill of, and uses, promotes and licenses certain trade names, trademarks, trade dress, service marks and other commercial symbols, including, but not limited to, the service mark, trademark and trade name “N-Hance” (the “Marks”). NHI has also designed and developed, and owns all rights to, certain specialized equipment and products for use in ~~Franchised N-Hance~~ Businesses.

2. NHI grants franchises to persons who are willing to undertake the investment and effort to own and operate an ~~Franchised N-Hance~~ Business offering the services NHI authorizes and using NHI’s business formats, methods, procedures, designs, layouts, standards, specifications and Marks, as such things may exist from time to time, (the “Franchise System”).

3. FRANCHISEE acknowledges that FRANCHISEE has read this Agreement and NHI’s Franchise Disclosure Document and that FRANCHISEE understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain NHI’s high standards of quality and service, as well as the uniformity of those standards at each ~~Franchised N-Hance~~ Business and to protect and preserve the goodwill of the Marks. FRANCHISEE acknowledges that NHI has the right to restrict FRANCHISEE’s sources of goods and services, as provided in various sections of this Agreement. FRANCHISEE acknowledges that FRANCHISEE has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks and that the success of the venture is largely dependent upon the business abilities of FRANCHISEE. FRANCHISEE acknowledges and agrees that NHI’s officers, directors, employees and agents act only in a representative and not in a personal capacity in their dealings with FRANCHISEE. FRANCHISEE further acknowledges that FRANCHISEE has not received, any warranty or guaranty, express or implied, as to the potential revenues, profits or success of the franchise or policies made by NHI or its officers, directors, employees or agents that are contrary to the statements, if any, expressly made in NHI’s Franchise Disclosure Document. FRANCHISEE further represents to NHI, as an inducement to its entry into this Agreement, that FRANCHISEE has made no misrepresentations in obtaining the franchise. FRANCHISEE further acknowledges that NHI has not made any

representation, warranty, or other claim regarding the ~~FranchisedN-Hance~~ Business franchise opportunity, other than those made in this Agreement and NHI's Franchise Disclosure Document. FRANCHISEE represents and warrants to NHI that FRANCHISEE has independently and thoroughly evaluated this opportunity, including by using business professionals and advisors selected and engaged by FRANCHISEE. FRANCHISEE further acknowledges that FRANCHISEE has been afforded an opportunity to ask any questions FRANCHISEE has and to review any materials of interest to FRANCHISEE concerning the ~~FranchisedN-Hance~~ Business franchise opportunity. Finally, FRANCHISEE acknowledges that FRANCHISEE has been afforded an opportunity, and has been encouraged by NHI, to have this Agreement and all other agreements and materials NHI has given or made available to FRANCHISEE reviewed by an attorney or other professional advisor.

B. FRANCHISEE ENTITY.

If FRANCHISEE is a corporation, limited liability company, or general or limited partnership (collectively, an "Entity"), FRANCHISEE and the Owners jointly and severally represent and warrant to NHI, and covenant with NHI that:

1. FRANCHISEE is duly organized or formed, validly existing and in good standing under the laws of the state of FRANCHISEE'S incorporation or formation and duly qualified to do business in the State where the Franchised Area is located.

2. FRANCHISEE has (i) full power and authority under its charter, organizational documents, operating agreement, or partnership agreement, as applicable, to enter into and perform its obligations under this Agreement, (ii) duly authorized the persons signing this Agreement to enter into, execute and deliver this Agreement and pay the fees due and payable hereunder, (iii) determined that the execution, delivery and performance of this Franchisee Agreement by FRANCHISEE will not constitute a breach of or default under its charter, governing documents or any instrument, note, mortgage, security agreement or contract to which FRANCHISEE is a party, directly, with the giving of notice, the passage of time or both, and (iv) determined that no consent of any third party is necessary for FRANCHISEE to enter into, execute, deliver or perform its obligations under this Agreement.

3. FRANCHISEE'S charter, organizational documents, operating agreement, or partnership agreement, as applicable, will be amended within 10 days after the Effective Date to recite that this Agreement restricts the issuance and transfer of any ownership interests in FRANCHISEE, and all certificates and other documents representing ownership interests in FRANCHISEE will bear a legend or notice referring to this Agreement's restrictions.

4. The Summary Page to this Agreement completely and accurately describes all of FRANCHISEE'S Owners and their interests in FRANCHISEE and the information about the Owners set forth on the Summary Page.

5. Each of FRANCHISEE'S Owners, members, shareholders, partners, or officers will execute a guaranty in the form NHI prescribes undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between

FRANCHISEE and NHI. Subject to NHI's rights and FRANCHISEE'S obligations under Section 13, FRANCHISEE and its Owners agree to sign and deliver to NHI from time to time a revised Summary Page to reflect any changes in the information included thereon.

6. The BUSINESS (defined below) and other ~~FranchisedN-Hance~~ Businesses, if applicable and authorized by NHI, will be the only businesses FRANCHISEE operates.

C. GRANT OF FRANCHISE.

FRANCHISEE has applied for a franchise to own and operate an ~~an FranchisedN-Hance~~ Business. FRANCHISEE and Owners represent and warrant to NHI that all information submitted to NHI as part of or related to the application was true, correct and complete as of the time of submission and is true, correct and complete as of the Effective Date. Such application has been approved by NHI in reliance upon all of the representations made therein. Subject to the terms and conditions of this Agreement, NHI hereby grants to FRANCHISEE a franchise to use the Marks and the Franchise System (the "Franchise") to operate an ~~an FranchisedN-Hance~~ Business in the Franchised Area and to use the Marks in the operation thereof from the Effective Date of this Agreement for a term (the "Term") of beginning on the Effective Date and ending five (5) years from the "Payment Start Date" referenced in Section 8.B. of this Agreement or, if this Agreement pertains to the transfer of an existing ~~FranchisedN-Hance~~ Business or is a ~~Renewal FranchiseSuccessor~~ Agreement, ending five (5) years from the Effective Date of this Agreement. The ~~FranchisedN-Hance~~ Business that FRANCHISEE will operate pursuant to this Agreement is referred to herein as the "BUSINESS."

D. FRANCHISED AREA.

1. During the term of this Agreement, and so long as FRANCHISEE is in compliance with this Agreement, NHI will not establish, license or franchise a third party to establish another ~~FranchisedN-Hance~~ Business within the Franchised Area; provided, however, that, in addition, another franchisee or a third party designated by NHI may service national accounts in the Franchised Area if FRANCHISEE elects not to service a national account or if a national account elects not to do business with FRANCHISEE. FRANCHISEE is in compliance with this Agreement when no event or circumstance has occurred that will give NHI the right to terminate this Agreement under Section 15, whether or not NHI has given any notice of default, non-compliance or termination to FRANCHISEE.

2. FRANCHISEE agrees to operate and conduct the BUSINESS from a single location within the Franchised Area, unless otherwise approved in writing by NHI, from which FRANCHISEE may operate as many crews, teams, sales forces and van or a white pickup truck with a trailer conforming at all times to System Standards as FRANCHISEE desires. In the event FRANCHISEE has multiple franchises, a separate work crew must be available for each franchise to perform requested work within the Franchised Area for the approved services. FRANCHISEE may relocate anywhere within the Franchised Area provided that FRANCHISEE gives NHI at least ten (10) days prior written notice of the relocation and the new address.

3. FRANCHISEE agrees to advertise and solicit business for the authorized services exclusively within the Franchised Area, unless otherwise approved in writing by NHI (e.g. for exhibiting at a regional Home Show). FRANCHISEE further agrees that FRANCHISEE does not have the right to advertise, accept, or perform jobs outside of the Franchised Area without prior written approval from NHI. In the event FRANCHISEE desires to solicit or perform a job outside of the Franchised Area, so long as the job is not located in another N-Hance franchisee's franchised area, FRANCHISEE may, with prior written approval from NHI, solicit and/or perform the job so long as FRANCHISEE agrees to pay NHI the then current out of area fee specified in the Manual. Otherwise, if FRANCHISEE sets an appointment, provides a written estimate, accepts a job or performs a job outside of the Franchised Area, NHI will have the right to impose on FRANCHISEE a fine of \$5,000 or one half of the total job ticket/invoice amount, whichever amount is greater, per occurrence, due and payable upon invoice, or the right to terminate this Agreement.

4. FRANCHISEE agrees to be at all times faithfully, honestly and diligently perform the obligations hereunder and to continuously exert best efforts to effectively promote and enhance the BUSINESS and develop and service customers within the Franchised Area.

5. NHI will maintain records of the average monthly revenues of all reporting ~~Franchised N-Hance~~ Businesses that have been in continuous operation for at least 29 months (which ~~Franchised N-Hance~~ Businesses are referred to as "Seasoned Franchises"). Based on those records, NHI will calculate the average revenue for Seasoned Franchises on a running 6-month basis (the "6-Month Running Average"). After the BUSINESS becomes a Seasoned Franchise, NHI reserves the right at any time to alter or eliminate any territorial protection for the BUSINESS under Section 1.D.1 if FRANCHISEE fails to maintain revenues that are at least 50% of the 6-Month Running Average. In such event, NHI may grant a franchise to another franchisee in the same Franchised Area, suspend or terminate FRANCHISEE's territorial rights under such provision by giving written notice of such action to FRANCHISEE.

E. RIGHTS NHI RESERVES.

Except for the limited license and rights expressly granted to FRANCHISEE under this Agreement, NHI retains all rights with respect to ~~Franchised N-Hance~~ Businesses, the Franchise System, the Marks, the sale of the same or similar products and services, and any other activities NHI deems appropriate whenever and wherever NHI desires including inside or outside the Franchised Area. Specifically, but without limitation, NHI reserves the following rights:

1. to grant franchises for any area, including inside or outside the Franchised Area and on any terms NHI deems appropriate;

2. to develop, sell, manufacture or distribute, inside or outside the Franchised Area, whether in proximity to the BUSINESS or otherwise, any type of product or service identified by or associated with the Marks or other trademarks in any channel of distribution other than through an ~~Franchised N-Hance~~ Business located within the Franchised Area, including but not limited to telephone and mail order, television, electronic media (i.e., including the internet), catalogue sales, and/or through retail or similar establishments or outlets;

3. to develop, sell, manufacture or distribute inside or outside the Franchised Area, whether in proximity to the BUSINESS or otherwise, any type of product or service identified by trademarks or service marks other than the Marks in any channel of distribution including but not limited to telephone and mail order, television, electronic media (i.e., including the internet), catalogue sales, and/or through retail or similar establishments or outlets;

4. subject to the terms of this Agreement, conduct promotional programs and/or national accounts programs, involving, without limitation, the provision of services to customers inside or outside the Franchised Area;

5. to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Franchised N-Hance Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including within the Franchised Area); and

6. to be acquired (regardless of the form of transaction) by a business providing products and services similar to those provided by Franchised N-Hance Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses within the Franchised Area.

F. MANAGEMENT OF FRANCHISE SYSTEM.

Because complete and detailed uniformity among Franchise System franchisees under varying conditions might not be possible or practical, FRANCHISEE acknowledges that NHI specifically reserves the right and privilege, to vary, waive, modify, change or add to System Standards for any franchisee based upon the particulars of any condition that NHI considers important to that franchisee's successful operation. FRANCHISEE has no right to require NHI to grant FRANCHISEE a similar variation or accommodation, or to any claim for damages from such variation, or to prevent or enjoin the granting and continuation of such variation or accommodation. Furthermore, FRANCHISEE acknowledges and agrees that NHI may from time to time add to, subtract from, modify or otherwise change the Franchise System, including, without limitation, the adoption and use of new or modified certifications marks, trademarks or trade names, new fixtures, equipment and signs, new products or services and new techniques in connection therewith, and FRANCHISEE agree, at its own cost, to promptly accept, implement, use and display all such alteration, modifications and changes.

2. BUSINESS DEVELOPMENT.

A. BUSINESS DEVELOPMENT.

FRANCHISEE agrees to do the following, at FRANCHISEE's own expense, to develop the BUSINESS:

1. secure all financing required to develop and operate the BUSINESS;
2. obtain and maintain in good standing all required permits and licenses;

3. purchase or lease, and install, all required equipment, supplies, products, vehicles (including at least one (1) white van or pickup truck and trailer (as described below)) and signs (collectively, "Operating Assets") for the BUSINESS; and

4. complete all required training in a timely manner, as more fully described in Section 3 below.

B. VEHICLE.

FRANCHISEE agrees to purchase or lease white cargo vans or a white pickup truck with trailer suitable for the purpose of transporting various equipment, supplies and materials needed to operate the BUSINESS and which otherwise meet NHI's System Standards. The vehicle(s) must be used for all jobs related to the BUSINESS. FRANCHISEE agrees: (1) to maintain the condition and appearance of FRANCHISEE's vehicle(s) according to the standards imposed by NHI from time to time and to maintain the condition of the equipment consistent with the image of an FranchisedN-Hance Business as a professionally operated service business; (2) that the vehicle(s) shall not be used for any purpose other than the operation of the BUSINESS as described herein; (3) not to sell, donate, rent, lease or otherwise transfer any of the vehicle(s) without first removing any and all signs, emblems, lettering and logos indicating an association with FranchisedN-Hance Businesses, and/or other Marks, from the vehicle(s).

C. COMPUTER SYSTEM.

FRANCHISEE agrees to obtain and use in operating the BUSINESS the computer hardware, operating and applications software, peripheral and communications equipment and services (collectively, the "Computer System") that NHI specifies from time to time. FRANCHISEE must obtain the Computer System, software licenses, maintenance and support services and other services related to the Computer System from the suppliers NHI specifies (which may be limited to NHI or its affiliates). NHI may periodically modify specifications for and components of the Computer System. These modifications and/or other technological developments or events may require FRANCHISEE to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System.

NHI may charge FRANCHISEE reasonable fees for licensing, training, installation, support and maintenance if NHI develops proprietary software that NHI licenses to FRANCHISEE and for other Computer System maintenance and support services that NHI or its affiliates provide to FRANCHISEE. If NHI or its affiliates license proprietary software to FRANCHISEE, or otherwise allow FRANCHISEE to use similar technology NHI develops or maintains, FRANCHISEE agrees to sign any software license agreement or similar document that NHI or its affiliates prescribe to regulate FRANCHISEE's use of, and NHI's and FRANCHISEE's respective rights and responsibilities with respect to, the software.

FRANCHISEE agrees to use, subscribe to, and pay for, as directed by us, a customized website connected to our website and managed by our website provider. You may not attempt to redirect any traffic on the customized website. You may not implement a website or URL for your

~~FranchisedN-Hance~~ Business either yourself or through a third-party provider. We have sole discretion and control over the website (including timing, design, contents and continuation).

D. BUSINESS OPENING.

FRANCHISEE agrees not to open the BUSINESS until:

1. FRANCHISEE satisfactorily completes NHI's initial new buyer training programs;
2. FRANCHISEE pays the initial franchise fee and other amounts then due to NHI; and
3. FRANCHISEE gives NHI certificates for all required insurance policies in accordance with current System Standards.

Subject to FRANCHISEE's compliance with these conditions, FRANCHISEE agrees to commence operation of the BUSINESS within ninety (90) days after signing this Agreement.

3. TRAINING AND GUIDANCE.

A. INITIAL AND NEW BUYER TRAINING.

1. Unless you are an existing franchisee, NHI shall furnish an initial training program on the operation of the ~~FranchisedN-Hance~~ Business which FRANCHISEE is required to complete to NHI's satisfaction prior to FRANCHISEE's commencement of the BUSINESS' operations. NHI agrees to provide FRANCHISEE with initial training on how to (1) mix and apply wood care and renewal products under normal working conditions; (2) perform the various N-Hance service offerings; (3) operate and use equipment in performing the services required for an ~~FranchisedN-Hance~~ Business under normal working conditions; (4) compute estimates; (5) solicit and maintain business; and (6) replace inventory and otherwise enter into and conduct an ~~FranchisedN-Hance~~ Business. New buyer training shall be conducted at the location or locations designated by NHI which might include NHI's location in Logan, Utah, an operating ~~FranchisedN-Hance~~ Business and/or another location as designated by NHI. Before opening, FRANCHISEE must complete the initial and new buyer training on the operation of an ~~FranchisedN-Hance~~ Business and FRANCHISEE must train all other employees.

2. FRANCHISEE is responsible for all compensation, benefits, taxes, insurance, travel expenses and living expenses which are incurred in connection with attending the training program. FRANCHISEE may be required to perform labor as part of the training program, but shall not be an employee of NHI and shall not be entitled to wages or other compensation for such labor.

3. If NHI determines, in its sole discretion, that FRANCHISEE or its employee(s) failed to satisfactorily complete the initial and new buyer training program(s) or a subsequent training or certification program, NHI shall have the right to require FRANCHISEE (or a replacement employee, as applicable) to attend an additional training program at

FRANCHISEE'S expense (including all compensation, benefits, taxes, insurance, travel and living expenses incurred) or to view compact disks or other media and pass an accompanying written test. If FRANCHISEE's (or the replacement employee's, as applicable) performance in the additional training program is unsatisfactory, NHI shall have the right to terminate this Agreement effective upon delivery of notice of termination to FRANCHISEE. If FRANCHISEE fails to complete the training required in this section 3.A., FRANCHISEE'S Business Note signed in connection with this Agreement will be accelerated and immediately due and payable.

B. ONGOING TRAINING.

1. NHI may require FRANCHISEE and/or FRANCHISEE's employees to attend various training courses (including annual training and certification programs) that NHI chooses to provide periodically at the times and locations NHI designates. FRANCHISEE agrees to attend and complete at least two annual conventions during the term of this Agreement, complete at least one (1) in-person training course each year during the term of this Agreement and complete any online training NHI may require from time to time (the Ongoing Training Requirements"). FRANCHISEE further agrees to attend at least one annual convention during the first three years of the term of this Agreement. NHI may charge reasonable fees for such training and conventions. If FRANCHISEE fails to fulfill any portion of the Ongoing Training Requirements, NHI shall have the right to impose on FRANCHISEE a fine of up to \$500 per year or to terminate this Agreement.

2. FRANCHISEE is responsible for all compensation, benefits, taxes, insurance, travel and living expenses of all of its attendees incurred in connection with these programs. FRANCHISEE understands and agrees that any specific ongoing training or advice NHI provides does not create an obligation (whether by course or dealing or otherwise) to continue to provide such specific training or advice, all of which NHI may discontinue and/or modify from time to time.

C. GUIDANCE AND MANUAL.

1. NHI shall furnish to FRANCHISEE guidance in the form and substance determined necessary by NHI in connection with the operation of the BUSINESS. In the sole discretion of NHI, it shall furnish such guidance in the form of NHI's training manual (which may consist of one or more separate manuals) and other manuals for the operation of an ~~FranchisedN-Hance~~ Business (the "Manual"), newsletters or other written materials, electronic media telephonic conversations and/or consultation at the offices of NHI or FRANCHISEE. Additional guidance and assistance shall be available, in the sole discretion of NHI, at per diem fees and charges established from time to time by NHI. New ideas or inventions when made or obtained by NHI will be made available to franchisees at NHI's sole discretion.

2. During the term of the Franchise, NHI will provide FRANCHISEE with access to the Manual, which could include audiotapes, DVDs, compact discs, computer software, other electronic media and/or written materials. The Manual contains mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by NHI for the operation of an ~~FranchisedN-Hance~~ Business and information relative to other obligations of

FRANCHISEE hereunder. NHI shall have the right to add to, delete from, replace and otherwise modify the Manual from time to time to reflect changes in System Standards and the Franchise System, provided that no such addition or modification shall alter FRANCHISEE's fundamental status and rights under this Agreement. FRANCHISEE shall allow only authorized persons to have access to the Manual and shall follow NHI's security instructions at all times during the term of this Agreement. In the event of a dispute over the contents of the Manual, the master copy maintained by NHI at its principal office shall be controlling. FRANCHISEE agrees that the Manual's contents are confidential and agrees not disclose the Manual at any time to any person other than employees of the BUSINESS who need to know its contents or use the Manual for any purpose other than operating the BUSINESS. FRANCHISEE may not, at any time, copy, duplicate, record, or otherwise reproduce any part of the Manual. If FRANCHISEE loses the Manual or the Manual is damaged or destroyed, FRANCHISEE shall obtain a replacement copy from NHI.

3. At NHI's option, NHI may post some, or all, of the Manual on a restricted Website or intranet to which FRANCHISEE will have access. (For purposes of this Agreement, "Website" means an interactive electronic document contained in a network of computers linked by communications software, including, without limitation, the Internet and World Wide Web home pages). If NHI does so, FRANCHISEE agrees to follow NHI's security protocols and monitor access the Website or intranet for any updates to the Manual or System Standards. Any passwords or other digital identifications necessary to access the Manual on a Website or intranet will be deemed to be part of Confidential Information (defined in Section 5 below).

4. MARKS.

A. OWNERSHIP AND GOODWILL OF MARKS.

FRANCHISEE acknowledges that FRANCHISEE's license to use the Marks is derived solely from this Agreement and is limited to FRANCHISEE's conduct of the BUSINESS pursuant to and in compliance with this Agreement and subject to all System Standards prescribed by NHI from time to time during the Term. Any unauthorized use of the Marks by FRANCHISEE shall constitute an infringement of the rights of NHI in and to the Marks. FRANCHISEE agrees that all usage of the Marks by FRANCHISEE and any goodwill established thereby shall inure to the exclusive benefit of NHI and FRANCHISEE acknowledges that this Agreement does not confer any goodwill or other interests in the Marks upon FRANCHISEE (other than the right to operate the BUSINESS under this Agreement). All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols NHI hereafter authorizes for use by FRANCHISEE. FRANCHISEE may not at any time during or after this Agreement's term, contest or assist any other person in contesting the validity, or NHI's ownership of, the Marks.

B. LIMITATIONS ON FRANCHISEE'S USE OF MARKS.

FRANCHISEE agrees to use the Marks as the BUSINESS' sole identification, except that FRANCHISEE shall be identified as an independently owned and operated franchised business in the form and manner prescribed by NHI. FRANCHISEE shall not use any Mark (1) as part of any

Entity or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to FRANCHISEE hereunder); (3) in selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a website; or (5) in any other manner not expressly authorized in writing by NHI. FRANCHISEE may not use the Marks in advertising the transfer, sale, or other written disposition of the BUSINESS or an ownership interest in FRANCHISEE without NHI's prior written consent, which it will not unreasonably withhold. FRANCHISEE agrees to prominently display the Marks (and only the Marks) on each van used by FRANCHISEE in connection with the operation of the BUSINESS, and on contracts, forms, equipment, uniforms and other materials authorized by NHI. FRANCHISEE further agrees that FRANCHISEE's telephone number shall be used exclusively for the operation of the BUSINESS and for no other purpose. Promotion of the BUSINESS by use of the internet must adhere to the then current Advertising Rules & Guidelines. FRANCHISEE agrees to give such notices of trade and service mark registrations as NHI specifies and to obtain fictitious or assumed name registrations as may be required under applicable law.

C. NOTIFICATION OF INFRINGEMENT AND CLAIMS.

NHI is not required to protect your right to use the Marks or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. FRANCHISEE shall notify NHI immediately of any apparent infringement or challenge to FRANCHISEE'S use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than NHI, NHI's attorneys, and FRANCHISEE'S attorneys, regarding any infringement, challenge or claim. NHI will take such action as it, in its sole discretion, deems appropriate (including no action) and will have the right to exclusively control any litigation, U.S. Patent and Trademark office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. FRANCHISEE shall sign any documents and take any other reasonable action that, in the opinion of NHI's attorneys, are necessary or advisable to protect and maintain NHI's interest in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain its interests in the Marks. NHI will reimburse FRANCHISEE for FRANCHISEE's costs of taking any action NHI has asked FRANCHISEE to take. However, NHI is not required to defend you against any claims of infringement or unfair competition arising out of your use of the Marks and is not required to indemnify you for any expenses or damage that you incur in any administrative or judicial proceeding involving a mark or if the proceeding is resolved unfavorably to you any of the Marks. A finding of invalidity of any of the Marks will not affect your obligations to NHI.

D. DISCONTINUANCE OF USE OF MARKS.

FRANCHISEE agrees to comply with NHI's directions to modify or otherwise discontinue the use of any Mark at FRANCHISEE's own expense. Under no circumstance will NHI be obligated to reimburse FRANCHISEE for any loss of revenue or goodwill associated with any modified or discontinued Marks or for any expenditures made by FRANCHISEE to promote a modified or substitute trademark or service mark.

5. CONFIDENTIAL INFORMATION.

1. NHI possesses (and will continue to develop and acquire) certain confidential information relating to, without limitation, the methods, techniques, formats, specifications, procedures, information, systems, sales and marketing techniques and knowledge of and experience in the development, operation and franchising of FranchisedN-Hance Businesses (the “Confidential Information”). NHI will disclose the Confidential Information to FRANCHISEE in the training program, the Manual and in guidance furnished to FRANCHISEE. FRANCHISEE acknowledges that the Confidential Information is proprietary and/or involves trade secrets of NHI and that FRANCHISEE will not acquire any interest in the Confidential Information, other than the right to utilize it as NHI specifies in the operation of the BUSINESS during the term of this Agreement. Further, FRANCHISEE acknowledges and agrees that the Confidential Information is disclosed to FRANCHISEE only on the condition that FRANCHISEE agrees, and FRANCHISEE in fact does agree, that FRANCHISEE:

(a) will not use or disclose Confidential Information in or to any other business or in any capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during and after this Agreement’s Term;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

(d) will require each employee of the BUSINESS, at the time of FRANCHISEE’s employment, to sign a confidentiality agreement agreeing to maintain the confidentiality of the Confidential Information. NHI has the right to regulate the form of agreements that FRANCHISEE.

2. Confidential Information does not include information, knowledge, or know-how which FRANCHISEE can demonstrate lawfully came to FRANCHISEE’s attention before NHI provided it to FRANCHISEE directly or indirectly; which, at the time NHI disclosed it to FRANCHISEE, already had lawfully become generally known in the industry through publication or communication by others (without violating an obligation to NHI); or which, after NHI discloses it to FRANCHISEE, lawfully becomes generally known in the industry through publication or communication by others (without violating an obligation to NHI). However, if NHI includes any matter in Confidential Information, anyone who claims that it is not Confidential Information carries the burden of proof that one of the exclusions provided in this paragraph applies.

3. All ideas, concepts, techniques, or materials relating to a FranchisedN-Hance Business, whether protectable intellectual property and whether created by or for FRANCHISEE or FRANCHISEE’S Owners or employees, must be promptly disclosed to NHI and will be deemed to be NHI’s sole and exclusive property, part of the Franchise System, and works made-for-hire for NHI. To the extent that any item does not qualify as a “work made-for-hire” for NHI, by this paragraph FRANCHISEE assigns ownership of that item, and all related

rights to that item, to NHI and agree to take whatever action (including signing assignment or other documents) NHI requests to evidence NHI's ownership or to help NHI obtain intellectual property rights in the item.

6. EXCLUSIVE RELATIONSHIP/ COMPETITIVE BUSINESS.

1. FRANCHISEE acknowledges and agrees that NHI would be unable to protect the Confidential Information against unauthorized use or disclosure if franchisees of ~~Franchised N-Hance~~ Businesses were permitted to hold interests or otherwise participate in or promote any Competitive Business (as defined below).

2. FRANCHISEE therefore agrees that during the term of this Agreement, neither FRANCHISEE, nor any Owner, manager, officer, partner or director of FRANCHISEE if an Entity, and any of their respective spouses and adult offspring shall:

(a) have any direct or indirect, controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business – wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose shares or other forms of ownership interest are publicly traded on a recognized United States securities exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, contractor, representative, or agent for a Competitive Business, wherever located or operating;

(c) solicit any existing customer of the BUSINESS, or any party to whom or which the BUSINESS has communicated for the purpose of marketing the services of the BUSINESS, in order to divert or attempt to divert any actual or potential business or customer of the BUSINESS to a Competitive Business or any other business; or

(d) engage in any other activity which might injure the goodwill of the Marks and the Franchise System.

3. The term “Competitive Business” as used in this Agreement shall mean any business which provides or sells or grants franchises or licenses to others to provide or sell, wood cleaning, coating, protection or other wood care or renewal services or products, or any related or ancillary services or products.

7. INDEMNIFICATION.

1. FRANCHISEE agrees to indemnify, defend and hold harmless NHI, its affiliates, and NHI'S and their respective shareholders, directors, officers, employees, agents, successors and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the BUSINESS'S operation, the business FRANCHISEE conducts under this Agreement or outside the scope of this Agreement using the Marks, or FRANCHISEE's breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the

Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations or damages are determined to be caused solely by NHI's gross negligence or willful misconduct in a final, unappealable ruling issued by a court of or arbitrator with competent jurisdiction.

2. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonable incurs in investigating, defending and resolving any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, interest, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at FRANCHISEE's expense and agree to settlements or take any other remedial, corrective or other actions.

3. This indemnity will survive termination or expiration of this Agreement and continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement until the expiration of all statutes of limitation on any claims covered by this indemnity, and for the duration of all defending claims asserted against an Indemnified Party before the expiration of such limitations.

8. FEES.

In consideration of the license granted to FRANCHISEE in this Agreement, FRANCHISEE agrees to pay to NHI the following fees:

A. INITIAL LICENSE FEE.

1. FRANCHISEE agrees to pay NHI the Initial License Fee of \$45,000 for a Traditional Franchise with a Franchised Area of up to 350,000 persons, or \$22,500 for a Small Market Franchise, ~~plus an initial product and equipment package fee totaling \$41,500~~\$44,495, not including applicable freight or shipping charges and sales tax. A Traditional Franchised Area larger than 350,000 residents will pay an Initial License Fee of \$45,000 plus an additional \$170 for every 1,000 persons over 350,000 ("Supplemental Territory Fee"). Upon execution of this Agreement by NHI, the Initial Fee shall be deemed fully earned and non-refundable.

2. The Initial License Fee is payable as follows: The Down Payment as set forth on the Summary Page is due when FRANCHISEE signs this Agreement; FRANCHISEE will sign and deliver to NHI FRANCHISEE'S Initial Fee Business Note (the "Business Note") for the balance of the Initial License Fee plus the balance of the price of the Initial Package, if any, purchased by FRANCHISEE. The Business Note is payable whether or not this Agreement terminates and is not subject to any claim, set off or defenses arising under this Agreement. NHI may assign, pledge or transfer the Business Note to a third party without notice to FRANCHISEE.

B. ROYALTY.

1. FRANCHISEE will pay to NHI a continuing, non-refundable monthly royalty (the “Royalty”) in a manner and an amount as set forth in the Summary Page to this Agreement for a License to operate the BUSINESS. The Minimum Monthly Royalty is subject to annual increases of either two percent (2%) or an amount equal to the change in the Consumer Price Index (CPI-U, U.S. City Average for All Urban Consumers-All Items, 1982-1984 = 100), as published by the U.S. Department of Labor or in a successor index we select (the “Consumer Price Index”), whichever is greater.

2. The Royalty starts to accrue on Gross Revenue in the third month after the Effective Date and payments begin (the “Payment Start Date”) on the tenth day of (A) the month after FRANCHISEE signs the Franchise Agreement if FRANCHISEE is an existing franchisee, or (B) the fourth month after FRANCHISEE completes initial training. If FRANCHISEE is an existing FRANCHISEE or has purchased an existing ~~Franchised~~~~N-Hance~~ Business, the Royalty shall continue to be payable on the tenth day of each month during the Term.

3. “Gross Revenue” means all revenues of the BUSINESS, and shall include, but not be limited to, the amounts received from the sale of services and products of every kind and nature. Gross Revenue shall not include the amount of any sales tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein and actually paid by FRANCHISEE to such governmental authority.

4. If FRANCHISEE fails to enter into a ~~Renewal~~~~successor~~ Franchise Agreement prior to the expiration of the Term and continues to operate the BUSINESS, Franchisee shall pay an ongoing monthly Royalty of two times the then current Minimum Monthly Royalty Fee until the earlier of signing a ~~successor~~~~Renewal~~ Franchise Agreement or cessation of operating the BUSINESS.

C. ADDITIONAL FEES AND INTEREST ON LATE PAYMENTS.

1. You must pay to us the then-current administrative fee in effect (the “Administrative Fee”) specified in the Manual upon your request or when we are required due to your actions or request, to amend the Agreement or when you ask us to issue written consent to various transactions or to services for which a specific fee is not imposed elsewhere in this Agreement or the System.

2. Each discrete amount payable by FRANCHISEE to NHI or its affiliates under this Agreement shall be subject to a late fee of ~~one and one-half~~~~nine~~ percent (~~1.59~~%) per ~~month~~~~annum~~. FRANCHISEE acknowledges that this Section shall not constitute NHI’s agreement to accept any payment after its due date or a commitment by NHI to extend credit to, or otherwise finance the BUSINESS. If we debit your account for monies owed and there are insufficient funds available, we will also charge our current non-sufficient fund fee (“NSF Fee”).

D. PAYMENTS.

Notwithstanding any designation by FRANCHISEE, NHI shall have sole discretion to apply any payments by FRANCHISEE to any fees, purchases from NHI or its affiliates, interest

or any other amounts owed in such order and application as NHI shall determine. NHI also reserves the right to offset against any sums payable to FRANCHISEE by NHI the amount of any unpaid debts owed by FRANCHISEE to NHI. FRANCHISEE covenants and agrees to cooperate fully and comply with any system implemented by NHI for the electronic or other transfer of funds directly from the bank account of FRANCHISEE to the bank account of NHI, including the execution of any pre-authorized payment forms required by the FRANCHISEE'S bank or with any system implemented by NHI for electronic payment of amounts owed by FRANCHISEE.

9. FRANCHISE IMAGE AND OPERATING PROCEDURES.

A. EQUIPMENT AND PRODUCTS

1. FRANCHISEE agrees to use only such Operating Assets and other equipment, processes, products, and supplies ("Products") which have been approved by NHI or purchased from NHI, its affiliates or other sources, approved or designated by NHI from time to time ("Approved Products"). FRANCHISEE agrees to use no wood cleaning, coating, protection or other wood care or renewal products other than wood care and renewal products supplied by NHI (the "Proprietary Products"). FRANCHISEE agrees to purchase the Proprietary Products at the then current list price, plus applicable taxes, and to pay for all purchases no later than thirty (30) days from the invoice date. FRANCHISEE is required to purchase a minimum of \$4,200 (increased not more than once each calendar year to reflect increases in the Consumer Price Index) of Proprietary Products from NHI each calendar year ("Minimum Purchase Amount"). FRANCHISEE may purchase other equipment, products or supply items from NHI at the then current list price, plus applicable taxes, and must pay for all purchases no later than thirty (30) days from the invoice date. NHI may approve only a limited number of sources or a single source (which may include NHI or its affiliates) for Proprietary Products, and certain equipment, supply items, or promotional materials. If FRANCHISEE proposes to purchase or lease any equipment, product or supply item for the BUSINESS which is not then approved by NHI, FRANCHISEE shall first notify NHI in writing and, upon request, furnish to NHI specifications, photographs, drawings and/or other information sufficient to afford NHI a reasonable opportunity to determine whether such equipment, product or supply item complies with its specifications and standards. If FRANCHISEE: (1) uses any Product other than the Approved Products, or (2) uses or possesses any wood cleaning, coating, protection or other wood care or renewal product other than the Proprietary Products, NHI shall have the right to impose on FRANCHISEE a fine of \$5,000, per occurrence, or to terminate this Agreement.

2. FRANCHISEE is required to maintain a business telephone in accordance with the System Standards in the Manual.

B. REQUIRED AND AUTHORIZED PRODUCTS AND SERVICES.

The reputation and goodwill of NHI and the Franchise System is based upon, and can be maintained and enhanced only by furnishing consistent high quality wood cleaning, coating and protection products and services and other related products and services. Therefore, FRANCHISEE may offer only the services approved in writing by NHI (the "Approved Services"). FRANCHISEE must offer those Approved Services which NHI has designated as

mandatory for all Franchised N-Hance Businesses (the “Required Services”) to all customer segments (including, without limitation, residential and commercial segments) and to customers located throughout the Franchised Area. To offer certain Approved Services and Required Services, FRANCHISEE may be required to complete additional training successfully and/or purchase additional Approved Products and/or Proprietary Products. NHI may add or remove services from the list of Approved and Required Services at any time in its sole discretion. FRANCHISEE must also offer to its customers such retail products as NHI designates from time to time (“Resale Products”). FRANCHISEE will not sell any products at retail to end users other than the Resale Products. FRANCHISEE agrees that the equipment used in the BUSINESS shall not be used for any purpose other than the operation of the BUSINESS, in compliance with this Agreement, in the manner in which it was intended and according to operating procedures as outlined in the Manual. FRANCHISEE agrees to not sell, rent or lease the N-Hance customer list(s) or customer contracts, or otherwise use the N-Hance customer list(s) for any purpose other than in connection with the operation of the BUSINESS.

C. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

1. FRANCHISEE shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the BUSINESS. FRANCHISEE shall operate the BUSINESS in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker’s compensation insurance, unemployment insurance, terrorist activities, and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes.

2. FRANCHISEE shall, in all dealings with customers, suppliers, NHI, and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct, including but not limited to, performing Approved Services within a reasonable amount of time from a customer’s request. FRANCHISEE agrees to refrain from any business or advertising practice which may be injurious to the business of NHI and the goodwill associated with the Marks and other Franchised N-Hance Businesses. FRANCHISEE shall notify NHI in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, summons, injunction, award or decree in any court, agency or other governmental instrumentality, which may adversely affect FRANCHISEE’s operation or financial condition or that of the BUSINESS and of any notice of violation of any law, ordinance or regulation relating to the BUSINESS. FRANCHISEE shall address all customer complaints in a timely manner and work diligently to resolve issues concerning the delivery of Approved Services pursuant to this Agreement. In the event NHI becomes involved in the resolution of a customer complaint, FRANCHISEE agrees to cooperate fully with NHI and its representatives in the investigation of the complaint. NHI will determine whether offer resolution to the customer as a result of NHI’s investigation. FRANCHISEE will pay the cost of resolution, including any discounts or refunds to the customer NHI may deem, in its sole discretion, as necessary under the circumstances. NHI’s decision is binding upon FRANCHISEE.

3. FRANCHISEE acknowledges and agrees that it will comply with all federal, state, and other data security and privacy legislation applicable to the BUSINESS and its

customers, and to any Payment Card Industry Data Security Standards applicable to the credit card data or related information.

D. MANAGEMENT OF THE BUSINESS/RELATIONSHIP OF THE PARTIES.

1. The BUSINESS shall at all times be under FRANCHISEE's direct supervision, and FRANCHISEE shall be personally engaged in the BUSINESS' day-to-day operations.

2. The parties mutually understand and agree that this Agreement does not create a partnership, joint venture, agency, employment or fiduciary relationship of any kind between them, and that NHI and FRANCHISEE are independent contractors in a commercial, arms' length relationship. Nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. FRANCHISEE shall be solely responsible for all employment decisions and functions, including, without limitation, those related to hiring, firing, establishing remuneration, personnel policies, benefits, disciplining, scheduling, supervising and recordkeeping, regardless of whether FRANCHISEE received advice from NHI on these subjects. NHI will not be, directly or indirectly, expressly or by implication, an employer or joint employer of FRANCHISEE or its employees. FRANCHISEE shall hire all employees of the BUSINESS, and will be exclusively responsible for the terms of their employment, compensation, supervision, direction and proper training; however, FRANCHISEE shall not hire, retain or utilize any independent contractors to perform authorized BUSINESS services for customers.

3. FRANCHISEE acknowledges and agrees that FRANCHISEE alone will exercise day-to-day control over all operations, activities and elements of the BUSINESS and that under no circumstance shall NHI do so or be deemed to do so. FRANCHISEE further acknowledges and agrees, that the various requirements, restrictions, prohibitions, specifications and procedures of the Franchise System which FRANCHISEE is required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that NHI controls any aspect or element of the day-to-day operations of the BUSINESS, which FRANCHISEE alone controls, but only constitute System Standards necessary under the Lanham Act to assure the quality and consistency of goods and services under the Marks to which FRANCHISEE must adhere when exercising control of the day-to-day operations of the BUSINESS.

4. NHI does not assume any liability, and will not be considered liable in any way for any express or implied agreements, warranties, guarantees or representations, or any debt incurred by FRANCHISEE in the name of or on behalf of NHI, which are not expressly authorized under this Agreement, or for the actions of any N-Hance franchisees. NHI will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to FRANCHISEE'S operation of the BUSINESS.

5. FRANCHISEE shall conspicuously identify FRANCHISEE in a form of notice required by NHI in all dealings with customers, suppliers, public officials and others as the owner and operator of a business under a franchise with NHI and shall place such other notices of independent ownership on such forms and other materials as NHI may require from time to time. FRANCHISEE shall not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in NHI's liability for any of FRANCHISEE'S indebtedness or obligations, nor may FRANCHISEE use the Marks in any way not expressly authorized by NHI. Furthermore, FRANCHISEE shall have no right to offer or sell any subfranchise, sublicense or other form of delegation of rights under this Agreement.

6. FRANCHISEE acknowledges and agrees it is exclusively liable, and that NHI will have no responsibility or obligation whatsoever, for providing and furnishing any type or form of employee benefit or compensation to its employees, including without limitation, wages, salary, benefit plans, savings, or retirement plans (including contributions thereto), insurance, pension, equity, bonus, or like benefits or distributions. NHI shall have no liability for any sales, use, occupation, excise, gross receipts, income, franchise, property or other taxes, whether levied upon FRANCHISEE or the BUSINESS in connection with the business conducted by FRANCHISEE. FRANCHISEE is responsible for paying all applicable taxes and must indemnify and reimburse NHI for any taxes that NHI must pay to any state taxing authority or account of either FRANCHISEE's operation or payments made to NHI.

E. INSURANCE.

FRANCHISEE shall at all times during the term of this Agreement maintain in force at FRANCHISEE's sole expense business liability, professional and product liability, and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the BUSINESS. Such insurance coverage shall be maintained under one or more policies of insurance containing minimum liability protection in such amounts as are specified by NHI from time to time and issued by insurance carriers approved by NHI. The insurance policies must also state that the work product is covered and that there is no "workmanship" or "care, custody, and control" exclusion. All liability insurance policies required hereunder shall name NHI and any affiliates we designate in the Manual (and their respective officers, directors, employees, agents, affiliates and subsidiaries) as additional insureds and shall provide that NHI receives thirty (30) days prior written notice of termination, non-renewal, expiration or cancellation of any such policy. Upon sixty (60) days prior written notice to FRANCHISEE, NHI may increase the minimum liability protection requirements and require different or additional kinds of insurance at any time, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, product or motor vehicle liability litigation or other relevant changes in circumstances. FRANCHISEE shall furnish annually to NHI a copy of the certificate.

F. PRICING.

1. FRANCHISEE may sell any Approved Service or Resale Product at any price it chooses. To the extent permitted by applicable law, NHI reserves the right to specify in writing a suggested retail price for Resale Products and/or to establish in writing minimum and/or

maximum prices for the Approved Services and Resale Products FRANCHISEE sells in order to promote Interbrand competition. FRANCHISEE shall sell any products and services in accordance with the minimum and/or maximum retail prices established by NHI from time to time. Maximum and minimum prices for Approved Services and Resale Products FRANCHISEE and other franchisees sell may vary from region to region to the extent necessary in order to reflect differences in costs and other factors applicable to such regions.

2. In addition, FRANCHISEE must honor any coupons, gift certificates or other authorized promotional offers and participate in all national promotions and programs required by NHI from time to time at FRANCHISEE'S sole cost and may adjust its retail prices accordingly.

G. COMPLIANCE WITH SYSTEM STANDARDS.

FRANCHISEE acknowledges and agrees that operating and maintaining the BUSINESS according to System Standards is essential to preserve the goodwill of the Marks and all ~~Franchised~~~~N-Hance~~ Businesses. Therefore, FRANCHISEE agrees at all times to operate and maintain the BUSINESS according to all of NHI's System Standards, as and when modified by NHI. FRANCHISEE agrees that System Standards NHI prescribes in the Manual or otherwise communicates to FRANCHISEE in writing or another tangible form (for example, via Franchise System extranet or Website), are an integral part of this Agreement as if fully set forth within its text, provided that NHI may unilaterally amend System Standards and the Manual without the consent of FRANCHISEE. All references to this Agreement include all System Standards as periodically modified.

H. MODIFICATION OF SYSTEM STANDARDS.

NHI periodically may modify System Standards, which may accommodate international, national, regional or local variations, and these modifications may obligate FRANCHISEE to invest additional capital in the BUSINESS and/or incur higher operating costs. FRANCHISEE agrees to implement any changes in System Standards within the time period NHI requests, whether they involve buying new Operating Assets, adding new Approved Products or Approved Services, or otherwise modifying the nature of FRANCHISEE operations, as if they were part of this Agreement as of the effective date of this Agreement.

I. AFFILIATE SERVICES.

1. FRANCHISEE acknowledges that NHI's affiliates and their franchisees not using the Marks may offer and sell goods and services similar to goods and services offered and sold by ~~Franchised~~~~N-Hance~~ Businesses inside and outside the Franchised Area, and to customers or businesses located in the Franchised Area. Nothing in this Agreement or otherwise shall prevent these NHI affiliates or their franchisees from offering their goods and services, without compensation to FRANCHISEE, inside the Franchised Area. In the event of a conflict between FRANCHISEE and an NHI affiliate outlet, NHI agrees to use reasonable methods to address the issue, however FRANCHISEE acknowledges and agrees that NHI and its affiliates have not established, and have no obligation to establish, any method of resolving conflicts between any

competing franchises regarding territory, customers and franchisor support. Further, there are no restrictions or restraints on competition or customer solicitation among the NHI affiliated brand systems that may offer similar products and services.

2. Franchisee acknowledges that NHI and its affiliates reserve the right to integrate their businesses and operations in the future and use common facilities, technology or platforms to provide training, business information systems, supply chain and other support elements. FRANCHISEE acknowledges that the referral of business between FRANCHISEE and NHI's affiliates would be mutually beneficial. Therefore, in the event NHI and/or its affiliates establish a referral program, FRANCHISEE agrees to notify NHI of any potential users of the affiliate services known by FRANCHISEE in accordance with terms, conditions, and procedures for such referrals established by NHI and its affiliates from time to time in the Manual or otherwise in writing. NHI reserves the right to manage, administer, establish and enforce or waive rules and policies, modify and discontinue any such referral program in its sole discretion.

10. MARKETING AND PROMOTION.

A. BY FRANCHISEE.

1. FRANCHISEE agrees to spend each month on advertising, marketing and promotional programs for the BUSINESS at least the "Marketing Spending Requirement" for the applicable market (Traditional or Small) as set below (the "Market Monthly Marketing Minimum Spend – Traditional Market" or the "Market Monthly Marketing Minimum Spend – Small Market"):

<u>Month</u>	<u>Monthly Marketing Minimum Spend – Traditional Market</u>
Months 1 – 12	\$1,000 or 5% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$1,500 or 5% of Gross Revenue, whichever is greater
<u>Month</u>	<u>Monthly Marketing Minimum Spend – Small Market</u>
Months 1 – 12	\$500 or 5% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$750 or 5% of Gross Revenue, whichever is greater

2. The Monthly Marketing Minimum Spend shall be increased not more than once each calendar year to reflect increases in the Consumer Price Index. Neither the lead acquisition cost of a National Account lead nor the Brand Marketing Fund Contribution may be applied towards the Monthly Marketing Minimum Spend requirements.

3. NHI will credit against the Monthly Marketing Minimum Spend any amounts FRANCHISEE spent to advertise, market or promote the BUSINESS. NHI may review FRANCHISEE's books and records from time to time and/or require FRANCHISEE to submit

reports periodically to determine FRANCHISEE's advertising, marketing and promotion expenditures that count against the Monthly Marketing Minimum Spend.

4. FRANCHISEE agrees to list and advertise the BUSINESS in the principal telephone directory covering the Franchised Area (in the business classifications NHI prescribes from time to time) and, if NHI requires, to use NHI's standard form of classified telephone directory advertisement. If there are other Franchised N-Hance Businesses located within the distribution area of the principal telephone directory, and NHI requires, FRANCHISEE agrees to participate in a collective advertisement with those other Franchised N-Hance Businesses and pay FRANCHISEE's share of that collective advertisement. NHI may, at its option, by written notice to FRANCHISEE, convert and update this telephone directory listing obligation to digital or electronic advertising.

5. FRANCHISEE agrees that its advertising, promotion and marketing will be completely clear, factual and not misleading or incomplete, and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that NHI prescribes from time to time. FRANCHISEE must send to NHI for approval samples of all advertising, promotional and marketing materials which NHI has not prepared or previously approved the last twelve (12) months, before FRANCHISEE transmits such samples for inclusion in any advertising. If NHI does not approve the materials within fifteen (15) days of NHI's receipt of them, they shall be deemed disapproved. If approved, NHI shall have the right to duplicate, modify and distribute such materials to all N-Hance franchisees. FRANCHISEE may not use any advertising, promotional or marketing materials that NHI has disapproved. FRANCHISEE must follow our standards and specifications regarding use of social media in any way that references the Marks or involves the franchise. "Social media" includes personal blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools. If FRANCHISEE uses any advertising, promotional or marketing materials, or any other forms of marketing, which NHI has not prepared or approved, NHI shall have the right to: (a) impose on FRANCHISEE a fine of up to \$2,000 per occurrence; or (b) terminate this Agreement.

B. BRAND MARKETING FUND.

1. Recognizing the value of advertising and marketing to the goodwill and public image of Franchised N-Hance Businesses, NHI has established a Brand Marketing Fund (the "BMF") for the advertising, marketing and public relations programs and materials NHI deems appropriate to promote the N-Hance brand. FRANCHISEE agrees to contribute a continuing, non-refundable, monthly amount determined by NHI of up to \$400 per month. The BMF Contribution is payable in the same manner as the Royalty (or in such other manner as NHI periodically prescribes) beginning on the Payment Start Date and continuing on the 25th day each subsequent month. Franchised N-Hance Businesses operated by NHI or its affiliates will contribute to the BMF on the same basis as Franchised N-Hance Business franchisees. The BMF Contribution can be increased upon 30 days' prior written notice from NHI to all FRANCHISEES. All BMF Contributions will be collected and held in a separate account. The separate BMF account is not a trust fund and NHI is not a fiduciary with regard to the separate BMF account or the monies on deposit therein.

2. We also may deposit marketing, promotional and other payments we receive from suppliers or you into the BMF. NHI, not an advertising council, will administer the BMF and will disburse the BMF to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit the System and all franchised and any company-owned locations. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, (g) product research and development, and (h) creative services. We also may use the BMF to pay or reimburse us for our administrative overhead expenses incurred for activities supported by the BMF by both in-house marketing and third-party marketing. Any amounts in the BMF not spent at the end of each fiscal year will remain in the BMF, provided that amounts contributed to the BMF may be used to pay taxes associated with unspent amounts on deposit in the BMF.

3. We will direct all activities and programs funded by the BMF with the assistance of the N-Hance Brand Marketing Fund Committee (the “Committee”). The Committee is an advisory board comprised of franchisees and NHI corporate staff. The BMF will not be audited, and we have no obligation to make its financial statements available to franchisees. You acknowledge that we have no obligation to expend BMF amounts for BMF activities that provide a specific benefit equivalent or proportionate benefit to your BMF Contribution, and we do not warrant or guaranty that you will receive or derive any benefit from BMF activities. We will make all studies and reports produced by the BMF available to you at no cost as Confidential Information. We will make copies of all materials produced by the BMF for franchisee’ use in the Business available to you at your expense. We may suspend, terminate or reinstate the BMF at any time. The BMF will not terminate, however, until we have spent all amounts in the BMF for the purposes set forth above. Upon your written request, we will provide you summary copy of our annual report of expenditures of the BMF during the cost recently ended fiscal year on a confidential basis.

C. ADVERTISING COOPERATIVES.

FRANCHISEE agrees that NHI may designate a geographic area in which two (2) or more ~~Franchised N-Hance~~ Businesses are located as a region in order to establish an advertising cooperative (a “Cooperative”). The Cooperative’s members in any area will include all of the ~~Franchised N-Hance~~ Businesses operating in that area (including NHI or its affiliates, if applicable). The Cooperative will set its own contribution rates and obligations on a one-Business, one-vote principle for its members. The Cooperative will establish its own administrative structure unless we decide to provide administrative services and will prepare and disseminate to its members its own written governance documents. We will require any Cooperative to prepare and disseminate to all members its own financial statements on a quarterly basis. We reserve the right to form, change, dissolve or merge any one or more Cooperatives.

D. WEBSITES.

FRANCHISEE specifically acknowledges and agrees that any Website or online presence for the BUSINESS shall be deemed “advertising” under this Agreement and all content to be

displayed on the Website will be subject to (among other things) NHI's approval under Section 10.A. In connection with any Website, FRANCHISEE agrees to the following:

1. FRANCHISEE shall not establish a separate Website without NHI's prior written consent. NHI shall have the right, but not the obligation, to designate one or more web page(s) to describe FRANCHISEE and/or the BUSINESS, such web page(s) to be located within NHI's Website;

2. If NHI approves, in writing, a separate Website for FRANCHISEE, then each of the following provisions shall apply:

(a) FRANCHISEE shall not establish or use the Website without NHI's prior written approval.

(b) Before establishing the Website, FRANCHISEE shall submit to NHI, for NHI's prior written approval, a sample of the proposed Website domain name, format, visible content (including, but not limited to, proposed screen shots), and non-visible content (including, but not limited to, meta tags) in the form and manner NHI may reasonable require; and FRANCHISEE shall not use or modify such Website without NHI's prior written approval as to such proposed use or modification.

(c) In addition to any other applicable requirements, FRANCHISEE shall comply with NHI's standards and specifications for Websites as NHI prescribes from time to time in the Manual or otherwise in writing.

(d) If NHI requires, FRANCHISEE shall establish such hyperlinks to NHI's Website and others as NHI may request in writing.

(e) NHI may revoke its approval at any time, in writing, condition its approval on changes in its visible and non-visible content, or require that FRANCHISEE discontinue use of a separate Website.

E. NATIONAL ACCOUNTS.

NHI requires participation in national account programs. FRANCHISEE, may, for good cause as determined by NHI, request permission from NHI not to perform services for any one or more of the national accounts located in the Franchised Area. ("National accounts" includes any account which contracts with NHI for services in more than one franchised area and includes referrals from The Home Depot retail organization.) In addition, a national account may elect not to do business with FRANCHISEE, or NHI may determine you can no longer service a national account or referrals from the national account. In any event, FRANCHISEE agrees that NHI, another franchisee or a third party designated by NHI may provide services for the national account in the Franchised Area. Neither NHI nor any other franchisee will be liable or obligated to pay FRANCHISEE any compensation for doing so and neither NHI nor any franchisee will be considered to breach any provision of this Agreement or any other agreement between NHI and FRANCHISEE because of such action. If any multi-location account requests that FRANCHISEE perform services outside of the Franchised Area, FRANCHISEE must refer such business to NHI.

In order to receive referrals from a national account, FRANCHISEE may be required to obtain and maintain additional certification and training.

11. RECORDS AND REPORTING.

A. ACCOUNTING AND RECORDS.

FRANCHISEE agrees, at FRANCHISEE's expense, to maintain and preserve, in a secure location at the BUSINESS, for five (5) years from the date of their preparation, or such greater period as may be required by the Manual or applicable law, full, complete and accurate books, records and accounts including, without limitation copies of all customer contracts and lists, employee records, sales, invoices, cash receipts, service records, purchase records, accounts payable, cash disbursement records, inventory records, general ledgers, itemized bank deposit slips and bank statements, copies of sales tax returns, and copies of FRANCHISEE's state and federal income tax returns. These records must be maintained in accordance with the requirements and formats NHI specifies from time to time.

B. REPORTING REQUIREMENTS.

1. FRANCHISEE agrees to provide to NHI complete and accurate information in the manner and format that NHI periodically prescribes:

(a) within ten (10) days after the end of each month, a report of FRANCHISEE's Gross Revenues for such month and a current customer list;

(b) within twenty (20) days after the end of each month, the operating statements, financial statements, statistical reports and other information NHI requests regarding FRANCHISEE and the BUSINESS covering the month;

(c) within sixty (60) days after the end of FRANCHISEE's fiscal year, annual profit and loss statement and source and use of funds statement and a balance sheet for the BUSINESS as of the end of that fiscal year;

(d) within ten (10) days after filing thereof, exact copies of federal and state income, sales and other tax returns; and

(e) any other forms, records, books and other information NHI periodically requires relating to the BUSINESS.

2. If the reporting information is not received by NHI in the manner and format prescribed by NHI and within the specified timeframe, FRANCHISEE is subject to a fine of \$300 per month for each month it is late or incomplete, or termination of this Agreement.

3. FRANCHISEE agrees that FRANCHISEE's chief accounting officer or chief executive officer must verify and sign each report and financial statement in the manner NHI prescribes. NHI may disclose data derived from these reports to third parties. NHI may, as often as it deems appropriate, access the Computer System and retrieve all information relating to the BUSINESS' operation. FRANCHISEE consents to such access and agrees to follow NHI's instructions on access procedures.

12. INSPECTIONS AND AUDITS.

1. To determine whether FRANCHISEE and the BUSINESS are complying with this Agreement and all System Standards, NHI and its designated agents or representatives may at all times and without prior notice to FRANCHISEE: (a) inspect FRANCHISEE's Operating Assets and business vehicles; (b) inspect the BUSINESS' premises location; (c) observe FRANCHISEE and all employees in the performance of Approved Services and any other work performed for customers; (d) inspect any job performed by FRANCHISEE, including without limitation obtaining a sample of products used; and (e) contact and interview customers, employees and former employees of FRANCHISEE. FRANCHISEE agrees to cooperate fully with NHI. If NHI exercises any of these rights, it will not interfere unreasonably with the BUSINESS' operation. If, upon inspection or investigation, NHI finds that the quality of work done by FRANCHISEE does not meet System Standards or commercial work standards in the Franchised Area, then NHI may, as an alternative to termination of this Agreement, require FRANCHISEE, at FRANCHISEE's own expense, to take additional training, obtain an independent evaluation from a qualified inspector, including but limited to any costs associated with the service and evaluation fee, and to correct the quality of its work and services. NHI's inspections and evaluations may include use of a "Mystery Shopper" program from time to time throughout the term of this Agreement which may include surveys of, and evaluations by, current and previous customers, without notice to FRANCHISEE.

2. NHI may at any time during FRANCHISEE's business hours (at least 9:00 am to 5:00 pm local time), and without prior notice to FRANCHISEE, examine and photocopy FRANCHISEE's bookkeeping and accounting records, sales and income tax records and returns, job records, purchase records, and other records of the BUSINESS and any activity conducted by FRANCHISEE at or from the BUSINESS location. FRANCHISEE agrees to cooperate fully with NHI's representatives and accountants in any inspection or audit. If any inspection or audit discloses an understatement of the BUSINESS' Gross Revenue, FRANCHISEE must pay NHI within fifteen (15) days after receiving the inspection or audit report, the Royalty and any other payments due on the amount of the understatement, plus interest (in the amount described in Section 8.C) from the date originally due until the date of payment. Further, if an inspection or audit is necessary due to FRANCHISEE's failure to furnish reports, supporting records or other information as and when required under this Agreement, or if NHI's examination reveals a Royalty or any other contribution understatement exceeding two percent (2%) of the amount that FRANCHISEE paid to NHI for the period examined, FRANCHISEE agrees to reimburse NHI for

the cost of NHI's examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of NHI's employees. These remedies are in addition to NHI's other remedies and rights under this Agreement and applicable law.

3. FRANCHISEE consents to NHI obtaining, using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by NHI or disclosed to NHI in accordance with this Agreement.

13. **TRANSFER.**

A. **BY NHIUS.**

This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests herein. A sale, transfer, sublicense, subcontracting, delegation, or assignment by NHI of its interest in this Agreement, the Franchise System or the Marks or any parts thereof, and the sale, transfer or assignment by NHI of this Agreement or any interest therein, may be completed without the consent of or notice to FRANCHISEE. To the extent that the purchaser or assignee shall assume the obligations of NHI under this Agreement, NHI shall thereupon and without further agreement, be released and relieved of all liability with respect to such obligations arising prior to and after such assumption. FRANCHISEE acknowledges that nothing in this Agreement shall prevent NHI from granting a security interest in any of its assets, including the Marks and any other intellectual property. FRANCHISEE further acknowledges that any such secured party or any agents acting on behalf of such secured party shall not have any obligations to FRANCHISEE arising from the grant of such security interest.

B. **FRANCHISEE MAY NOT TRANSFER WITHOUT NHI APPROVAL BY YOU.**

1. FRANCHISEE ~~understands and~~ acknowledges ~~and agrees~~ that the rights and duties created by this Agreement are personal to FRANCHISEE (and, if FRANCHISEE is an Entity, its Owner(s)) and that NHI has granted the Franchise in reliance upon NHI's perceptions of the individual(s) or collective character, business skill, aptitude and financial capacity of FRANCHISEE (and its Owner(s)) and the ability to operate the ~~Franchised Business~~ BUSINESS in the Franchised Area. ~~Therefore, you cannot transfer~~ neither this Agreement, "Transfer" shall mean any voluntary, involuntary, direct, or indirect, in whole or in part, assignment, sale, gift, encumbrance, lease, merger, bequest, change in control, or other disposition of 1) this Agreement or any rights thereunder 2) the ~~Franchised Business~~ BUSINESS or its assets, 3) any part of your ownership interest in the assets of the ~~Franchised Business~~ BUSINESS, including but not limited to, customer lists, customer contracts and any other customer information of the ~~Franchised Business~~ Business or 4) any part of your the equity/ownership interest in the Franchisee entity, or 5) a grant of an option, warrant or right to acquire an equity or ownership interest, including but not limited to by divorce, insolvency, probate or intestate succession, trust, or other operation of law. All Transfers require our prior written approval and are subject to the conditions below. Any such

Transfer without our prior written approval, will be void and will constitute a breach of this Agreement. We will not, however, unreasonably withhold our approval provided that the conditions specified below are met, which we will determine in our sole discretion:

~~the Operating Assets (collectively, the “Business Assets”) (or any interest therein), nor the Franchise or any interest therein), nor any part or all of the equity interests of FRANCHISEE may be transferred without NHI’s prior written approval, and any such transfer shall constitute a breach of this Agreement and convey no rights to or interests in this Agreement, the BUSINESS or the Business Assets. The BUSINESS as a whole must be transferred to the new owner and FRANCHISEE cannot sell any rights, products, customer lists or any item separate from the sale of the Franchise. The term “Business Assets” includes, but is not limited to, customer lists, customer contracts and any other information relating to customers of the BUSINESS.~~

~~As used in this Agreement, the term “transfer” means and includes a voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition by FRANCHISEE (or any of its Owners) of any interest in this Agreement, the equity interests of FRANCHISEE, the Business Assets or the BUSINESS. A transfer shall include the following events: (1) the pledge or transfer of ownership of any form of equity interest including any partnership interest, or the grant of an option, warrant or right to acquire an equity interest; (2) merger or consolidation, or issuance of additional securities representing an equity interest in FRANCHISEE; (3) sale of any security or instrument convertible to equity interests of FRANCHISEE; (4) transfer of equity interest in FRANCHISEE or the Business Assets in a divorce, insolvency, Entity liquidation or dissolution proceeding or otherwise by operation of law; (5) transfer of interest in FRANCHISEE or the Business Assets in the event of the death of FRANCHISEE or an Owner by will, declaration of a transfer in trust, or under the laws of intestate succession. Any such assignment or transfer without such approval shall constitute a breach hereof and convey no rights to or interests in the BUSINESS, this Agreement, the Business Assets or the Franchise. The grant of a profits interest in FRANCHISEE that is not convertible into a capital interest in FRANCHISEE is not a transfer.~~

C. CONDITIONS FOR APPROVAL OF TRANSFER.

1. ~~If FRANCHISEE (and its owner(s)) are You are in full compliance with this Agreement or any other agreement between you and us, our affiliates, or our designated/approved suppliers and vendors, and you have paid all accrued monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;, then, subject to the other provisions of this Section 13, NHI shall not unreasonably withhold its approval of a transfer that meets all of the applicable requirements of this Section 13.C. In no event will NHI be liable for any damages suffered by either FRANCHISEE, the Owners or the transferees for failure to approve the transfer or NHI’s failure to decide to approve or reject the transfer in the requested time frame.~~

1. ~~If FRANCHISEE is an Entity, FRANCHISEE’s Owner(s) may transfer a non-controlling ownership interest in FRANCHISEE or its Owners (determined as of the date on~~

~~which the proposed transfer will occur) if: (1) the proposed transferee and its direct and indirect equity owner(s) (if the transferee is an Entity) submit a complete N-Hance franchise application to NHI and are of good character and otherwise meet NHI's then applicable standards for a new Franchised N-Hance Business FRANCHISEE and its owners (2) the proposed transferee and its owners would not be in breach of Section 6 at the time of application or transfer; and (3) FRANCHISEE gives NHI prior written notice of the transfer; and (3) FRANCHISEE pays a non-controlling interest transfer fee as set forth in the Summary Page of this Agreement.~~

~~For any other~~ In any proposed Transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in FRANCHISEE or one of its Owners, or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place), ~~which in the aggregate transfer this Agreement or a controlling ownership interest in FRANCHISEE or one of its Owners~~) all of the following conditions must be met in as a condition for Franchisor to approve the Transfer before or concurrently with the effective date of the transfer:

~~the proposed transferee and its direct and indirect equity owner(s) (if the transferee is an Entity) submit a complete N-Hance franchise application to NHI and meet NHI's then applicable standards and qualifications for a new Franchised N-Hance Business FRANCHISEE and its owners, and the transferee is of good character and has sufficient business experience, aptitude, and financial resources to operate the BUSINESS;~~

(a) you are in full compliance with this Agreement and all other agreements between you and us, our affiliates, or our designated/approved suppliers and vendors, and you have paid all accrued monetary obligations to us, our affiliates, and our designated/approved suppliers and vendor;

(b) the proposed transferee and its direct and indirect equity owner(s) (if the transferee is an Entity) shall submit a complete N-Hance franchise application to NHI and meet NHI's then applicable standards and qualifications for a new Franchise Business;

(c) FRANCHISEE and its owners, and the transferee is of good character and has sufficient business experience, aptitude, and financial resources to operate the BUSINESS;

~~(a)(d)~~ (d) the transferee has assumed or will assume in writing all of FRANCHISEE'S obligations incurred in connection with this Agreement and the conduct of the BUSINESS;

~~(b)(e)~~ (e) FRANCHISEE has paid all amounts owed to NHI and its affiliates, suppliers, and vendors, and ~~has~~ ve submitted all required reports and statements, and if still outstanding, pays off the Business Note;

~~(c)(f)~~ (f) the proposed transferee and its owners, affiliates, and owners' immediate family members are not engaged in a competitive business; ~~would not be in breach of Section 6;~~

(g) you provide us with written authorization to release to the transferee any and all information about the operation of the Franchised Business BUSINESS which we have collected;

(d)(h) the transferee or persons affiliated with transferee acceptable to NHI, including but not limited to the owner, satisfactorily completes NHI's then current initial training program;

(e)(i) at our option, the transferee shall (if the transfer is of this Agreement), or FRANCHISEE shall (if the transfer is of a controlling ownership interest in FRANCHISEE or one of its Owners), sign NHI's then current form of franchise agreement ~~and related documents, the personal guaranty and all other required exhibits,~~ any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, but which franchise agreement will not provide for payment of an initial license fee or purchase of a new Initial Package;

(j) in the case of an installment sale, a transaction where FRANCHISEE provides financing to transferee, transferee pays Franchisee via a promissory note or other structured payment plan, FRANCHISEE must continue to guarantee performance and all payment obligations to Franchisor under this Agreement until the final closing of the installment sale or final payment of such structured payment arrangement;

(k) if you finance any part of the sale price of the transferred interest, then (a) you agree and will assure that all of the transferee's obligations under any promissory notes or agreements are subordinate to the transferee's obligation to pay Royalties, BrandNational Marketing Fees, and other amounts due to us and otherwise to comply with this Agreement, (b) you will not hold any security interest reserved in the business, and (c) you will enter into a comfort letter assuring us that the transferee will meet its obligations under the Franchise Agreement, and reaffirming your guaranty of the Franchise Agreement;

(l) you pay to us:

~~FRANCHISEE or the transferee agrees to pay the applicable~~

(i) our then-current transfer fee set forth in the Summary Page of this Agreement. (These dollar amounts may be increased once per calendar year to reflect increases in the Consumer Price Index) as stated in the Manual. The transfer fee is due upon our preparation of the required transfer documentation (consent to transfer and assignment agreement and/or preparation of transferee's franchise agreement), and is non-refundable at such time;

(ii) all Royalties for completed jobs up through the date of closing, fees, amounts owed under any promissory notes with us, Late Payment Fees, Late Report Fees, NSF Fees, Interest Fees, and all other fees or amounts owed to us, plus interest; and

(iii) all commissions, broker fees or other similar expenses if: (i) you list the Franchised Business with a broker, lead referral network or similar entity; or (ii) the transferee is referred to you or us by a broker, lead referral network or similar entity;

(M) The transferee must assume and agree to be bound by all outstanding obligations to customers and clients of the Franchised Business;

(N) FRANCHISEE, your principals, and the transferee (if we have a prior relationship with the transferee (and its Owners)) sign a general release, in a form satisfactory to NHI, of any and all claims against NHI and its affiliates, shareholders, officers, directors, employees, and agents (such requirement to sign a general release is subject to change in our sole discretion);

if FRANCHISEE or its Owners finance any part of the purchase price, FRANCHISEE and/or its owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests in the assets of the BUSINESS are subordinate to the transferee's obligation to pay amounts due to NHI, and otherwise to comply with this Agreement;

(O) 14. In the case of an installment sale, a transaction where FRANCHISEE or its Owners provide financing to the transferee, and transferee pays FRANCHISEE via a promissory note or other structured payment plan, FRANCHISEE: (a) agrees and will assure that all of the transferee's obligations under any promissory notes or agreements are subordinate to the transferee's obligation to pay Royalties, Brand Marketing Fees, and other amounts due to us and otherwise to comply with this Agreement, (b) will not hold any security interest reserved in the Franchised Business, and (c) will enter into a comfort letter assuring us that the transferee will meet its obligations under the Franchise Agreement

(i) 15. in the event of an approved transfer to a wholly owned corporation or limited liability company, we will require you to own and control at least 67% of the issued and outstanding capital stock or other ownership interest;

(P) you must affirm and comply with your post-termination obligations, including, without limitation, such obligations set forth in Sections 6 or 16;

(Q) 17. to the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

(R) 18. the transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

(S) 19. FRANCHISEE has corrected any existing deficiencies of the Franchised Business BUSINESS of which NHI has notified FRANCHISEE, and/or (ii) NHI permits, and the transferee agrees (if the transfer is of this Agreement) to upgrade the Franchised Business BUSINESS (including the equipment and the van(s) to be transferred to the transferee) in accordance with NHI's then current requirements and specifications for entering or transferred Franchised N-Hance Businesses within the time period NHI specifies following the effective date of the transfer;

(T) 20. FRANCHISEE and its transferring Owners (and their spouses and other immediate family members) acknowledge in a writing delivered to NHI that each of them will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 16.D. below;

~~(U)21. We have approved the material terms and conditions of the transfer, the form or purchase and sale agreement, and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business. T~~he purchase agreement between FRANCHISEE and the transferee must include: (a) a dollar breakdown of the sale price allocated to goodwill, covenant not to compete, van(s), equipment, supplies, and office equipment and supplies; and (b) a statement that FRANCHISEE has made a full disclosure to the transferee and that the parties have agreed upon the disposition of all of FRANCHISEE'S outstanding obligations and accounts receivable;

~~22(V).~~ the transferee purchases or obtains all equipment NHI then requires to operate ~~FranchisedN-Hance~~ Businesses, if not included in the transaction;

~~(W)14.~~ FRANCHISEE and its transferring Owners will not directly or indirectly at any time or in any manner (except with respect to other ~~FranchisedN-Hance~~ Businesses FRANCHISEE owns and operates) identify itself or themselves or any business as a current or former ~~FranchisedN-Hance~~ Business or as one of NHI's current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of an ~~FranchisedN-Hance~~ Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with NHI; and

~~The transferee will execute a comfort letter if FRANCHISEE is financing the purchase price.~~

NHI may, but has no obligation to, review all information regarding the BUSINESS that FRANCHISEE gives the transferee, including the purchase agreement, correct any information that NHI believes is inaccurate, and give the transferee copies of any reports that FRANCHISEE has given NHI or NHI has made regarding the BUSINESS.

D. AREA TRANSFER

FRANCHISEE understands and acknowledges that the rights and duties created by this Agreement are personal to FRANCHISEE (and, if FRANCHISEE is an Entity, its owner(s)) and that NHI has granted the Franchise in reliance upon ~~NHICDP's~~ perceptions of the individual(s) or collective character, business skill, aptitude and financial capacity of FRANCHISEE (and its owner(s)) and to the Franchised Area as described on the Summary Page. Therefore, this Agreement, may not be transferred to a different Franchised Area without NHI's prior written approval, and any such area transfer shall constitute a breach of this Agreement. As used in this Agreement, the term "Area Transfer" means and includes a change in the Franchise Area as described on the Summary Page.

E. CONDITIONS FOR APPROVAL OF AREA TRANSFER

If FRANCHISEE and its Owners are in compliance with this and any other Agreement with NHI or any of its affiliates, then, subject to the other provisions of this Section 13, NHI shall not unreasonably withhold its approval of an Area Transfer that meets all of the applicable

requirements of this Section 13.D. In no event will NHI be liable for any damages suffered by FRANCHISEE for failure to approve the Area Transfer in a timely manner. For any proposed Area Transfer, all of the following conditions must be met before or concurrently with the effective date of the transfer:

1. the FRANCHISEE must be in compliance with this Agreement and any other agreement with NHI and its affiliates;
2. FRANCHISEE has paid all amounts then due and owed to NHI under this Agreement and the Business Note, and has submitted all required reports and statements;
3. FRANCHISEE must not have any unresolved customer service issues;
4. FRANCHISEE has not submitted any prior request for an Area Transfer one time during the Term;
5. FRANCHISEE must sign NHI's then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;
6. FRANCHISEE must provide NHI with the full and complete Customer List for the Franchised Area being vacated;
7. The requested Franchised Area must be contiguous with FRANCHISEE'S existing Franchise Area(s);
8. If the Franchised Area is a Small Market and FRANCHISEE is relocating the Business to a standard sized franchised area, FRANCHISEE will pay the difference between the Initial License Fee paid by FRANCHISEE and NHI's then-current price for a standard-sized Franchised Area within five (5) days after NHI approves the Area Transfer;
9. FRANCHISEE pays NHI an Area Transfer Fee as set forth in the Summary Page of this Agreement. (These dollar amounts may be increased once per calendar year to reflect increases in the Consumer Price Index) as set forth in the Manual;
10. Subject to availability of the requested Franchised Area, at NHI's sole discretion, and any other requirements NHI may reasonably require.

**F. DEATH OR DISABILITY OF FRANCHISEE OR MAJORITY OWNER;
DIVORCE.**

~~Beginning upon receipt of notification of the death or permanent disability of FRANCHISEE or its majority Owner, if an Entity and within six (6) months thereafter, NHI shall have the right, but not the obligation, to repurchase the Franchise and the Business Assets at a price to be determined by an independent appraiser selected by both NHI's and FRANCHISEE's representatives and upon such terms and conditions as may be mutually agreeable to both parties. If NHI does not exercise this right, the executor, administrator, conservator or other personal~~

~~representative of FRANCHISEE must transfer this Agreement and the Business Assets to a third party approved by NHI. Such transfer must be completed within six (6) months from the date of death or permanent disability and is subject to all of the terms and conditions for transfers contained in this Section 13. Failure to transfer in accordance with this Section upon such death or disability shall constitute a breach of this Agreement. The term “disability” means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent FRANCHISEE or the majority Owner from supervising the BUSINESS’ management and operation. Majority Owner means the person having the controlling equity interest in FRANCHISEE determined by governance rights. Upon your death or disability (or the death or disability of an owner of 33% or more of Franchisee, (referred to in this document as “your death or disability”)) the executor, administrator, conservator, guardian, or other personal representative of Franchisee must transfer your interest in this Agreement or in Franchisee, in accordance with Sections B and C above, to a third party within a reasonable amount of time, but not to exceed six (6) months. During this time between the death and disability and the transfer required by this Section, the Franchised Business must be operated in full compliance with this Agreement, as set forth in the next paragraph. The transfer will be subject to all of the terms and conditions applicable to transfers that are contained in this Section.~~

~~In the event of the Designated General Manager’s death or disability, and before a transfer of his/her interests in this Agreement, another owner of Franchisee, or the Designated General Manager’s spouse, child, or parent may temporarily operate the Franchised Business only if 1) this party otherwise would qualify as a transferee, 2) personally manages the business on a full time basis, 3) is approved by the Franchisor, 4) successfully completes our Training Program as described in Section 3.A, and 5) signs an assignment and assumption of the Franchise Agreement or the then current form of franchise agreement, if applicable. If no qualified person applies to Franchisor to operate the Franchised Business in the interim, Franchisor shall have the right to appoint a representative or another franchisee to operate it upon giving notice to the executor.~~

~~For purposes of this Section, disability is defined as a condition that materially impairs your ability to operate the Franchised Business in accordance with this Agreement for a period of thirty (30) or more consecutive days or sixty (60) or more days in a calendar year.~~

~~You will promptly notify us of any divorce proceedings that may result in a Transfer and tender the right of first refusal required in Section HE below. If we do not exercise such right, you must request our consent to any Transfer, and comply with the Transfer conditions set forth above in Sections 13.B and 13.C.~~

G. EFFECT OF CONSENT TO TRANSFER.

NHI’s consent to a transfer of this Agreement and the BUSINESS, or any interest in FRANCHISEE or its owners, is not a determination or evaluation of the fairness of the terms of any contract between FRANCHISEE and the transferee, a guarantee of the BUSINESS or the transferee’s prospects of success, or a waiver of any claims NHI has against FRANCHISEE (or its Owners) or of NHI’s right to demand the transferee’s full compliance with this Agreement. NHI’s consent to a transfer shall not operate to release FRANCHISEE nor any guarantor thereof from any liability or obligation to NHI under this Agreement.

H. NHI'S RIGHT OF FIRST REFUSAL.

If FRANCHISEE or its Owner(s) shall at any time determine to sell an interest in the BUSINESS, an equity ownership interest in FRANCHISEE, or the Business Assets, FRANCHISEE or its owner(s) shall obtain a bona fide, executed written offer from a responsible and fully disclosed proposed purchaser and shall submit an exact copy of such offer to NHI. NHI shall have the right, exercisable by written notice delivered to FRANCHISEE or its owner(s) within thirty (30) days from the date of delivery of an exact copy of such offer to NHI, to purchase such interest in the BUSINESS, such equity ownership interest in FRANCHISEE or the Business Assets, for the price and on the terms and conditions contained in such offer, provided that NHI may substitute cash for any form of payment proposed in such offer and shall have not less than thirty (30) days to prepare for closing. If NHI does not exercise its right of first refusal, FRANCHISEE or its Owner(s) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to NHI's approval of the purchaser as provided in Section 13.C., provided that if the sale to such purchaser is not completed within ninety (90) days after delivery of such offer to NHI, or there is a material change in the terms of the sale, NHI shall again have the right of first refusal herein provided.

14. EXPIRATION OF THIS AGREEMENT.**A. FRANCHISEE'S OPTION TO RENEW THE FRANCHISE AGREEMENT~~ACQUIRE A SUCCESSOR FRANCHISE.~~**

1. If FRANCHISEE meets certain conditions, then FRANCHISEE will have the option to acquire one (1) ~~renewal~~~~successor~~ franchise term of five (5) years. FRANCHISEE must give NHI written notice of FRANCHISEE's election to ~~renew the franchise agreement~~~~acquire a successor~~ franchise no earlier than nine (9) months and no later than six (6) months before the end of the initial term of this Agreement. The qualifications and conditions for the ~~successor~~~~renewal~~ term are described below. Within thirty (30) days after delivery of FRANCHISEE'S notice of its election to obtain ~~enter into a renewal franchise agreement~~~~a successor franchise~~, NHI shall notify FRANCHISEE in writing whether or not NHI shall grant ~~the right to renew the franchise agreement~~~~a successor franchise~~ to FRANCHISEE.

To qualify for ~~renewal~~~~a successor franchise~~, FRANCHISEE and its Owners must satisfy these conditions:

(a) FRANCHISEE (and each of its Owners) have not defaulted under this Agreement and failed to cure the default within the time permitted under this Agreement during its Term;

(b) FRANCHISEE (and each of its required Owners) have successfully completed all of NHI's then current training courses;

(c) FRANCHISEE (and each of its Owners) are, on the date FRANCHISEE gives its notice of election, in compliance with this Agreement including without limitation, any requirements regarding servicing national accounts; and

(d) FRANCHISEE agrees (regardless of cost) in the notice of election to add or replace specific Operating Assets, including without limitation, the business vehicles and other equipment, and otherwise modify the BUSINESS as NHI requires to comply with the System Standards then applicable for new entry ~~FranchisedN-Hance~~ Businesses.

2. If FRANCHISEE and each of its Owners are not, both on the date FRANCHISEE gives NHI written notice of FRANCHISEE's election to ~~renew the franchise agreement~~~~acquire a successor franchise~~ and on the date on which the Term of the franchise expires, in compliance with this Agreement, FRANCHISEE acknowledges that NHI has no obligation to grant FRANCHISEE a ~~renewal successor~~ franchise ~~agreement~~, whether or not NHI had, or chose to exercise, the right to terminate this Agreement during its term under Section 15.

3. Notwithstanding anything to the contrary in this Agreement, at any time during the term of this Agreement, FRANCHISEE fails to be in compliance with this Agreement or any other agreement between FRANCHISEE and NHI, NHI may refuse to grant a ~~successor~~~~renewal~~ franchise ~~agreement~~ by delivering a notice of NHI's refusal to grant a ~~renewal~~~~successor~~ franchise, stating the reasons for such refusal. If NHI'S notice indicates that NHI will permit FRANCHISEE to obtain a ~~renewal~~~~successor~~ franchise ~~agreement~~, NHI may condition such right upon FRANCHISEE'S continued compliance with this Agreement, including being current in financial obligations to NHI, and any other agreement between NHI and its affiliates and FRANCHISEE.

B. GRANT OF A ~~SUCCESSOR~~RENEWAL FRANCHISE AGREEMENT.

If FRANCHISEE qualifies for a ~~renewal~~~~a successor~~ franchise ~~agreement~~, FRANCHISEE agrees to sign the franchise agreement NHI then uses to grant franchises for new ~~FranchisedN-Hance~~ Businesses (modified as necessary to reflect the fact that it is for a ~~renewal~~~~successor~~ franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement, including without limitation, increased or additional fees and new product or service offerings. At the time FRANCHISEE signs the renewal franchise agreement, FRANCHISEE will pay NHI a ~~renewal~~~~successor~~ franchise fee as set forth on the Summary Page of this Agreement.

C. AGREEMENTS/RELEASE.

If NHI grants a ~~renewal~~~~successor~~ franchise ~~agreement~~, NHI and FRANCHISEE and the owner(s) of FRANCHISEE shall execute NHI's then current form of franchise agreement and such ancillary agreements as are used in offering franchises for the ownership and operation of ~~FranchisedN-HANCE~~ Businesses (with appropriate modifications to reflect the fact that the agreements relate to the grant of a ~~successor~~~~renewal~~ franchise ~~agreement~~; including but not limited to, that FRANCHISEE shall not have a right to obtain a ~~renewal~~~~successor~~ franchise ~~agreement~~ beyond the ~~renewal~~~~successor~~ term), and FRANCHISEE and its owner(s) shall execute a general release, in a form satisfactory to NHI, releasing, to the extent permitted by applicable law, any and all claims against NHI and its respective affiliates, shareholders, officers, directors, employees and agents. Failure by FRANCHISEE and its Owner(s) to sign such agreement(s) and release by the earlier of thirty (30) days before expiration of the Term or ninety (90) days after delivery thereof

to FRANCHISEE shall be deemed an election by FRANCHISEE not to acquire a ~~renewal~~~~successor~~ franchise ~~agreement~~.

15. **TERMINATION OF FRANCHISE BY NHI.**

NHI may terminate this Agreement, immediately upon delivery of written notice of termination to FRANCHISEE, if:

1. FRANCHISEE (or any of its owners) has made or makes any material misrepresentation or omission in acquiring the Franchise or operating the BUSINESS;
2. FRANCHISEE does not commence operations of the BUSINESS within ninety (90) days after signing this Agreement;
3. FRANCHISEE required attendees do not satisfactorily complete the initial training program;
4. FRANCHISEE abandons or fails actively to operate the BUSINESS unless the BUSINESS has been closed for a purpose NHI has approved;
5. FRANCHISEE (or its Owners) makes or suffers any transfer in violation of Section 13;
6. FRANCHISEE (or any of its Owners) is or has been convicted by a trial court of, or plead or has pleaded no contest to, an indictable offense or any other crime or offense that is likely to adversely affect the reputation of the BUSINESS or other ~~Franchised~~~~N-Hance~~ Businesses, or the goodwill of the Marks;
7. FRANCHISEE (or any of its owners) engages in any dishonest or unethical conduct which, in NHI's opinion, adversely affects the BUSINESS' reputation or the goodwill associated with the Marks;
8. FRANCHISEE makes any unauthorized use of any Mark;
9. FRANCHISEE (or any of its owners) makes any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;
10. FRANCHISEE violates any provision of this Agreement specifically authorizing NHI to terminate this Agreement as a remedy for such violation;
11. FRANCHISEE violates any health or safety law, ordinance, or regulation, or operate the BUSINESS in an unsafe manner;
12. FRANCHISEE fails to provide complete and accurate reports as required by NHI or fails to pay NHI any amounts due and does not correct the failure within ten (10) days after NHI delivers written notice of that failure to FRANCHISEE;

13. FRANCHISEE uses non-Approved Products on two (2) or more occasions in operating the BUSINESS, or FRANCHISEE fails on two (2) or more separate occasions during any twelve (12) month period to submit when due reports or other data, information or supporting records, to pay NHI any amounts due to NHI, or otherwise fails to comply with this Agreement on two (2) or more separate occasions during any twelve (12) month period, whether or not such failures to comply are corrected after notice thereof is delivered to FRANCHISEE;

14. FRANCHISEE becomes insolvent;

15. FRANCHISEE commences a case for relief under any bankruptcy laws;

16. FRANCHISEE does not satisfy a final court judgment against it within thirty (30) days or post a proper bond to appeal the judgment;

17. FRANCHISEE has a suit filed against it to foreclose any lien, pledge, security interest, mortgage or garnishments levied and not dismissed within a thirty (30) day period;

18. Any other franchise agreement between NHI, or any of its affiliates, and FRANCHISEE is terminated by the franchisor in accordance with its terms, or the franchisee wrongfully terminates the franchise agreement;

19. FRANCHISEE (or any of its owners) has any assets, property, or interests which are blocked under any law, ordinance or regulation relating to terrorist activities or FRANCHISEE (or any of its owners) is otherwise in violation of any such law, ordinance or regulation; or

20. FRANCHISEE fails to comply with any other provision of this Agreement, the Manual, or any System Standard and does not: (a) correct such failure within thirty (30) days after written notice of such failure is delivered to FRANCHISEE; or (b) provide proof acceptable to NHI of efforts which are reasonably calculated to correct such failure if such failure cannot reasonably be corrected within thirty (30) days after written notice of such failure to comply is delivered to FRANCHISEE.

16. RIGHTS AND OBLIGATIONS OF NHI AND FRANCHISEE UPON TERMINATION OR EXPIRATION OF FRANCHISE.

Within thirty (30) days after this Agreement expires or is terminated, FRANCHISEE must provide NHI with written evidence that FRANCHISEE has complied with the obligations set forth in this Section.

A. PAYMENT OF AMOUNTS OWED TO NHI OR CUSTOMERS.

FRANCHISEE agrees to pay to NHI within fifteen (15) days after the effective date of the termination or expiration of this Agreement, or such later date that the amounts due to NHI are determined, all amounts owed to NHI, or its affiliates, and suppliers, including the unpaid balance of the Business Note and, as liquidated damages and not as a penalty, the Minimum Monthly

Franchise Fee then in effect multiplied by the number of months remaining through the end of the Term ("**Liquidated Damages**"). FRANCHISEE further agrees to return to FRANCHISEE's customers all amounts prepaid by such customers for jobs that are not in progress and will not be performed within fifteen (15) days after the effective date of the termination or expiration of this Agreement. Any amounts owed to FRANCHISOR under this provision are a reasonable prediction of the costs and damages FRANCHISOR could reasonably expect to incur upon termination of this Agreement, as determined at the time of contracting.

B. MARKS.

Immediately when this Agreement expires or is terminated:

1. FRANCHISEE may not directly or indirectly at any time or in any manner (except with other N-Hance FRANCHISEE owns and operates) identify himself or herself or any business as a current or former N- Hance Business or as one of NHI's current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of an FranchisedN-Hance Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with NHI;

2. FRANCHISEE agrees to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to FRANCHISEE's use of any Mark;

3. FRANCHISEE agrees to deliver to NHI or to destroy all signs, brochures, advertising materials, forms, invoices and other materials containing any Mark or otherwise identifying or relating to an N- Hance Business, including removing all signs, emblems, lettering and logos, or any other indicia of an FranchisedN-Hance Business, from all business vehicles not surrendered to a third party or purchased by NHI; and

4. FRANCHISEE agrees to notify all telephone companies, internet companies, and all listing agencies of the termination or expiration of FRANCHISEE's right to use any telephone numbers, and any regular, classified or other telephone directory listings, associated in any way with any Mark or the BUSINESS. In doing so, FRANCHISEE will disconnect or cause to be disconnected all such telephone numbers, with no referral to any number other than a number specified by NHI. FRANCHISEE further acknowledges that it shall be a direct violation of this Agreement for FRANCHISEE to cause or participate in the transfer of any such telephone numbers to any person or entity other than NHI. In the event that FRANCHISEE fails to comply with any of the foregoing, FRANCHISEE hereby acknowledges that NHI has the sole rights to and interest in all such telephone numbers and directory listings associated with any Marks. FRANCHISEE therefore authorizes NHI, and hereby appoints NHI and any officer of NHI as FRANCHISEE's attorney in fact, to direct any telephone companies and listing agencies to transfer any such telephone numbers to NHI, or to another person or party at its direction, and the telephone companies and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of NHI in such telephone numbers and directory listings and its authority to direct their transfer.

C. CONFIDENTIAL INFORMATION/CUSTOMER LISTS.

1. FRANCHISEE agrees, when this Agreement expires or is terminated, FRANCHISEE will immediately cease using any of NHI's Confidential Information (including computer software or similar technology and digital passwords and identifications that NHI has licensed to FRANCHISEE or that otherwise are proprietary to NHI or the Franchise System) in any business or otherwise and return to NHI all copies of the Manual and any other confidential materials that NHI has loaned FRANCHISEE, including all proprietary equipment. All other non-proprietary equipment bearing any of the Marks must either be returned to NHI or the Marks must be removed.

2. FRANCHISEE also agrees to send FRANCHISEE'S customer lists to NHI. The list must contain the customer's first and last name, address with city, state and postal code, the telephone number with area code, email address and last date of service and other information required by NHI. FRANCHISEE acknowledges that FRANCHISEE's customer lists and contracts are derived from and are the result of FRANCHISEE's operation of an N-Hance Business franchise. Therefore, FRANCHISEE agrees that such customer lists and contracts may not be used in connection with any business other than the BUSINESS, and may not be used by, or sold or otherwise transferred to, a third party except as otherwise specifically provided in this Agreement.

D. COVENANT NOT TO COMPETE.

Upon termination or expiration of this Agreement, FRANCHISEE and its Owner(s) agree that for a period of two (2) years, commencing on the effective date of termination or expiration, or the date on which FRANCHISEE actually ceases to conduct the BUSINESS described in this Agreement, whichever is later, neither FRANCHISEE nor its owner(s) will (a) participate in or have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, lender, partner, director, officer, manager, consultant, employee, representative or agent, or in any other capacity, in any Competitive Business, (b) solicit business from customers of the BUSINESS or contact any of our suppliers or vendors of Proprietary Products for any Competitive Business purpose, or (c) divert or attempt to divert any business or customer from the BUSINESS to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System, within:

1. The Franchised Area as defined in this Agreement;
2. The geographic area encompassed by the Franchised Area(s) of any ~~Franchised N-HANCE~~ Business as of the date of the termination or expiration of this Agreement; or
3. A geographic area that is contained in a circle having a radius of 10 miles outward from the outside boundary of the Franchised Area as defined in this Agreement.

These restrictions also apply after transfers, as provided in Section 13.C. above. If any person restricted by this Section 16.D. refuses voluntarily to comply with these obligations, the obligations under this Section 16.D period for that person will extend for two (2) years from the

date of the entry of a court order enforcing this provision. FRANCHISEE and its owners expressly acknowledge that they possess employable or business skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, NHI's enforcing the covenants made in this Section 16.D. will not deprive FRANCHISEE of FRANCHISEE's personal goodwill or ability to earn a living. FRANCHISEE acknowledges that this covenant is independent and separate from FRANCHISEE's obligation to pay the Liquidated Damages. Payment of the Liquidated Damages shall not release, relieve or waive the obligations of FRANCHISEE and the Owners to comply with this Section 16.D.

E. CONTINUING OBLIGATIONS.

All obligations of NHI and FRANCHISEE (and its owners) which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. FRANCHISEE agrees to continue to be responsible for any damages resulting from the operation of the BUSINESS prior to termination or expiration of this Agreement and to indemnify NHI for such damages under the indemnification provisions in this Agreement.

17. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which NHI is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable if modified, FRANCHISEE and NHI agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than this Agreement requires of this Agreement's termination or of NHI's refusal to enter into a [renewal](#)~~successor~~ franchise agreement or some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and NHI shall have the right, in its sole discretion, to modify such invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless NHI elects to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. FRANCHISEE agrees to be bound by any such modification to this Agreement.

B. WAIVER OF OBLIGATIONS/FORCE MAJEURE.

1. NHI and FRANCHISEE may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or another effective date stated in the notice of waiver. Any waiver granted by NHI shall be without prejudice to any other rights NHI may have, will be subject to continuing review by NHI and may be revoked, in NHI's sole discretion, at any time and for any reason, effective upon delivery to FRANCHISEE of ten (10) days prior written notice. NHI and FRANCHISEE shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, NHI's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of NHI or FRANCHISEE to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by NHI to exercise any right, power or option, whether of the same, similar or different nature, with respect to other ~~FranchisedN-Hance~~ Businesses; the existence of franchise agreements for other ~~FranchisedN-Hance~~ Businesses which contain provisions different from those contained in this Agreement; or the acceptance by NHI of any payments due from FRANCHISEE after any breach of this Agreement.

2. Neither NHI nor FRANCHISEE shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of amounts owing hereunder by FRANCHISEE, including fees, Minimum Purchase Amounts or product invoices due thereafter.

C. INJUNCTIVE RELIEF.

Notwithstanding anything to the contrary contained in Section 17.F, NHI and FRANCHISEE shall each have the right in a proper case to obtain temporary restraining orders and/or preliminary injunctive relief from a court of competent jurisdiction. However, the parties shall contemporaneously submit their dispute for arbitration on the merits in accordance with Section 17.F. FRANCHISEE agrees that NHI may have such temporary or preliminary injunctive relief without bond, but upon due notice, and FRANCHISEE's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

D. RIGHTS OF PARTIES ARE CUMULATIVE.

The rights of NHI and FRANCHISEE hereunder are cumulative and no exercises or enforcement by NHI or FRANCHISEE of any right or remedy hereunder shall preclude the exercise or enforcement by NHI or FRANCHISEE of any other right or remedy hereunder or which NHI or FRANCHISEE is entitled by law to enforce.

E. COSTS AND ATTORNEYS' FEES.

The prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable attorneys' fees, incurred by the prevailing party in successfully enforcing any provision of this Agreement.

F. ARBITRATION.

FRANCHISEE and NHI agree that, except for (i) matters covered by Section 17.G and (ii) controversies, disputes or claims related to or based on actual or potential improper use of the Marks or unauthorized use or disclosure Confidential Information, all controversies, disputes or claims between NHI and its affiliates, and its and their respective shareholders, officers, directors, agents and/or employees, and FRANCHISEE (and/or its Owners, Guarantors, affiliates, and/or employees), arising out of or related to:

1. this Agreement or any other agreement between the parties or any provision of such agreements;
2. the relationship of the parties hereto;
3. the validity of this Agreement or any other agreement between the parties or any provision of such agreements; or
4. any System Standard, shall be submitted for binding arbitration to the American Arbitration Association on demand of either party. Such arbitration proceedings shall be conducted by a single arbitrator in the English language at a location chosen by the arbitrator in Nashville, Tennessee and, except as otherwise provided in this Agreement, shall be heard in accordance with the then current commercial arbitration rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. 1 et seq.) shall be governed by it. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator shall have the right to award or include in his or her award any relief which FRANCHISEE deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 17.J below, award any punitive or exemplary damages against either party. FRANCHISEE and NHI hereby waive to the fullest extent permitted by law, except

as otherwise provided in Section 17.J below, any right to or claim for any punitive or exemplary damages against the other.

NHI and FRANCHISEE agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under applicable law or this Agreement, whichever expires earlier. NHI and FRANCHISEE further agree that, in any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed as required shall be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either party.

NHI and FRANCHISEE agree that arbitration shall be conducted on an individual, not a class-wide basis, and that an arbitration proceeding between NHI and FRANCHISEE and their respective affiliates, shareholders, officers, directors, agents, and/or employees, shall not be consolidated with any other arbitration proceeding involving NHI and any other person. The parties further agree that if this Paragraph is held by any court, agency or tribunal with competent jurisdiction to be: (a) invalid, (b) contrary to, or (c) in conflict with, any applicable present or future law or regulation, the entire Section 17.F will be deemed null and void, and the dispute resolution shall be governed by Section 17.I.

The provisions of this Section 17.F are intended to benefit and bind certain third party non-signatories and shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. This Section 17.F binding upon and agreed to by FRANCHISEE's Owners and Guarantors.

G. MONETARY DISPUTES

Either party may file and pursue civil litigation in the courts named below to collect any liquidated amount due and unpaid under this Agreement. The responding defendant in the civil litigation may initiate arbitration of the underlying dispute by filing a Demand for Arbitration as provided in Section 17.F and serving a copy of the arbitration demand on the plaintiff within twenty (20) days after being served with the complaint in the civil litigation. After receiving notice of the arbitration, the plaintiff in the civil litigation will take no further steps to pursue that action and will dismiss the civil case without prejudice within thirty (30) days after receiving the defendant's arbitration demand. The plaintiff in the civil litigation may assert its monetary claim against the defendant as a counterclaim in the arbitration. If the plaintiff fails to timely dismiss the civil litigation without prejudice or seeks a default judgment against the defendant despite the defendant filing a demand for arbitration in accordance with Section 17.F, then the defendant may file a motion to compel arbitration in the civil litigation and, if the motion is granted, the defendant shall be entitled to recover from the plaintiff its reasonable attorney's fees, court costs and other expenses incurred in pursuing the motion to compel.

H. GOVERNING LAW.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN THE PARTIES WILL BE GOVERNED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY TENNESSEE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SUBSECTION.

I. JURISDICTION.

SUBJECT TO SECTION 17.F. ABOVE AND THE PROVISIONS BELOW, FRANCHISEE AND ITS OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN THE PARTIES MUST BE COMMENCED IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF TENNESSEE AND FRANCHISEE (AND EACH OWNER AND GUARANTOR OF FRANCHISEE) IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF THOSE COURTS AND WAIVES ANY OBJECTION FRANCHISEE (OR THE OWNER OR GUARANTOR) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. FRANCHISEE AND ITS OWNERS AGREE THAT NHI MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH FRANCHISEE IS DOMICILED OR THE BUSINESS IS LOCATED.

J. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY NHI FOR THIRD PARTY CLAIMS UNDER SECTION 7, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, NHI AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN NHI AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

NHI AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

K. FRANCHISEE MAY NOT WITHHOLD PAYMENTS.

FRANCHISEE agrees that FRANCHISEE will not, on grounds of the alleged nonperformance by NHI of any of its obligations hereunder, withhold payments or amounts due of any kind to NHI.

L. BINDING EFFECT.

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to NHI's rights to modify certain fees, the Manual and System Standards unilaterally, this Agreement shall not be modified except by written agreement signed by FRANCHISEE and NHI.

M. LIMITATIONS OF CLAIMS.

Any and all claims, except claims for monies due NHI, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to such claims.

N. SECURITY TO NHI.

To secure payment and performance of any and all obligations from time to time owing by FRANCHISEE to NHI, including payment of any amount owing by FRANCHISEE to NHI in respect of goods and services from time to time purchased by FRANCHISEE, FRANCHISEE covenants and agrees to provide from time to time, on request by NHI, a security interest or interests by a security agreement in all or specific items of the Operating Assets and in such amount or amounts and upon such terms as NHI, in its absolute discretion, determines advisable. Failure to provide such security within ten (10) days following the receipt by the FRANCHISEE of a written request therefor, specifying the nature and extent of the security required, shall be deemed to be a default under this Agreement

O. INTEGRATION/CONSTRUCTION.

The preambles and exhibits are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between NHI and FRANCHISEE relating to the subject matter of this Agreement, the franchise relationship, or the BUSINESS (any understanding or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require FRANCHISEE to waive reliance on any representation made in the last Franchise Disclosure Document (including exhibits and amendments) NHI delivered to FRANCHISEE before the Effective Date. The term "FRANCHISEE" as used herein is applicable to one or more persons or an Entity, and the singular usage includes the plural. If two or more persons are at any time FRANCHISEE hereunder, their obligations and liabilities to NHI shall be joint and several. References to "FRANCHISEE" and "transferee" which are applicable to an individual or individuals shall mean the owner(s) of the equity or operating control of FRANCHISEE or the transferee, if FRANCHISEE or the transferee

is an Entity. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates NHI reasonably to approve or not unreasonably to withhold its approval of any action or request by FRANCHISEE, NHI has the absolute right and discretion to refuse any request by FRANCHISEE or to withhold its approval of any action by FRANCHISEE that requires NHI's approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

18. NOTICE/EXECUTION/ PAYMENTS.

By signing this Agreement, FRANCHISEE certifies that it has received and reviewed NHI's Franchise Disclosure Document along with its Exhibits and this Agreement and its Exhibits fourteen (14) calendar days, or a different period if applicable where FRANCHISEE is located, prior to signing this Agreement or prior to paying any monies to NHI or its affiliates. This Agreement may be executed in counterparts, each of which shall be deemed an original against the Party whose signature is provided, and all of which shall be considered an original and together shall constitute one agreement binding on all Parties. Electronic signatures and PDF copies of signatures shall be deemed to be valid and enforceable as original ink signatures.

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or of the Manual shall be deemed so delivered: (a) at the time delivered by hand; (b) at the time delivered via computer transmission if the sender has confirmation of successful transmission; (c) one (1) business day after transmission by facsimiles, telecopy, telegraph or comparable electronic system, provided a confirmation copy is sent by a commercial courier service for next business day delivery; (d) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or (e) three (3) business days after placement in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, to the address set forth herein, or to such other address as designated in writing by NHI or FRANCHISEE. NHI may change the address for notice by giving FRANCHISEE notice of the new address. FRANCHISEE may change the address for notice only by giving NHI thirty (30) days' prior notice by any of the means specified in subparagraphs (a) through (e) above. Any required payment or report which NHI does not actually receive at the correct address during regular or business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent.

Franchise Number:

Effective Date:

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in multiple counterparts on the day and year first above written.

If individuals:

If an Entity:

FRANCHISEE - Individually and Personally

Name of entity

By: _____

Its: _____

FRANCHISEE - Individually and Personally

NHANCE, INC.

Date: _____

EXHIBIT A
TO THE FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

The undersigned issue this GUARANTY AND ASSUMPTION OF OBLIGATIONS as of the Effective Date. In consideration of, and as an inducement to, the execution of that certain Franchise Agreement by NHI, each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, FRANCHISEE will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and will punctually pay the Business Note issued by Franchisee in conjunction with the execution and delivery of the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), and by any failure to pay principal of or interest on the Business Note, including without limitation monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with FRANCHISEE and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if FRANCHISEE fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against FRANCHISEE or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to FRANCHISEE or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by FRANCHISEE or its owners, and for so long as we have any cause of action against FRANCHISEE or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or FRANCHISEE, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against FRANCHISEE arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Franchise Number:
Effective Date:

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants’, attorneys’, attorneys’ assistants’, arbitrators’, and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the dispute resolution provisions in the Agreement and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal courts in Nashville, Tennessee, and each of the undersigned irrevocably submits to the personal jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Print Name:

Print Name:

Print Name:

Print Name:

Guarantor Name	Address, Phone Number, Email Address	Percentage Ownership in Franchisee Entity

EXHIBIT B
TO THE FRANCHISE AGREEMENT
CONSOLIDATED OFFICE AGREEMENT

THIS CONSOLIDATED OFFICE AGREEMENT (“COA”) is made and entered into on the Effective Date by and between NHI and Franchisee.

W I T N E S S E T H:

WHEREAS, Franchisee is the owner of multiple N-Hance® franchises (“Franchises”) situated in different designated franchised areas;

WHEREAS, the N-Hance Franchise Agreements between Franchisee and NHI pertaining to the Franchises requires Franchisee to establish an office location within each franchised area and to operate the Franchises from each office location;

WHEREAS, Franchisee desires to establish only one office located in one of its franchised areas and to operate all of the Franchises from that single office location; and

WHEREAS, NHI is willing to grant an exception to the office location requirement in the Agreements, on a limited, non transferrable, and revocable basis.

NOW, THEREFORE, in consideration of the mutual promises made herein, NHI and Franchisee agree to be bound by the following terms and conditions

1. Unless this COA is signed in conjunction with the sale of a new N-Hance franchise, Franchisee agrees to pay NHI a non refundable fee of \$150.00 as consideration for the privilege of headquartering all Franchises from a single office location.
2. This COA will expire on with the expiration of the Franchise Agreement and is non renewable and non-transferrable.
3. Pursuant to section 11 of the Agreements, Franchisee agrees to maintain and preserve full and accurate books for each franchise headquartered at the single office location.
4. Upon expiration of this COA, Franchisee may be eligible to enter into a second COA with NHI so long as Franchisee notifies NHI of its desire to do so at least sixty (60) days prior to the expiration of this COA. Any subsequent COAs will be upon then current terms and conditions and will require payment of the then current fee. Upon expiration of this COA and if NHI does not enter into a new COA with Franchisee, Franchisee will have until the expiration date of this COA to move all franchise operations to office locations within the designated franchised areas for each Franchise. Failure to do so within the timeframe will be a material breach of the Agreement for that Franchise. Franchisee acknowledges and agrees NHI has no obligation to enter into subsequent COAs with Franchisee and that doing so will be at NHI’s sole discretion.

Franchise Number:

Effective Date:

5. Franchisee acknowledges and agrees this COA is entered into by NHI solely as an accommodation to Franchisee and NHI may terminate this COA, with or without cause, upon sixty (60) days written notice to Franchisee. In the event this COA is terminated, Franchisee agrees to all franchise operations to office locations within the designated franchised areas for each Franchise with the timeframe indicated in NHI's notice.

6. In the event the Agreement pertaining to the Franchise where Franchisee's office is located pursuant to this COA either terminates or expires, Franchisee agrees to move its office immediately to another location that has been approved by NHI.

7. Should any portion of this COA be found to be contradictory to the Agreements, then the Agreements shall prevail.

IN WITNESS WHEREOF, the parties hereto have executed this COA as of the date first above written.

FRANCHISEE

Individually and Personally –

Individually and Personally –

If corporation or other entity:

Name of entity

By: _____

Its: _____

NHANCE, INC.

Date: _____

Franchise Number:

Effective Date:

EXHIBIT C

TO THE FRANCHISE AGREEMENT

STATE ADDENDA TO THE FRANCHISE AGREEMENT

ADDENDUM TO THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS**CALIFORNIA**

This Addendum relates to franchises sold in the state of California and is intended to comply with California Franchise Investment Act. In consideration of the execution of the Franchise Agreement, the Business Note (the “Business Note”), the Equipment Agreement, and the Software License Agreement (“SLA”), NHI and Franchisee agree to amend the agreements as follows:

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 to 20043, provides you with certain rights on termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

3. Our right to terminate pursuant to Section 15(15) of the Franchise Agreement if Franchisee commences bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

4. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. Section 17.F. of the Franchise Agreement is amended by adding the following language:

6. “The cost of the arbitration will be borne equally by the parties.”

7. Section 17.K. of the Franchise Agreement and the Business Note, the Equipment Agreement, and the SLA is amended by adding the following language:

8. “Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.”

9. In all other respects, the Franchise Agreement, the Business Note, the Equipment Agreement, and the SLA will be construed and enforced according to its terms.

10. California law may not enforce the choice of Tennessee law provision in Section 17.H of the Franchise Agreement.

11. California Business and Professions Code Sections 20000 through 20043 (“CFRA”) provide rights to the franchisee concerning termination and non-renewal of the franchise. If the Franchise Agreement is inconsistent with this law, the law will control.

Franchise Number:

Effective Date:

12. Notwithstanding any other provision of the Franchise Agreement to the contrary, we may terminate the Franchise Agreement without the right to cure as provided in Section 20021 of CFRA.

13. We reserve the right to notify you at the time we terminate the Franchise Agreement that we will not enforce the post-termination covenant in Section 16.D and will then have no obligation to purchase any inventory from you under Section 20022 of CFRA.

14. Notwithstanding any other provision of the Franchise Agreement to the contrary, we shall exercise the right to terminate the Franchise Agreement in accordance with CFRA Section 20020.

15. You acknowledge your obligation to provide us with notice of transfer, sale or assignment under CFRA Section 20029.

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

17. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of California.

18. You acknowledge that the Franchise Agreement and all related agreements between you and us are not consumer contracts and are not within the scope of California Civil Code Section 1632. You confirm and agree that all contract negotiations and discussions between us and you have been conducted in the English language and no other language.

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**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, NHI and Franchisee agree to amend the Franchise Agreement as follows:

1. Sections 14 and 15 of the Franchise Agreement regarding nonrenewal and termination is amended as follows:

The conditions under which your franchise may be terminated or not renewed may be affected by Illinois law, 815 ILCS §§ 705/19 and 705/20.

2. Section 17.G. of the Franchise Agreement is deleted in its entirety and replaced as follows:

This Agreement, the franchise, and the relationship of the parties will be governed by the internal laws of the state of Tennessee, except to the extent governed by the United States Trademark, Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et. seq.) and except for any claims arising out of the Illinois Franchise Disclosure Act of 1987 and except that all issues relating to arbitrability or the enforcement of interpretation of the agreement to arbitrate as described in Section 15F will be governed by the United States Arbitration act (9 U.S.C. § 1 et. seq.) and the Federal common law relating to arbitration.

3. Section 17.H. of the Franchise Agreement is deleted in its entirety.

4. Section 17.J. of the Franchise Agreement is deleted in its entirety and replaced as follows:

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY NHI FOR THIRD PARTY CLAIMS UNDER SECTION 7, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, NHI AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN NHI AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

5. Section 17.L. of the Franchise Agreement is deleted in its entirety and replaced as follows:

Any and all claims, except claims for monies due NHI, arising out of or relating to this Agreement or the relationship among the parties hereto, excluding any claims arising under the Illinois Franchise Disclosure Act, shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date FRANCHISEE or NHI knew or should have known of the facts giving rise to such claims.

Franchise Number:

Effective Date:

6. The following language is added to the Franchise Agreement as the last paragraph in Section 17:

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

7. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

8. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

MARYLAND

This Addendum relates to franchises sold in the state of Maryland and/or to residents of the state of Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, NHI and Franchisee agree to amend the Franchise Agreement as follows:

1. The Franchise Agreement is amended by the addition of the following language:

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

2. Our right to terminate pursuant to Section 15(15) of the Franchise Agreement if you commence bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

3. Section 17 of the Agreement is amended by the addition of the following language:

Pursuant to the Maryland Franchise Registration and Disclosure Law, the Franchisee is permitted to bring a lawsuit in Maryland for claims arising under this Law.

4. Any general release required as a condition of renewal, sale, and/or assignment or transfer of the Store or the Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. Sections 13 and 14 of the Franchise Agreement is amended by the addition of the following language:

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

7. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

9. Section 1A(3) of the Franchise Agreement is hereby deleted.

Franchise Number:

Effective Date:

10. If the franchisee resides within or if the franchised business will be located within the State of Maryland, Exhibit I, Franchise Disclosure Questionnaire may be completed, but should not be signed by the franchisee.

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.

11. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Maryland.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**MINNESOTA**

This Addendum relates to franchises sold in the state of Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement, NHI and FRANCHISEE agree to amend the Franchise Agreement as follows:

1. Section 4 of the Franchise Agreement is amended by adding the following language:

NHI will protect the FRANCHISEE'S right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the FRANCHISEE from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. Sections 14.B. and 15 of the Franchise Agreement are amended by adding the following language:

3. Nothing in the Franchise Agreement shall in any way abrogate or reduce any rights of Franchisee as provided for in the Minnesota Statutes, Chapter 80C. Minnesota Statutes §80C.14, subdivisions 3, 4 and 5 require that Franchisee be given at least 90 days written notice in advance of termination (with 60 days to cure) and 180 days written notice for non-renewal of the Franchise Agreement, except that the notice shall be effective immediately for certain grounds. Section 17 of the Agreement is amended by adding the following language:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J, prohibits NHI from requiring litigation, to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate, reduce or otherwise waive any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or FRANCHISEE'S right to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Section 17.J. of the Franchise Agreement is deleted in its entirety and replaced as follows:

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY NHI FOR THIRD PARTY CLAIMS UNDER SECTION 7, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, NHI AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN NHI AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

5. Notwithstanding anything to the contrary in the Franchise Agreement, no release language in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

6. Any limitations on claims is amended to conform to Minnesota Statutes, Section 80C.12, subdivision 1(g).

Franchise Number:

Effective Date:

7. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

NEW YORK

This Addendum relates to franchises sold in the state of New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement, NHI and FRANCHISEE agree to amend the Franchise Agreement as follows:

1. Section 17.J of the Franchise Agreement are amended by adding the following sentence at the end of each Section:

“However, that all rights arising in Franchisee’s 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.”

2. Section 17.H of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

“The foregoing choice of law should not be considered a waiver of any right conferred upon Franchisee by the General Business Law of the State of New York, Article 33.”

3. Notwithstanding anything to the contrary in the Franchise Agreement, you shall be permitted to terminate the Franchise Agreement upon any grounds available by law.

4. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

NORTH DAKOTA

This Addendum relates to franchises sold in the state of North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, NHI and Franchisee agree to amend the Franchise Agreement as follows:

1. North Dakota Century Code Section 9-08-06 states “Every contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except: 1) One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business within a specified county, city, or a part of either, so long as the buyer or any person deriving title to the goodwill from him carries on a like business therein and 2) Partners, upon or in anticipation of a dissolution of the partnership business has been transacted, or within a specified part thereof.”
2. Any provision of the Franchise Agreement requiring the Franchisee to execute a release in a format designated by NHI is unenforceable with regard to claims arising under the North Dakota Franchise Investment Law.
3. Any provision of the Agreement requiring the Franchisee to consent to liquidated damages or termination penalties is hereby deleted.
4. Section 17 of the Franchise Agreement is amended by adding the following language:
 - A. Any provision of the Agreement which requires the Franchisee to consent to waiver of exemplary and punitive damages is unenforceable pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
 - B. Arbitration and mediation proceedings will be conducted at a site agreeable to all parties.
 - C. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys’ fees.
 - D. The venue of any litigation arising out of the franchise relationship between Franchisee and NHI will be within the state of North Dakota.
 - E. Both Franchisor and Franchisee will be allowed the option of a jury trial.
5. Section 17.J. of the Franchise Agreement is deleted in its entirety.
6. You acknowledge that your failure to pay the Initial Franchise Fee when due is a material default under the Franchise Agreement and the we can suspend providing services to you, and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee.

Franchise Number:

Effective Date:

7. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements, or Tennessee law if such provisions are in conflict with North Dakota law.

8. The (i) covenant not to compete in Section 16.D, and (ii) one year limitation period in Section 17.M of the Franchise Agreement are not enforceable in North Dakota.

9. Notwithstanding anything to the contrary in the Franchise Agreement, no release language in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.

10. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

Franchise Number:

Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT

RHODE ISLAND

This Addendum relates to franchises sold in the state of Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement, NHI and Franchisee agree to amend the Franchise Agreement as follows:

1. Section 17 of the Franchise Agreement is amended by adding the following language:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.

2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

Franchise Number:

Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT

VIRGINIA

This Addendum relates to franchises sold in the state of Virginia and is intended to comply with Virginia statutes and regulations. In consideration of the execution of the Franchise Agreement, NHI and Franchisee agree to amend the Agreement as follows:

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**WASHINGTON**

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting

Franchise Number:

Effective Date:

or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or 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.

The undersigned does hereby acknowledge receipt of this Addendum.

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

WISCONSIN

This Addendum relates to franchises sold in the state of Wisconsin and is intended to comply with Wisconsin statutes and regulations. In consideration of the execution of the Franchise Agreement NHI and Franchisee agree to amend the Agreement as follows:

- 1. The Wisconsin Fair Dealership Law supersedes any provisions of the Franchisee’s Franchise Agreement inconsistent with that law.
- 2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

EXHIBIT D

TO THE FRANCHISE AGREEMENT

RELEASE AGREEMENT

For Franchisees Acquiring an Additional Franchise

THIS RELEASE AGREEMENT is made and entered into the Effective Date, by and between NHI Franchisee.

WITNESSETH:

WHEREAS, NHI and Franchisee have entered into one or more Franchise Agreements, whereby Franchisee was granted the right to own and operate an Franchised N-Hance business within a specific Franchised Area;

WHEREAS, Franchisee desires to acquire an additional franchise; and

WHEREAS, NHI is willing to grant an additional franchise to Franchisee provided Franchisee executes this Agreement concurrently with the execution of a new franchise agreement and pays the required fee to NHI.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Release.** The Franchisee hereby forever releases, remises and discharges NHI and NHI's affiliates, its shareholders, directors, officers, employees and agents, and all its respective heirs, executors, administrators, successors and assigns, of and from any and all known and unknown claims, causes of action, suits, debts, agreements, promises and demands of whatever nature or kind, in law or in equity, which the Franchisee now has, ever had, or, but for this release, hereafter would or could have arising from the relationship between the parties or relating in any manner to the Franchise Agreements, except for NHI's obligation under the franchise agreement on and after the date of this Agreement. Franchisee hereby warrants and represents to NHI that FRANCHISEE has not assigned any of the above-described claims, causes of action, suits, debts, agreements, promises and demands released hereunder.

If the franchise is located within the State of California, the Franchisee acknowledges that this Release Agreement is a general release which extends to all known and unknown claims, causes of action, suits, debts, agreements, promises and demands whether or not claimed or suspected. The Franchise waives all of the provisions of California Civil Code Section 1542, and similar laws of other jurisdictions. California Civil Code Section 1542 reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Franchise Number:

Effective Date:

2. **Construction and Enforcement.**

(a) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), this Agreement will be governed by the laws of the State of Tennessee.

(b) **Binding Effect.** This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest, and will not be modified except by written agreement signed by Franchisee and NHI.

(c) **Construction.** The preambles are a part of this Agreement, which constitutes the entire agreement of the parties relating to its subject matter. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of the sections or paragraphs.

[WASHINGTON ONLY] This Release Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date first above written.

FRANCHISEE

If corporation or other entity:

Individually and Personally –

Name of entity

Individually and Personally –

By: _____
Its: _____

NHANCE, INC.

By: _____
Title: _____

EXHIBIT F**TO THE FRANCHISE AGREEMENT****RELEASE AGREEMENT – SUCCESSORRENEWAL**

THIS RELEASE AGREEMENT is made and entered into the Effective Date by and between NHI and Franchisee.

WITNESSETH:

WHEREAS, NHI and Franchisee entered into the Franchise Agreement, whereby Franchisee was granted the right to own and operate an Franchised N-Hance B business within the Franchised Area;

WHEREAS, Franchisee desires to acquire a successorrenewal franchise agreement for an additional term of five (5) years; and;

WHEREAS, NHI is willing to grant a successorrenewal franchise agreement to Franchisee provided Franchisee meets the requirements of Section III of the Franchise Agreement, including but not limited to executing this Agreement concurrently with the execution of a new franchise agreement and payment of the current renewalsuccessor fee to NHI.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Release.** The Franchisee hereby forever releases, remises and discharges NHI and NHI's affiliates, its shareholders, directors, officers, employees and agents, and all its respective heirs, executors, administrators, successors and assigns, of and from any and all known and unknown claims, causes of action, suits, debts, agreements, promises and demands of whatever nature or kind, in law or in equity, other than those arising from this Agreement, which the Franchisee now has, ever had, or, but for this release, hereafter would or could have relating in any manner to the Franchise Agreement. Franchisee hereby warrants and represents to NHI that FRANCHISEE has not assigned any of the above-described claims, causes of action, suits, debts, agreements, promises and demands released hereunder.

If the franchise is located within the State of California, the Franchisee acknowledges that this Release Agreement is a general release which extends to all known and unknown claims, causes of action, suits, debts, agreements, promises and demands whether or not claimed or suspected. The Franchisee waives all of the provisions of California Civil Code Section 1542, and similar laws of other jurisdictions. California Civil Code Section 1542 reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

2. **Construction and Enforcement.**

Franchise Number:

Effective Date:

(a) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), this Agreement will be governed by the laws of the State of Tennessee.

(b) **Binding Effect.** This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest, and will not be modified except by written agreement signed by Franchisee and NHI.

(c) **Construction.** The preambles are a part of this Agreement, which constitutes the entire agreement of the parties relating to its subject matter. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of the sections or paragraphs.

[WASHINGTON ONLY] This Release Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date first above written.

FRANCHISEE

If corporation or other entity:

Individually and Personally –

Name of entity

Individually and Personally –

By: _____
Its: _____

NHANCE, INC.

By: _____
Title: _____

EXHIBIT E
TO THE FRANCHISE AGREEMENT
Equipment Sales and Security Agreement

This "Agreement" is made and entered into as of __, 20__ by and between _____ (the "Franchisee") and Harris Research, Inc., a Utah corporation ("CDI"). This Agreement relates to that certain Franchise Agreement(s) between Franchisee and NHance, Inc. ("NHI") (the "Franchise Agreement") for Franchisee's operation of a N-Hance® wood restoration business franchise (the "Business"). In consideration of the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, the parties mutually agree and intend to be legally bound as follows:

1. EQUIPMENT PURCHASE. Franchisee agrees to purchase from CDI and CDI agrees to sell to Franchisee the tangible equipment listed on the attached Schedule on the payment terms set forth in the Schedule. The equipment purchased under this Agreement shall be referred to as the "Equipment." To secure Franchisee's obligations to pay NHI or CDI for the Equipment, in the event CDI financed any portion of the purchase of the Equipment, and to dispose of the Equipment in accordance with the Franchise Agreement, Franchisee has granted to CDI the security interest in the Equipment set forth herein.

2. SHIPMENT, TITLE & RISK OF LOSS. CDI will arrange for shipment of the Equipment on the Schedule to Franchisee. Risk of loss and title to the Equipment transfers to Franchisee upon delivery, subject to the security interest of CDI retained under this Agreement. Franchisee shall inspect each shipment promptly upon receipt and will be deemed to accept the Equipment as conforming to the Schedule unless any defects or deficiencies are noted to CDI within 2 business days after delivery. Franchisee agrees, if no defects or deficiencies are reported within this time period, all sales are final.

3. WARRANTIES. All Equipment is warranted by its manufacturer only. CDI warrants only that the Equipment is delivered with good and merchantable title, free and clear of all liens, claims and encumbrances, and that the Equipment conforms to the requirements set by CDI under the Franchise Agreement. CDI offers other no warranty and assigns to Franchisee any and all rights to any express or implied warranty of each Equipment manufacturer. **THERE ARE NO EXPRESS OR IMPLIED WARRANTIES ON THE EQUIPMENT OFFERED, GIVEN OR PROVIDED BY CDI INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

4. EQUIPMENT USAGE. Franchisee agrees not to use the Equipment in any business or manner other than in the conduct of the Business pursuant to the Franchise Agreement. Franchisee acknowledges that the Equipment is proprietary to the N-Hance franchise system. The Equipment can only be used with N-Hance authorized solutions and products and consistent with all mixing and application procedures. Any usage contrary to this provision shall be considered to be a breach of the Franchise Agreement and this Agreement. In such event, CDI may demand and shall have the right to repurchase and immediate return of the Equipment from Franchisee for the purchase price of \$10.00.

5. TRANSFER OF OWNERSHIP. Franchisee acknowledges that the Franchise Agreement imposes restrictions and limitations on the resale of the Equipment. Franchisee acknowledges that the Equipment may not be sold, leased, or rented to or used by any other party, except under the conditions stated on the attached repurchase schedule, as provided in the Franchise Agreement, or as permitted in writing by CDI. The Equipment is proprietary and authorized for use only within the N-Hance® franchise network. Franchisee covenants that Franchisee will not transfer title to the Equipment except in one of these three ways:

- A.** Sell the Equipment to another N-Hance Franchisee in good standing under its franchise agreement at a mutually acceptable price. CDI has first right of refusal to purchase the Equipment and must approve any transaction. The transferee will pay the proceeds to CDI. If there is any outstanding balance under the Schedule for the Equipment to be sold. At the time of transfer Franchisee's account with CDI must be current and the purchasing Franchisee may not have any pending default under any agreement with the proposed transferee.
- B.** If Franchisee is terminating or not renewing the Franchise Agreement and Franchisee owns another N-Hance franchise, the Equipment (and the liability for any amount owing on the purchase price of the Equipment) will be transferred to that franchise upon written request.
- C.** CDI will repurchase the Equipment in accordance with the table below. The percentages shown assume reasonable wear and tear and regular maintenance. If any components of the original piece of Equipment are missing, or there is damage or excessive wear and tear, CDI reserves the right to make a corresponding adjustment to the repurchase price. The original Total Equipment Price under its Schedule will be reduced to the applicable percentage in effect based on the time elapsed after original purchase.

Time Elapsed After Original Purchase	Percentage of Total Equipment Price
Under 1 year	65%
Under 2 Years	50%
Under 3 Years	35%
Under 4 Years	20%
Under 5 Years	15%
Over 5 Years	Offer After Inspection

6. RETURN OF EQUIPMENT. Upon expiration or termination of the Franchise Agreement, Franchisee will cooperate with CDI to allow CDI to arrange for shipment of the Equipment to a location designated by CDI, with CDI paying the freight cost for such shipment, unless Franchisee has arranged for the sale of the Equipment to another N-Hance franchisee with the consent of CDI.

7. COVENANTS OF FRANCHISEE. Franchisee covenants with CDI to (i) use and maintain the Equipment in a lawful manner and so as not to violate any law or regulation of the state, city or other political subdivisions in which Franchisee uses the Equipment; (ii) return, pay and file when due all taxes, fees and similar charges, including without limitation sales or use tax, and ad valorem and personal property taxes, imposed on the ownership, possession or use of the Equipment; (iii) keep the Equipment free and clear of all liens, security interests, claims and encumbrances; (iv) obtain and maintain property insurance on the Equipment covering loss, damage, theft, vandalism and casualty; (v) maintain the Equipment per the manufacturer's maintenance, repair and replacement instructions; (vi) maintain in place any notices, labels or other indicia provided by CDI to indicate that the Equipment is subject to this Agreement; (vii) operate the Business as required under the Franchise Agreement; and (viii) notify CDI when any party claims any interest in the Equipment.

8. GRANT OF SECURITY INTEREST. Franchisee's purchase of the Equipment sold under the Schedule is financed by CDI unless the full purchase price is paid in full at the time of delivery. Franchisee hereby grants to CDI a continuing security interest in the Equipment sold to Franchisee, and any additions, accessions, accessories, attachments and replacements of such Equipment, any proceeds and products. The security interest shall continue for the term of this Agreement to secure Franchisee's obligations under this Agreement. Franchisee authorizes CDI to file a financing statement with regards to the Equipment without the necessity of obtaining an additional signature from Franchisee. The rights and remedies of CDI as a secured party under this Agreement and under applicable law are cumulative and non-exclusive. Franchisee agrees to entry for the benefit of CDI by any court of competent jurisdiction without prior notice or the posting of any bond of temporary and permanent injunctions and orders of specific performance to enforce this Agreement or any right or remedy available at law or in equity to CDI.

9. TERM, DEFAULT AND TERMINATION. The term of this Agreement shall commence on the effective date set forth above and shall continue in full force and effect until the Franchise Agreement terminates or expires, and all Equipment is subject to proper disposition as provided herein. If Franchisee shall fail to make any payment as and when due under the Schedule, or shall breach any other term or condition of this Agreement, and such failure shall continue for a period of 15 days after CDI gives Franchisee notice of default, then CDI may accelerate the payments due under the Schedule to be immediately due and payable without further notice or opportunity to cure, and may sue Franchisee for amounts owed by Franchisee without resort to any security or assertion of its rights as a secured party.

10. ADDITIONAL TERMS. No cancellation, modification, amendment, deletion, addition or other change in this Agreement or any provision hereof shall be effective for any purpose unless specifically set forth in a writing signed by both Parties. Neither Party's delay in exercising or such Party's acquiescence in or waiver of a breach of any term, provision or condition of this Agreement, shall be deemed or construed to operate as a waiver of such Party's rights hereunder, except for the specific instance of delay, failure, acquiescence, or waiver. This Agreement shall be executed in one or more counterparts, each of which shall be considered to be an enforceable original instrument. Franchisee shall not assign or delegate, directly or indirectly, its obligations and liabilities under this Agreement, except as part of a permitted transfer in compliance with the Franchise Agreement. Except for any payment obligation applicable to Franchisee hereunder, any delay or failure of either Party to perform its obligations shall be excused if it is caused by an extraordinary event or occurrence beyond the control of the nonperforming Party and without the nonperforming party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, natural disasters, wars and sabotage, and terrorism. Raw material or labor shortages are not force majeure events. Written notice of any anticipated delays in performance, including the anticipated duration of the delay must be given within 24 hours of the force majeure event.

Franchise Number:

Effective Date:

11. INCORPORATION OF TERMS. This Agreement incorporates by this reference Section 17, of the Franchise Agreement, paragraphs B through M, as integral terms, conditions, parts and provisions of this Agreement as if written herein.

IN WITNESS WHEREOF, the Franchisee and CDI have executed this Agreement effective as of the date first above written.

If individuals:

Individually and Personally -

Individually and Personally -

If corporation or other entity: _____ (Name of entity)

By: _____

Its: _____

CHEM-DRY, INC.
NHANCE, INC.

Name:

Title:

Date: _____

Franchise Number:

Effective Date:

Equipment Purchase Schedule - Dated: _____

Franchisee: _____

Franchise No. _____

1. Equipment Purchase. Franchisee agrees to purchase and CDI agrees to sell the following Equipment:

Item	Price
	\$
	\$
	\$
Equipment Total Price	\$
Taxes and Shipping Charge	\$
Total Purchase Price	\$

2. Payment Terms. Franchisee agrees to pay and CDI agrees to accept payment for the Equipment described on this Schedule on the following terms:

- (a) The Equipment purchase is associated with the sale of a new N-Hance franchise and is included in the initial fee as described in the Franchise Agreement;
- (b) Payment in full at the time the Equipment is ordered;
- (c) Payment in full is pending from CDI and NHI approved financing company; or
- (d) Initial deposit of \$_____ due at the time the Equipment is ordered and _____ monthly installments of \$_____ beginning _____ until paid in full. Balances of the purchase price bear _____% simple interest. All amounts due by Franchisee to CDI shall be subject to a one-time late fee of \$100.00 and bear interest after their due date at the highest applicable legal rate for open account business credit in the state of Borrower's domicile, not to exceed 1.5% per month. Franchisee agrees to pay the Taxes and Shipping Charge as invoiced at the time of purchase.

3. Subject to Agreement. This Schedule is issued under and is subject to the Equipment Sales and Security Agreement to which it relates in all respects. In the event the Equipment purchased pursuant to this Schedule is not proprietary to NHI nor bears any insignia or color schemes associated with the N-Hance® brand, the requirements of Section 6 of the Equipment Sales and Security Agreement shall be waived for the Equipment.

IN WITNESS WHEREOF, the Franchisee and CDI have executed this Schedule effective as of the date first above written.

Harris Research, Inc./Nhance, Inc.

Franchisee

By: _____

Name

LENDER ADDENDUM**To****Equipment Sales and Security Agreement**

This "Lender Addendum" is made and entered into as of _____, 201__ ("Effective Date") by and among the undersigned lender ("Lender"), the undersigned franchisee ("Franchisee"), Chem-Dry, Inc., a Utah corporation ("CDI"), and NHance, Inc., a Delaware corporation. This Lender Addendum supplements and amends that certain Equipment Sales and Security Agreement dated _____, 20__ (the "Sales Agreement") between CDI and Franchisee. Defined terms from the Sales Agreement are incorporated into this Lender Addendum.

Background. CDI and Franchisee have entered into the Sale Agreement ancillary to the Franchisee's entry into the Franchise Agreement with CDI's affiliate, NHance, Inc. (NHI) so that Franchisee may obtain certain equipment that is proprietary to CDI or NHI and that is necessary to perform Franchisee's obligations under the Franchise Agreement. Lender desires to finance the purchase of the Equipment by Franchisee and take a security interest in the Equipment as collateral for the financing. CDI has restricted the right of the Franchisee to resell and dispose of the Equipment as provided in Section 5 of the Sales Agreement. CDI will consent to the financing of the Equipment purchase by Lender and Franchisee's grant of a security interest in the Equipment subject to and conditioned upon Lender's undertakings as set forth in this Lender Addendum.

In consideration of the premises, the mutual promises herein set forth, and for other good and valuable consideration that the parties mutually acknowledge, the parties mutually agree and intend to be legally bound as follows:

1. Franchisee may grant a security interest to Lender in the Equipment and the proceeds, additions, replacements and accessories thereto, so long as Lender pays to CDI all amounts due and owing under the Sales Agreement at or before the time the security interest attaches to the Equipment. CDI will on Lender's request supply payoff amounts and instructions to Lender. Upon receipt of the payoff amount from Lender or Franchisee, CDI's security interest in the Equipment shall be subordinated to the security interest of Lender, and shall remain in effect for the duration of the Franchise Agreement term. Lender will notify CDI when Lender's financing has been repaid and its security interest released within 15 days after such event.
2. Lender's security interest shall be subject to, and Lender acknowledges that its rights and remedies with regard to the Equipment are limited to, the transfer restrictions set forth in Section 5 of the Sales Agreement. Lender covenants with CDI that Lender will not exercise any rights or remedies against the collateral that is inconsistent with the restrictions on disposition set forth in Section 5. Lender may, upon notice to CDI, marshal and assemble the Equipment for sale in accordance with Section 5 but shall make no use of the Equipment nor rent, lease, sell, lend or donate the Equipment. If Lender is unable to resell the Equipment to another franchisee of NHI within 60 days after first offering the Equipment for sale, then CDI will purchase the Equipment as provided in Section 5.
3. Lender may assign this Lender Addendum to any successor in interest to the financing of the Equipment only after CDI receives a written assumption of the Lender's obligations under this Lender Addendum acceptable to CDI.

Franchise Number:

Effective Date:

4. Lender will copy CDI on any notices of default, termination, foreclosure, marshaling, or similar exercises of the secured party's rights under its agreement with Franchisee. Franchisee consents to the unrestricted exchange of information about Franchisee and the status of its financing or franchise and the related agreements between Lender and CDI.
5. Until CDI is notified by Lender that it has taken possession or constructive possession of the Equipment, CDI may deal with Franchisee as the lawful possessor and operator of the Equipment, and Franchisee shall at all times remain obligated to comply with its obligations to maintain, insure, protect and service the Equipment under the Sales Agreement and to use the Equipment only in compliance with the Franchise Agreement.
6. All notices to Lender, CDI and Franchisee shall be sent to respective address set forth below.
7. Sections 8. 9. 10 and 11 of the Sales Agreement are incorporated by this reference into this Lender Addendum as integral parts hereof.

IN WITNESS WHEREOF, Lender, the Franchisee and CDI have executed this Lender Addendum effective as of the date first above written in one or more counterparts.

Chem-Dry, Inc.
Nhance, Inc.

Franchisee

By: _____

Name

Address:
124 12th Ave South
Suite 300
Nashville, TN 37203

Title

Date: _____

Address:

Lender:

By: _____

Name:

Title: _____

Date: _____

EXHIBIT F
TO THE FRANCHISE AGREEMENT

Software License Agreement

This Software License Agreement (“Agreement”) applies to the online software service(s) made available by NHance, Inc. (“NHI”), its affiliate, Chem-Dry, Inc. (CDI), or its vendors (such software and related services being referred to herein as the “Service”). The Service features and capabilities may vary depending on the version or level of the Service provided under this Agreement. As used in this Agreement, the terms “you”, “your” or “user” all refer to the Franchisee under the Franchise Agreement (“Franchise Agreement”) which may be entering into concurrently with the Agreement. You and NHI agree as follows:

1. Permitted Uses. Subject to the terms and conditions of the Agreement, NHI or its vendors will provide the Service for you to use for the purpose of managing your business data. You will be required to read and agree to be bound by the Agreement. Use of the Service requires access to the World Wide Web. You agree to provide all equipment necessary to make such connection to the World Wide Web.

2. Your Registration Obligations.

2.1. You agree to: (i) provide true, accurate, current and complete information as prompted by the Service’s registration form(s) (“Registration Data”) and (ii) maintain and promptly update the Registration Data to keep it accurate and complete.

2.2. Content Policy. By submitting data, files, software, text or other content (“Content”) by using the Service, you warrant that: (i) you are authorized to submit such Content to NHI, and (ii) the use of Content by NHI and its vendors will not infringe or misappropriate the intellectual property rights of or otherwise violate the rights of any third party.

3. Access, Passwords and Security. You may designate as many users as your account will allow, and you may provide and assign access and passwords to such users. You will be responsible for the confidentiality and use of your access number(s), password(s), and account number(s). You will be responsible for all electronic communications, including account registration and other account holder information, email and financial, accounting and other data including any Content (“Electronic Communications”) entered through or under your access number(s), password(s) or account number(s). NHI and its vendors will act as though any Electronic Communications it receives under your access number(s), password(s) or account numbers(s) have been sent by you. You will immediately notify NHI if you become aware of any loss or theft or unauthorized use of any of your access number(s), password(s) and/or account number(s).

4. Franchisee Conduct. You may not: (a) use the Service to impersonate any person or entity, including, but not limited to, an NHI official, guide or host, or falsely state or otherwise misrepresent your affiliation with a person or entity; (b) interfere with or disrupt the Service or servers or networks connected to the Service; (c) use the Service to violate any applicable law or regulation; (d) use the Service to incite or provide instructional information about illegal activities; (e) use, view or copy any portion of the Service for purposes of creating or modifying a competing product or service; (f) decompile, disassemble, reverse engineer, translate or otherwise attempts to discovery any source code or underlying trade secret pertaining to the Service or modify the Service or any graphic generated by use of the Service; or (g) use, copy, modify, sublicense, or distribute the Service,

electronically or otherwise, or any copy, adaptation, transcription or merged portion thereof, except as expressly authorized by NHI.

5. Usage. You agree to use the Service to manage all customer accounts related to any products and/or services that you are authorized or approved to offer or sell under the Franchise Agreement in effect between you and NHI. The Service shall be used solely in connection with the operation of the Franchise and shall not be used to perform information processing for any other person, entity or business.

6. Support: NHI will provide reasonable technical support for the Service as well as training assistance and conversion support. However, any support offered by NHI shall only be for the most current version of the Service and you are solely responsible for ensuring you obtain and substitute or incorporate any new release or “fixes” issues by NHI.

7. General Practices Regarding Use, Storage and Service Access. You acknowledge that NHI may establish, from time to time, general practices and limits concerning use of the Service. NHI has no responsibility or liability for the deletion or failure to store any Content maintained or transmitted by the Service. In the event of an error with your Service, a service technician will be permitted to access your Content as necessary to resolve the problem. NHI reserves the right to change these general practices and limits at any time, in its sole discretion, with or without notice.

8. Service Level Provisions.

8.1. Service Availability. NHI expects the Service to be provided and hosted by a third party and generally to be available during both regular business hours and non-business hours, but in any event, NHI makes no representations or warranties concerning the availability of the Service.

8.2. Service Maintenance. NHI reserves the right to perform regularly scheduled updates, systems maintenance, and emergency maintenance.

9. Content Ownership and Confidentiality; Security. You agree the Customer List, as defined and governed by your Franchise Agreement, contains account and/or personal customer information and is, therefore, confidential information. As such, you agree not to disclose the Customer List, or any portion thereof, and to take all reasonable precautions to insure that your employees and/or contractors agree not to disclose such information to unauthorized third parties. NHI will use commercially reasonable efforts to protect, and to cause its vendors to protect, the security of the Content, including requiring its vendor to minimally maintain comprehensive general liability and internet professional and security liability insurance coverage, but in any event, NHI makes no representations or warranties concerning the security of the Content.

10. Modifications to the Service. NHI reserves the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Service (or any part thereof) with reasonable notice to you. NHI will not be liable to you for any modification, suspension or discontinuance of the Service however, in the event of discontinuance NHI will provide reasonable Content transition assistance. NHI may specify from time to time the hardware and software required in order to use the Service (e.g., supported browser versions).

11. Modifications to the Terms of Service. NHI may modify the Agreement if necessary to comply with any other agreements that NHI is currently bound by or will be bound by in the future, and/or with applicable law, as well as to adjust to changing business circumstances. NHI will notify you of

any changes to the Agreement, and your continued use of the Service will constitute your acceptance of the revised Agreement.

12. Fees. You agree to pay the then-current fees charged by NHI for the Service. Additional fees may apply for optional features of the Service; and may apply in the event you elect to transfer from one level of the Service to another. NHI reserves the right to modify its fees.

13. Termination and Indemnity. NHI may suspend or terminate your account and/or deny you access to, use of, or submission of Content for, all or part of the Service, without prior notice, if you engage in any conduct that violates the Agreement. You agree to defend, indemnify and hold NHI harmless from and against any and all claims, losses, liability costs and expenses (including but not limited to attorneys' fees) arising from your violation of the Agreement.

14. Links. The Service may provide links to other World Wide Web sites or resources. NHI is not responsible for the availability of such external sites or resources, and does not endorse and is not responsible or liable for any content, advertising, products, or other materials on or available from such sites or resources. NHI will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

15. NHI Proprietary Rights. The Service is being licensed, not sold, to you by NHI. The Agreement does not grant to you any ownership interest in the Service, and NHI and its vendors reserve and will retain their entire right, title and interest in and to the Service and all intellectual property rights arising out of or relating to the Service except as expressly granted to you by Section 1 of the Agreement.

16. No Resale, Etc. of the Service. You will not copy, sell, resell, rent or sublicense, lease, loan, redistribute, or create a derivative work of any portion of the Service. You will not engage in unauthorized use of the Service, or access to the Service by any unapproved means.

17. Confidentiality. You will keep all information regarding the Service (including its operation and interfaces) strictly confidential and will share such information only as necessary to enable you to use the Service as contemplated by Section 1 of this Agreement.

18. Assignment. You will not assign any of your rights or delegate any of your responsibilities hereunder without the prior written consent of NHI. Any purported assignment or delegation in violation of this Section 18 will be null and void. No assignment or delegation will relieve you of any of your obligations hereunder. NHI will be permitted to assign its rights and delegate its responsibilities hereunder to any successor entity.

19. No Third-Party Beneficiaries. The Agreement is for the sole benefit of you and NHI (and their respective successors and permitted assigns) and nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of the Agreement.

20. Limitation of Liability.

(a) NHI AND ITS VENDORS, OFFICERS, AGENTS OR EMPLOYEES WILL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, CONTENT OR OTHER INTANGIBLE LOSSES (EVEN IF NHI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM: (i)

THE USE OR THE INABILITY TO USE THE SERVICE, CONTENT AND/OR ANY INFORMATION; (ii) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, CONTENT, INFORMATION OR SERVICE PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE SERVICE; (iii) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR CONTENT; (iv) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE SERVICE; OR (v) ANY OTHER MATTER RELATING TO THE SERVICE.

(b) NHI WILL NOT BE LIABLE FOR ANY (i) INTERRUPTION OF BUSINESS, (ii) ACCESS DELAYS OR ACCESS INTERRUPTIONS TO THIS SITE OR THE WEB SITE(S) YOU ACCESS THROUGH THIS SERVICE; (iii) CONTENT NON-DELIVERY, MIS-DELIVERY, CORRUPTION, DESTRUCTION OR OTHER MODIFICATION; OR (iv) EVENTS BEYOND NHI'S REASONABLE CONTROL.

(c) IN NO EVENT WILL NHI'S MAXIMUM AGGREGATE LIABILITY EXCEED THE TOTAL AMOUNT PAID BY YOU TO NHI FOR THE SERVICE DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO LIABILITY. BECAUSE SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, IN SUCH STATES, OUR LIABILITY IS LIMITED TO THE EXTENT PERMITTED BY LAW.

21. General. Except for, and subject to, the Franchise Agreement in effect between you and NHI, this Agreement constitutes the entire agreement between you and NHI with respect to the Service and governs your use of the Service. You also may be subject to additional terms and conditions that may apply when you use affiliated or other NHI services, third-party content or third-party software. Any dispute arising under or in connection with this Agreement will be resolved in accordance with the dispute resolution provisions (including any provisions regarding arbitration, governing law, and/or consent to jurisdiction) contained in the Franchise Agreement. This Agreement does not limit any rights that NHI may have under trade secret, copyright, patent, trademark or other laws. The failure to exercise or enforce any right or provision of this Agreement will not constitute a waiver of such right or provision. If any provision of the Agreement is found by a court of competent jurisdiction to be invalid, the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of the Agreement remain in full force and effect. Any claim or cause of action arising out of or related to use of the Agreement or the Service must be filed within one (1) year after such claim or cause of action arose or be forever barred. If any litigation or other dispute resolution proceeding is commenced between parties to this Agreement to enforce or determine the rights or responsibilities of the parties, the prevailing party or parties in the proceeding will be entitled to receive, in addition to any other relief granted, its reasonable attorneys' fees, expenses, and costs incurred preparing for and participating in the proceeding. The section titles in the Agreement are for convenience only and have no legal or contractual effect. The Agreement will inure to the benefit of NHI and its successors and assigns.

22. Survival. Accrued payment obligations and Sections 9, 13, 15, 17, 18, 19, 20, 21 and 22 in the Agreement shall survive the termination of the Agreement.

Franchise Number:

Effective Date:

FRANCHISEE

*Individually & Personally

*Individually & Personally

If corporation or other entity:

*Name of Entity

By: _____

Its: _____

By: _____

Its: _____

NHANCE, INC.

Melanie Parker, Sr. Vice President of Legal
& Franchise Administration

EXHIBIT G

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this “Assignment”) is made, entered into and effective on _____ (the “Effective Date”) by and between: (i) _____ (the “**Franchisor**”); and (ii) _____ (the “**Franchisee**”).

BACKGROUND INFORMATION

Franchise Number:

Effective Date:

The Franchisor entered into that certain Franchise Agreement (the “**Franchise Agreement**”) dated as of _____ with the Franchisee, pursuant to which the Franchisee plans to own and operate a _____ franchised business (the “**Franchised Business**”) located at _____ (the “**Site**”). In addition, pursuant to that certain Lease Agreement (the “**Lease**”), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the “**Lessor**”). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.
3. **Indemnification of Franchisor:** Franchisee agrees to indemnify and hold Franchisor and its parents, affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee’s breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Conditional Assignment:** Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory, equipment, and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee’s rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee’s breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor’s option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.
5. **No Subordination:** Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor’s written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor’s lien under the Lease, liens securing bank financing for the operations of Franchisee on

the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies:** In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

- a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;
- b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;
- c) to exclude the Franchisee, its agents or employees from the Site;
- d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;
- e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;
- f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and
- g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or
- h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney:** Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed

Franchise Number:

Effective Date:

an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

9. **Binding Agreements:** This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words “Franchisor” and “Franchisee” when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control.** This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorneys’ Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys’ fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISEE

FRANCHISOR

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

Franchise Number:
Effective Date:

EXHIBIT C
INITIAL FEE BUSINESS NOTE

BUSINESS NOTE

Date: _____

Franchise Number: _____

Total Principal Amount: _____

FOR VALUE RECEIVED, the Undersigned ("Borrower"), jointly and severally, promise to pay to the order of Nhance, Inc. ("NHI") the principal sum of _____ Dollars (\$_____), payable in ____ equal, monthly installments of _____, beginning on the tenth day of (A) the month after Borrower signs the Franchise Agreement and/or this Business Note if Borrower is an existing NHI franchisee or has purchased an existing Franchised Business of NHI, or (B) the month that is the earlier of (i) the first month after Borrower completes initial franchise training with NHI, or (ii) the eighth month after the date of this Note, and continuing on the tenth day of each subsequent month until paid in full. Interest shall accrue from the first monthly installment date as set forth above until this note is paid in full at the rate of ____% per annum. Payments must be paid on time or the loan will be become voided and all monies are due immediately and interest will be charged retroactively. Payment of both principal and/or interest shall be made via electronic transfer of funds from Borrower's banking account or in such other manner as NHI or the holder of this Business Note shall designate. Borrower agrees to execute and submit all documents necessary to authorize such electronic transfer of funds transaction.

This Business Note represents the balance of the Initial Fee or other amounts payable by Borrower to NHI under that certain N-Hance Franchise Agreement between Borrower, as franchisee, and NHI, as franchisor. Borrower's obligations under this Business Note are absolute, irrevocable and unconditional. No defense, claim, set off, or other cause in favor of Borrower arising under the Franchise Agreement shall affect Borrower's obligations to pay this Business Note in accordance with its terms. NHI may assign, transfer, discount or pledge this Business Note without notice to Borrower. Borrower acknowledges that its obligations under this Business Note are independent of and are not conditioned or dependent upon any rights or obligations of the parties to the Franchise Agreement.

This Business Note may be prepaid in whole or in part, without premium, from time to time on the date that any installment comes due, with minimum partial payments of \$100.00 or any multiple thereof. If Borrower pays the Initial License Fee amount owed pursuant the Franchise Agreement associated with this Business Note in full within six (6) months of the date of this Business Note, NHI will discount the total due for the Initial License Fee by ten percent (10%). No prepayments of this Business Note shall affect the obligation of Borrower to make the payments of installments of the principal and interest required by the first paragraph hereof until this Business Note shall have been paid in full. All amounts due by Borrower to NHI shall be subject to a one-time late fee of \$100.00 and bear interest after their due date at the highest applicable legal rate for open account business credit in the state of Borrower's domicile, not to exceed one and one half percent (1.5%) per month. After the maturity of this Business Note (whether by acceleration or otherwise), NHI shall have the right to collect all payments due and interest shall accrue on the principal balance at the rate of 18% per annum. A charge of \$4950.00cc will be assessed for each installment returned unpaid (NSF, Account Closed, etc.).

On default hereunder and at any time thereafter, NHI may declare all of the obligations under this Business Note immediately due and payable.

The occurrence of any one or more of the following shall be deemed to be an event of default hereunder: (a) Failure of Borrower to pay any installment of principal or interest when due; (b) The filing of any petition by Borrower or against Borrower under the Federal Bankruptcy Act as now or hereafter in force for any relief based upon an allegation of Borrower's insolvency, or the adjudication of Borrower as a bankrupt under said Act; (c) The filing of a petition against Borrower for reorganization of Borrower under the Federal Bankruptcy Act as now or hereafter in force, and the approval of such petition by any United States district court or United States Bankruptcy Court; (d) The execution and delivery by borrower of a general assignment for the benefit of creditors; (e) The appointment of a Receiver for Borrower by a court of competent jurisdiction, which appointment shall not have been vacated within a period of thirty (30) days after the date of the appointment of such Receiver; (f) Insolvency of Borrower. Insolvency shall be defined as, when the current liabilities, less payables due NHI, exceed the current assets of Borrower, as determined by generally accepted accounting principles; (g) Failure of Borrower to maintain on a current basis any account with NHI; (h) Failure to cure, within applicable grace periods, any breach of a Franchise Agreement(s) with NHI; (i) Failure to comply with any other provisions in this agreement.

No waiver by NHI of any default on the part of Borrower, and no practice of the parties at variance with the terms hereof shall constitute a waiver of any subsequent default of the same or different terms, covenants or conditions hereof. NHI shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred or paid by NHI in enforcing or defending any action relating to this Business Note, whether or not suit is filed. Wherever "NHI" is referred to herein, it shall be deemed to refer to NHI or any other assignee or subsequent holder of this Business Note.

IN WITNESS WHEREOF, the undersigned have duly executed, issued and delivered this Business Note effective as of the Date first set forth above.

Borrower

Partner or Officer

Partner or Officer

Business Name _____

Address _____

City, State, Zip _____

Bus. Phone # _____

The undersigned individuals jointly and severally, unconditionally, irrevocably and absolutely guaranty the timely payment and performance of this Business Note as the primary obligation of the undersigned, not as an accommodation party. The undersigned waive notice of default, notice of amendment, extension or modification, demand, protest, notice, presentment, exhaustion of remedies and all other defenses and conditions precedent to direct enforcement against the undersigned.

_____, Individually _____, Individually

Print Name _____

Print Name _____

Address _____

Address _____

City, State, Zip _____

City, State, Zip _____

EXHIBIT D
FINANCIAL STATEMENTS AND
BFG HOLDCO, INC. AND GUARANTY OF PERFORMANCE

BFG Holdco, Inc.

Consolidated Financial Report
December 31, 2023

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Independent Auditor's Report

To the Board of Directors
BFG Holdco, Inc.

Opinion

We have audited the consolidated financial statements of BFG Holdco, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2023, 2022, and 2021 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2023, 2022, and 2021, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022, and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 3 to the consolidated financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

As discussed in Note 9 to the consolidated financial statements, the Company recognized an impairment loss to its goodwill balance during 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

To the Board of Directors
BFG Holdco, Inc.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

March 22, 2024

Consolidated Balance Sheet

December 31, 2023, 2022, and 2021

	2023	2022 (As Restated)	2021
Assets			
Current Assets			
Cash	\$ 3,701	\$ 1,372	\$ 3,467
Restricted cash	781	345	372
Accounts receivable - Net	2,338	3,074	6,331
Inventory (Note 6)	5,683	4,393	2,871
Notes receivable - Current portion net of allowance (Note 7)	639	1,661	3,567
Prepaid expenses and other current assets	625	346	691
Total current assets	13,767	11,191	17,299
Right-of-use Assets - Net	3,098	1,379	2,392
Property and Equipment - Net (Note 8)	2,220	1,701	1,610
Goodwill (Note 9)	10,519	56,056	57,322
Intangible Assets - Net (Note 9)	28,264	32,566	42,516
Other Assets			
Notes receivable - Net of current portion and allowance (Note 7)	1,336	2,747	4,580
Amounts due from related parties (Note 14)	24,688	23,843	16,717
Deferred commissions	871	1,155	1,063
Other noncurrent assets	216	331	459
Total assets	\$ 84,979	\$ 130,969	\$ 143,958
Liabilities and Stockholders' Equity			
Current Liabilities			
Accounts payable	\$ 203	\$ 855	\$ 1,046
Operating lease obligation - Current portion (Note 10)	1,002	1,145	1,078
Deferred revenue - Current portion	1,305	2,050	2,532
Accrued and other current liabilities:			
Accrued compensation	1,201	1,256	1,661
Other accrued liabilities	2,251	1,678	1,807
Total current liabilities	5,962	6,984	8,124
Operating Lease Obligation - Net of current portion (Note 10)	2,166	425	1,549
Other Long-term Liabilities			
Deferred revenue - Net of current portion	3,202	4,864	6,664
Deferred tax liabilities (Note 11)	3,266	3,001	5,596
Total liabilities	14,596	15,274	21,933
Stockholders' Equity	70,383	115,695	122,025
Total liabilities and stockholders' equity	\$ 84,979	\$ 130,969	\$ 143,958

Consolidated Statement of Operations

Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
		(As Restated)	
Net Revenue	\$ 31,072	\$ 33,483	\$ 36,232
Cost of Revenue	9,613	9,055	10,700
Gross Profit	21,459	24,428	25,532
Operating Expenses Before Impairment	20,604	27,789	23,079
Impairment of Goodwill	45,537	1,266	-
Impairment of Intangible Assets	-	4,952	-
Operating (Loss) Income	(44,682)	(9,579)	2,453
Nonoperating Income (Expense)			
Interest income	496	1,112	1,465
Loss on disposal of property and equipment	-	-	(27)
Other income	386	268	269
Total nonoperating income	882	1,380	1,707
(Loss) Income - Before income taxes	(43,800)	(8,199)	4,160
Income Tax Expense (Recovery) (Note 11)	477	(1,869)	1,219
Consolidated Net (Loss) Income	\$ (44,277)	\$ (6,330)	\$ 2,941

Consolidated Statement of Stockholders' Equity

Years Ended December 31, 2023, 2022, and 2021

	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total
Balance - January 1, 2021	\$ 5	\$ 114,238	\$ 4,841	\$ 119,084
Consolidated net income	-	-	2,941	2,941
Balance - December 31, 2021	5	114,238	7,782	122,025
Consolidated net loss	-	-	(6,330)	(6,330)
Balance - December 31, 2022 - As restated	5	114,238	1,452	115,695
Cumulative effect of change in accounting principle (Note 4)	-	-	(1,035)	(1,035)
Consolidated net loss	-	-	(44,277)	(44,277)
Balance - December 31, 2023	<u>\$ 5</u>	<u>\$ 114,238</u>	<u>\$ (43,860)</u>	<u>\$ 70,383</u>

Consolidated Statement of Cash Flows

Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
	(As Restated)		
Cash Flows from Operating Activities			
Consolidated net (loss) income	\$ (44,277)	\$ (6,330)	\$ 2,941
Adjustments to reconcile consolidated net (loss) income to net cash from operating activities:			
Depreciation	591	490	443
Amortization of intangible assets	4,380	5,169	5,446
Bad debt expense	627	6,949	2,990
Loss on disposal of property and equipment	-	-	27
Impairment of goodwill	45,537	1,266	-
Impairment of intangible assets	-	4,952	-
Deferred income taxes	265	(2,595)	795
Noncash lease expense	(121)	(44)	100
Changes in operating assets and liabilities that provided (used) cash:			
Accounts receivable	1	(3,560)	(1,288)
Inventory	(1,289)	(1,523)	(218)
Notes receivable	1,506	3,607	2,550
Prepaid expenses and other assets	(166)	473	(167)
Deferred commissions	284	(92)	(461)
Related party	(845)	(7,126)	(9,756)
Accounts payable	(652)	(191)	(212)
Accrued and other liabilities	518	(534)	595
Deferred revenue	(2,407)	(2,282)	(1,250)
Net cash provided by (used in) operating activities	3,952	(1,371)	2,535
Cash Flows from Investing Activities			
Purchase of property and equipment	(1,109)	(581)	(585)
Payments made for patents and trade names	(78)	(170)	(151)
Proceeds from sale of property and equipment	-	-	24
Net cash used in investing activities	(1,187)	(751)	(712)
Net Increase (Decrease) in Cash	2,765	(2,122)	1,823
Cash - Beginning of year	1,717	3,839	2,016
Cash - End of year	\$ 4,482	\$ 1,717	\$ 3,839
Classification of Cash			
Cash	\$ 3,701	\$ 1,372	\$ 3,467
Restricted cash	781	345	372
Total cash	\$ 4,482	\$ 1,717	\$ 3,839
Supplemental Cash Flow Information - Cash paid for taxes	\$ 185	\$ 161	\$ 69
Significant Noncash Transactions			
Leases entered into	\$ 2,731	\$ -	\$ -
Transfer of property and equipment to related parties	-	-	(147)

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021**(000s omitted)**

Note 1 - Nature of Business

BFG Holdco, Inc., with its wholly owned subsidiaries, Chem-Dry, Inc. (Chem-Dry); NHance, Inc. (N-Hance); Delta Disaster Services, LLC d/b/a Delta Restoration Services (DRS); Delta Development Group, LLC (DDG); and Delta Asset Management, LLC (DAM) (together with DRS and DDG, Delta) (collectively, the "Company"), is a wholly owned subsidiary of Belfor USA Group, Inc. BFG Holdco, Inc. was formerly known as HRI Holdings, Inc. until February 13, 2023, when its name was changed to BFG Holdco, Inc. Chem-Dry, Inc. was formerly known as Harris Research, Inc. until February 13, 2023, when its name was changed to Chem-Dry, Inc.

On December 31, 2019, all the outstanding shares of NHance, Inc. were contributed to BFG Holdco, Inc. The transaction qualified as a pooling-of-interests transaction in accordance with accounting principles generally accepted in the United States of America due to common control.

As a result, the consolidated financial statements presented include the activity of NHance, Inc. All of the assets and liabilities have been accounted for at their carryover basis.

A summary of the Company's operations, which are headquartered in Nashville, Tennessee, is as follows:

- Chem-Dry - Markets and services Chem-Dry carpet and upholstery cleaning franchises and provides training, equipment, solutions, and products to its franchisees throughout the United States of America and Canada.
- Delta - Services and trains Delta Restoration Services franchises in the United States of America, which offer commercial and residential property mitigation, remediation, reconstruction, and consulting services, and owns one Delta Restoration Services operation in Colorado. During 2022, Delta ceased operations.
- Devere International, Inc. (Devere), a wholly owned subsidiary of BFG Holdco, Inc. - Sells area franchise rights for specific geographic locations throughout the world (excluding the United States of America) and provides training, equipment, and cleaning supplies to the respective area franchisees.
- Chem-Dry Corporate Services (CDCS), a division of BFG Holdco, Inc. - Secures commercial and insurance work for franchisees in the United States and Canada.
- N-Hance - Markets and services N-Hance wood cleaning, coating, protection, and renewal franchises, including providing training, equipment, and solutions and products to franchise owners in the United States and Canada.

As of December 31, 2023, 2022, and 2021, the Company had the following active franchises throughout the world:

	2023	2022	2021
Chem-Dry carpet upholstery cleaning franchises	1,240	1,388	1,692
Chem-Dry Canada franchises	44	49	60
Devere area franchise rights	22	46	47
N-Hance wood renewal franchises	296	317	383
Delta restoration franchises	-	-	3

Note 2 - Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements reflect the consolidated financial position, operations, stockholders' equity, and cash flows of BFG Holdco, Inc. and its subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 2 - Significant Accounting Policies (Continued)

Revenue and Cost Recognition

Revenue is recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Sales-based taxes are excluded from revenue. Goods and services may be transferred to customers either at a point in time or over time, as discussed below. Of the \$31,072, \$33,483, and \$36,232 of revenue recognized from contracts with customers for the years ended December 31, 2023, 2022, and 2021, revenue recognized over time amounted to \$11,642, \$13,455, and \$14,667, respectively, while the remainder was recognized at a point in time.

Nature of Promises to Transfer

The Company's revenue streams are described below:

- **Franchise Rights, Royalties, Monthly Franchise Fees, and Other Support Fees** - The Company sells individual franchises that grant the right to service customers within a defined territory using the franchise name. The initial term of franchise agreements is typically 5 to 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid. Additionally, the Company sells master franchises rights in foreign countries with an initial term of typically 10 years, with an option to renew for a fee or transfer the right. The Company has performance obligations to provide franchisees with the franchise rights to service customers, as well as provide customized software, for which a technology fee is charged. Initial franchise fees for each agreement are allocated to each individual franchise and recognized over the term of the respective franchise agreement from the date the agreement is entered. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized at the time the transfer occurs. Royalty income and monthly franchise fee income is recognized over the term of the respective franchise agreement as the underlying sales occur. The Company also provides other services for a fee, as outlined in the franchise agreement. The Company has concluded these represent separate single performance obligations. Therefore, revenue is recognized when the support services are performed.
- **Merchandise Revenue** - The Company recognizes revenue from the sale of products, net of sales taxes, when the customer takes ownership of the products sold and assumes the risk of loss. The customer takes ownership and assumes risk of loss at the point of shipping for products other than equipment. Equipment is typically shipped "FOB Destination," and, as such, ownership and risk of loss remain with the Company until the equipment is delivered.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 2 - Significant Accounting Policies (Continued)

- **Corporate Services** - This includes services in connection with securing residential, commercial, and insurance work for franchisees through CDCS through national account relationships in the United States and Canada. Revenue is recognized at the point in time the franchisee completes the work. The Company is the agent in this relationship and recognizes revenue on a net basis.
- **Mitigation and Construction Contracts** - This includes mitigation and construction projects with both residential customers and insurance companies. Generally, the Company will have one performance obligation per contract. These services are transferred over time using the input method to measure progress. The use of the input method results in the recognition of revenue on the basis of the Company's efforts toward the satisfaction of the performance obligation. The most common input method that the Company uses is contract cost to date, including labor and direct costs relative to the total contract cost expected to be expended in satisfying each performance obligation. Contracts are billed on a time and materials basis using the practical expedient to recognize revenue, as the Company has the right to invoice those amounts. Project change orders are economic factors that affect the nature, amount, timing, and uncertainty of the Company's revenue and cash flows. Change orders often arise when unexpected costs to the existing contract are incurred or the customer wants to extend the scope of the project. These rarely create a separate project performance obligation and are accounted for as a modification to the contract price using the cumulative catch-up adjustment method.

In most cases, control of the Company's contracts transfers to customers when performed by the Company. Some services are provided by subcontractors. Except for CDCS, the Company does not act as an agent (i.e., the Company does not provide a service of arranging for another party to transfer goods or services to the customer).

Significant Payment Terms

Each contract dictates the timing of billing and payments. Initial franchise, renewal, and transfer fees are due and typically paid when a franchise agreement is entered into and are nonrefundable. Royalties, technology fees, and other support fees are paid on a monthly basis based upon amounts defined within the franchise agreement. Franchise fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Refer to the *Notes Receivable* section for information about financing provided to franchisees. Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the consolidated balance sheet. The balance of deferred revenue at January 1, 2021 was \$10,447.

For merchandise revenue and mitigation and construction contracts, billings typically occur monthly; however, there are contracts that may dictate milestone-based billing. For corporate services revenue, billing is handled by either the national account or the Company (CDCS) and occurs when the services have been performed. Payment for goods and services performed by the Company is typically due within 30 days after an invoice is sent to the customer. Progress invoices for services performed over a month or more are typically sent to customers on the last business day of each calendar month. Invoices for services performed over a shorter range of time are typically sent to customers upon completion of the service. In instances where the Company is a subcontractor on the contract, the Company is typically paid when the contractor receives its payment. The Company does not offer discounts if the customer pays some or all of an invoiced amount prior to the due date.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 2 - Significant Accounting Policies (Continued)

Determining and Allocating the Transaction Price

The transaction price of a contract is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. Transaction prices do not include amounts collected on behalf of third parties (e.g., sales taxes). For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in underlying contracts and that the agreements will not be canceled, renewed, or modified.

Most of the Company's contracts with customers have fixed transaction prices that are denominated in U.S. dollars and payable in cash; however, certain contracts are priced at the Company's cost plus an agreed-upon margin. The Company's franchise agreements with franchisees have transaction prices that contain fixed and/or variable components. Variable consideration includes royalty revenue, as the transaction price is based on the franchisee's sales. The variable consideration is recognized based on the actual amounts incurred each month.

At the end of each month, the Company updates the estimated transaction prices of contracts having unsatisfied performance obligations. At that time, revenue and related account balances are adjusted to reflect any changes in transaction prices.

Costs to Obtain a Franchise Agreement

The Company typically incurs commission expenses or third-party broker and referral fees to obtain franchise agreements with franchisees. These charges are related to franchise fee revenue, which is recognized over time. As a result, these charges are capitalized as deferred expenses and are expensed over the term of the respective franchise agreement. For the years ended December 31, 2023, 2022, and 2021, the amounts expensed related to costs to obtain a franchise agreement were approximately \$232, \$237, and \$146, respectively.

Restricted Cash

Restricted cash represents amounts received from franchisees that are restricted for certain advertising activities.

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Company collectively evaluates trade receivables to determine the allowance for credit losses. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considers unemployment and consumer spending data when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 2 - Significant Accounting Policies (Continued)

Notes Receivable

Notes receivable are issued upon the sale of a franchise or area franchise rights; in conjunction with the sale of equipment; or, in some cases, to refinance a franchise's overall obligations. Notes receivable are reported at original issue amount plus accrued interest, less principal repaid. Interest is recognized according to the terms of the specific notes. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the notes receivable. The Company collectively evaluates notes receivable to determine the allowance for credit losses. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considers unemployment and consumer spending data when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Notes are considered delinquent if the repayment terms are not met. As of December 31, 2023, \$68 of notes receivable were considered past due.

Fair Value of Financial Instruments

Financial instruments consist of accounts receivable, notes receivable, accounts payable, and debt. The carrying amount of accounts receivable, accounts payable, and debt approximates fair value due to either the short maturity or the existence of variable interest rates that approximate prevailing market rates. The fair value of notes receivable is determined as the present value of future contractual cash flows discounted at an interest rate that reflects the risks inherent in those cash flows. The discount rates range from 3.4 percent to 18.0 percent and approximate rates currently observed in publicly traded debt markets for debt of similar terms to individuals with comparable credit risk. As of December 31, 2023, 2022, and 2021, the carrying value of notes receivable approximates fair value.

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost determined on the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized but rather is assessed at least on an annual basis for impairment.

During 2023, management determined that the carrying amount of the Company exceeded fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of \$45,537 was recognized in 2023, which is included within operating expenses on the consolidated statement of operations. The impairment loss is attributable in part to deteriorating economic conditions impacting the Company, including rising interest rates and the overall cost of accessible debt necessary to fuel investment; furthermore, strategic shifts undertaken by management to improve the overall health of the business, including ongoing efforts to reduce the overall size of its franchise network in order to resolve a host of franchisee-related matters of noncompliance, adversely impacted expected future cash inflows as well. The remaining goodwill was determined not to be impaired, as the carrying value of the remaining company exceeded the fair value.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 2 - Significant Accounting Policies (Continued)

During 2022, Delta ceased operations, and, as a result, management determined that the carrying amount of Delta exceeded fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of \$1,266 was recognized in 2022, specifically related to Delta ceasing operations, which is included within operating expenses on the consolidated statement of operations.

No impairment charge was recognized during the year ended December 31, 2021.

Intangible Assets

Intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable.

During 2022, the Company determined that, based on estimated future cash flows, the carrying amount of the Delta trade name and franchise agreements exceeded their fair value; accordingly, impairment losses in the amount of \$787 and \$4,165, respectively, were recognized and included in operating expenses. No impairment charge was recognized in 2023 or 2021.

Other Accrued Liabilities

Other accrued liabilities are composed of convention accruals, invoice accruals, credit card payables, and other miscellaneous accrued liabilities.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for the years ended December 31, 2023, 2022, and 2021 was \$3,027, \$3,806, and \$2,018, respectively.

Income Taxes

The Company joins in filing a consolidated federal income tax return with its parent. Current and deferred tax obligations or benefits are allocated to members of the consolidated group as if each were a separate taxpayer.

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. A valuation allowance is recognized if, based on the weight of the available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. No valuation allowance was recorded at December 31, 2023, 2022, or 2021.

The Company classifies interest and penalties associated with tax liabilities as income taxes in the accompanying financial statements.

Use of Estimates

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

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 2 - Significant Accounting Policies (Continued)***Subsequent Events***

The consolidated financial statements and related disclosures include evaluation of events up through and including March 22, 2024, which is the date the consolidated financial statements were available to be issued.

Note 3 - Prior Period Adjustment

The accompanying financial statements for 2022 have been restated to correct an error relating to unidentified impairment of the Delta trade name and franchise agreement intangible assets made in 2022. Retained earnings at the beginning of 2023 have been adjusted for the effects of the restatement on 2022.

The following financial statement line items for fiscal year 2022 were affected by the change:

Statement of Operations
Year Ended December 31, 2022

	As Previously Reported	As Restated	Effect of Change
Net revenue	\$ 33,483	\$ 33,483	\$ -
Cost of revenue	9,055	9,055	-
Gross profit	24,428	24,428	-
Operating expenses (before impairment)	29,842	27,789	(2,053)
Impairment of goodwill	-	1,266	1,266
Impairment of intangible assets	-	4,952	4,952
Operating loss	(5,414)	(9,579)	(4,165)
Total nonoperating income	1,380	1,380	-
Loss - Before income taxes	(4,034)	(8,199)	(4,165)
Income tax recovery	(810)	(1,869)	(1,059)
Net loss	\$ (3,224)	\$ (6,330)	\$ (3,106)

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 3 - Prior Period Adjustment (Continued)

Balance Sheet
December 31, 2022

	As Previously Reported	As Restated	Effect of Change
Total current assets	\$ 11,191	\$ 11,191	\$ -
Right-of-use assets - Net	1,379	1,379	-
Property and equipment - Net	1,701	1,701	-
Goodwill	56,056	56,056	-
Intangible assets - Net	36,731	32,566	(4,165)
Other assets	28,076	28,076	-
Total assets	<u>\$ 135,134</u>	<u>\$ 130,969</u>	<u>\$ (4,165)</u>
Current liabilities	\$ 6,984	\$ 6,984	\$ -
Operating lease obligation - Net of current portion	425	425	-
Deferred revenue - Net of current portion	4,864	4,864	-
Deferred tax liabilities	4,060	3,001	(1,059)
Total liabilities	16,333	15,274	(1,059)
Stockholders' equity	118,801	115,695	(3,106)
Total stockholders' equity	<u>118,801</u>	<u>115,695</u>	<u>(3,106)</u>
Total liabilities and stockholders' equity	<u>\$ 135,134</u>	<u>\$ 130,969</u>	<u>\$ (4,165)</u>

As a result of the prior period adjustment, retained earnings as of December 31, 2022 decreased from \$4,558, as originally reported, to \$1,452.

Note 4 - Adoption of New Accounting Pronouncement

As of January 1, 2023, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The ASU includes changes to the accounting and measurement of financial assets, including the Company's accounts receivable and notes receivable. The amendments in this ASU reflect an entity's current estimate of all expected credit losses using reasonable and supportable forecasts. The Company adopted the ASU using the modified retrospective method as of January 1, 2023. As a result of the accounting change, retained earnings as of January 1, 2023 decreased from \$1,452 to \$417.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 4 - Adoption of New Accounting Pronouncement (Continued)

The following financial statement line items for fiscal years 2023 were affected by the change in accounting principle:

Statement of Operations for the Years Ended

	2023		
	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Change
Net revenue	\$ 31,072	\$ 31,072	\$ -
Cost of revenue	9,613	9,613	-
Gross profit	21,459	21,459	-
Operating expenses before impairment	19,371	20,604	1,233
Impairment of goodwill	45,537	45,537	-
Operating loss	(43,449)	(44,682)	-
Nonoperating Income	882	882	-
Loss - Before income taxes	(42,567)	(43,800)	-
Income tax expense	477	477	-
Consolidated net loss	<u>\$ (43,044)</u>	<u>\$ (44,277)</u>	<u>\$ -</u>

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 4 - Adoption of New Accounting Pronouncement (Continued)

Balance Sheet

	2023		
	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Change
Cash	\$ 3,701	\$ 3,701	\$ -
Restricted cash	781	781	-
Accounts receivable - Net	2,841	2,338	(503)
Inventory	5,683	5,683	-
Notes receivable - Current portion net of allowance	875	639	(236)
Prepaid expenses and other current assets	625	625	-
Total current assets	14,506	13,767	-
Right-of-use assets - Net	3,098	3,098	-
Property and equipment - Net	2,220	2,220	-
Goodwill	10,519	10,519	-
Intangible assets - Net	28,264	28,264	-
Other assets			
Notes receivable - Net of current portion and allowance	1,830	1,336	(494)
Amounts due from related parties	24,688	24,688	-
Deferred commissions	871	871	-
Other noncurrent assets	216	216	-
Total assets	\$ 86,212	\$ 84,979	\$ (1,233)
Total liabilities	14,596	14,596	-
Stockholders' equity	71,616	70,383	(1,233)
Total liabilities and stockholders' equity	\$ 86,212	\$ 84,979	\$ (1,233)

Note 5 - Accounts Receivable

The following is the detail of accounts receivable:

	2023	2022	2021
Trade receivables	\$ 2,880	\$ 5,231	\$ 8,483
Other	431	432	864
Less - Allowance for credit losses	973	2,589	3,016
Net accounts receivable	\$ 2,338	\$ 3,074	\$ 6,331

The activity in the allowance for credit losses is as follows:

	2023
Balance at beginning of period	\$ 2,990
Additions charged to expense	634
Deductions/write-offs	(2,651)
Balance at end of period	\$ 973

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 6 - Inventory

Inventory consists of equipment, cleaning supplies, chemicals, and mixed cleaning solutions. Inventory, net of reserve, at December 31, 2023, 2022, and 2021 consists of the following:

	2023	2022	2021
Raw materials	\$ 1,797	\$ 2,000	\$ 1,156
Finished goods	3,886	2,393	1,715
Total	<u>\$ 5,683</u>	<u>\$ 4,393</u>	<u>\$ 2,871</u>

Note 7 - Notes Receivable

Notes receivable at December 31, 2023, 2022, and 2021 are as follows:

	2023	2022	2021
Amounts due from the sale of franchises and area franchise rights and refinanced obligations, due in monthly payments, with imputed interest from 3.4 to 18.0 percent, collateralized by the franchise, equipment, and personal guarantees	\$ 3,070	\$ 5,478	\$ 10,334
Amounts due from the sale of equipment to franchisees, due in monthly payments, with imputed interest between 6.5 and 10.0 percent, collateralized by the equipment	20	41	32
Total gross notes receivable	3,090	5,519	10,366
Less allowance for credit losses	(1,115)	(1,112)	(2,219)
Less current portion	1,027	1,972	4,584
Long-term portion	<u>\$ 948</u>	<u>\$ 2,435</u>	<u>\$ 3,563</u>

The activity in the allowance for credit losses is as follows:

	2023
Balance at beginning of period	\$ 1,746
Additions charged to expense	292
Deductions/write-offs	(923)
Balance at end of period	<u>\$ 1,115</u>

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 8 - Property and Equipment

Property and equipment at December 31, 2023, 2022, and 2021 are summarized as follows:

	2023	2022	2021	Depreciable Life - Years
Machinery and equipment	\$ 844	\$ 762	\$ 548	2-10
Vehicles	222	102	100	5
Furniture and fixtures	191	126	114	3-5
Office and computer equipment	1,442	1,253	1,048	3-5
Leasehold improvements	441	431	412	1-7
Construction in progress	1,005	362	260	-
Total cost	4,145	3,036	2,482	
Accumulated depreciation	1,925	1,335	872	
Net property and equipment	<u>\$ 2,220</u>	<u>\$ 1,701</u>	<u>\$ 1,610</u>	

Depreciation expense for the years ended December 31, 2023, 2022, and 2021 was \$591, \$490, and \$443, respectively.

Note 9 - Intangible Assets and Goodwill

Intangible assets and goodwill of the Company at December 31, 2023, 2022, and 2021 are summarized as follows:

	2023		2022 (As Restated)		2021	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:						
Franchise agreements	\$ 32,215	\$ 11,151	\$ 32,215	\$ 8,684	\$ 37,900	\$ 7,288
Trade names	7,400	3,375	7,503	2,655	8,500	2,104
Patented technology	7,600	4,886	7,650	3,801	7,600	2,714
Internal software	1,818	1,766	1,818	1,745	1,800	1,443
Patents and trademarks	514	105	297	32	297	32
Total amortized intangible assets	<u>\$ 49,547</u>	<u>\$ 21,283</u>	<u>\$ 49,483</u>	<u>\$ 16,917</u>	<u>\$ 56,097</u>	<u>\$ 13,581</u>
Goodwill	<u>\$ 10,519</u>	<u>\$ -</u>	<u>\$ 56,056</u>	<u>\$ -</u>	<u>\$ 57,322</u>	<u>\$ -</u>

Amortization expense for intangible assets totaled \$4,380, \$5,169, and \$5,446 for the years ended December 31, 2023, 2022, and 2021, respectively.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 9 - Intangible Assets and Goodwill (Continued)

Estimated amortization expense for intangible assets for the years ending December 31 is as follows:

Years Ending	Amount
2024	\$ 4,377
2025	4,366
2026	3,819
2027	3,272
2028	3,003
Thereafter	9,427
Total	<u>\$ 28,264</u>

Note 10 - Leases

The Company is obligated under operating leases primarily for facilities, expiring at various dates through December 2026, taking into consideration lease renewal options and termination provisions. The right-of-use asset and related lease liability have been calculated using discount rates ranging from 3.25 to 8.50 percent. The weighted-average remaining lease term at December 31, 2023 is 38 months. The weighted-average discount rate used at December 31, 2023 is 7.79 percent. Some of the leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was approximately \$1,051, \$1,103, and \$1,176 for the years ended December 31, 2023, 2022, and 2021, respectively. Total cash paid for operating leases, excluding any variable payments, was \$1,172 for the year ended December 31, 2023.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2024	\$ 1,199
2025	1,213
2026	1,127
Total	3,539
Less amount representing interest	<u>371</u>
Present value of net minimum lease payments	3,168
Less current obligations	<u>1,002</u>
Long-term obligations under operating leases	<u>\$ 2,166</u>

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 10 - Leases (Continued)

The Company subleases certain facilities. As of December 31, 2023, there are no sublease rentals to be received in future periods. Rental income under the sublease was \$385, \$268, and \$269 for the years ended December 31, 2023, 2022, and 2021, respectively.

Note 11 - Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows:

	2023	2022 (As Restated)	2021
Current income tax expense	\$ 212	\$ 726	\$ 424
Deferred income tax expense (recovery)	265	(2,595)	795
Total income tax expense (recovery)	<u>\$ 477</u>	<u>\$ (1,869)</u>	<u>\$ 1,219</u>

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate to income before taxes is as follows:

	2023	2022 (As Restated)	2021
Income tax (recovery) expense, computed at 21 percent of pretax income	\$ (9,416)	\$ (830)	\$ 873
Permanent differences	9,568	-	-
State income tax expense (recovery)	168	(42)	257
Other	157	(997)	89
Total provision for income taxes	<u>\$ 477</u>	<u>\$ (1,869)</u>	<u>\$ 1,219</u>

The details of the net deferred tax liability are as follows:

	2023	2022 (As Restated)	2021
Deferred tax assets:			
Allowance for credit losses	\$ 531	\$ 941	\$ 1,312
Deferred revenue	1,259	1,759	2,365
Notes receivable	52	156	260
Interest limitation carryforward	1,029	872	590
Accrued liabilities	210	231	291
Lease liability	806	399	668
Other	874	882	159
Gross deferred tax assets	4,761	5,240	5,645
Deferred tax liabilities:			
Intangibles	(6,836)	(7,493)	(10,160)
Property and equipment	(244)	(309)	(308)
Prepaid expenses	(159)	(88)	(165)
Right-of-use asset	(788)	(351)	(608)
Gross deferred tax liabilities	(8,027)	(8,241)	(11,241)
Net deferred tax liability	<u>\$ (3,266)</u>	<u>\$ (3,001)</u>	<u>\$ (5,596)</u>

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 12 - Common Stock

Common stock consists of 5,000 authorized shares of \$1 par value stock. As of December 31, 2023, 2022, and 2021, there were 5,000 shares issued and outstanding.

Note 13 - Contingencies

The Company is party to an agreement with an unrelated financial institution where the Company guarantees a portion of the losses resulting from equipment-related financing arrangements made between the financial institution and certain of the Company's franchisees. In the event of a default by a franchisee, the Company guarantees the financial institution's losses, including proceeds received from the sale of collateralized equipment as follows: 30 percent on equipment and between 30 percent and 100 percent on nonequipment. As of December 31, 2023, 2022, and 2021, the financial institution provided cumulative aggregate financing arrangements for certain of the Company's franchisees totaling approximately \$8,170, \$8,140, and \$8,140, with open financed amounts totaling approximately \$1,577, \$1,774, and \$2,772, respectively. Payments made under this guarantee during the years ended December 31, 2023, 2022, and 2021 were approximately \$0, \$178, and \$18, respectively, and the Company has recorded the estimated present value of this contingent liability as of December 31, 2023, 2022, 2021 of approximately \$13, \$68, and \$230, respectively, which is included in accrued liabilities in the accompanying consolidated balance sheet.

Note 14 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

Amounts Due from Related Parties

At December 31, 2023, 2022, and 2021, the Company had accounts receivable from Belfor USA Group, Inc. totaling \$24,688, \$23,843, and \$16,717, respectively, which relates to amounts advanced for working capital purposes and amounts due for expenses incurred by the Company on behalf of related parties.

Guarantee

The Company has guaranteed balances outstanding on the term loan and line of credit issued to Belfor Holdings, Inc. and other entities related through common ownership. In the event of a default by the affiliates, the Company could be obligated to repay the full amount outstanding on these loans. As of December 31, 2023, the affiliates' outstanding borrowings under the loans and the maximum potential future obligation under this guarantee totaled approximately \$1,512,898 and \$1,812,898, respectively. The term loan is payable through November 2030, and the line of credit expires in November 2028. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the affiliate; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

Guarantee of Performance

The Company is listed as the guarantor of performance within the franchise disclosure documents of various franchisors within Belfor Franchise Group, LLC. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the affiliate; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

Notes to Consolidated Financial Statements

December 31, 2023, 2022, and 2021

(000s omitted)

Note 15 - Retirement Plans

The Company sponsors a 401(k) plan for substantially all employees. The plan provides for the Company to make a required matching contribution. The Company may also make additional discretionary contributions to the plan. Contributions to the plan totaled \$212, \$244, and \$251 for the years ended December 31, 2023, 2022, and 2021, respectively.

GUARANTEE OF PERFORMANCE

For value received, BFG Holdco, Inc., a Delaware corporation (the "Guarantor"), located at 3310 West End Avenue, Suite 620, Nashville, TN 37203, absolutely and unconditionally guarantees to assume the duties and obligations of Chem-Dry, Inc., NHance, Inc., 1-800 Water Damage International, LLC, Hoodz International, LLC, Ductz International, LLC, Patch Boys International, LLC, Plumberz International, LLC, Packoutz International, LLC, Safer Home Services International, LLC, Cool Binz International, LLC, and JunkCo+ International, LLC, under their franchise registrations in each state where the franchises are registered, and under its Franchise Agreement identified in their Franchise Disclosure Documents issued March 29, 2024, and Redbox+ International, LLC under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its Franchise Disclosure Document, issued April 4th, 2024 (individually, each, a "Franchisor"), and as the Franchise Agreements may be entered into with 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 occurs first. 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 Executes this guarantee at Nashville, Tennessee, on 3/27/2024, 2024.

Guarantor:

BFG Holdco, Inc.

DocuSigned by:

Janette Sims

E13F00062000400...

Janette Sims

Chief Financial Officer

EXHIBIT E
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**EXHIBIT F
LIST OF FRANCHISEES**

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
ALABAMA				
<u>Sammy Dosch</u>	<u>422 Valley Rd.</u>	<u>Birmingham</u>	<u>AL</u>	<u>205-600-9817</u>
<u>Sammy Dosch</u>	<u>422 Valley Rd.</u>	<u>Birmingham</u>	<u>AL</u>	<u>205-600-9817</u>
<u>Fred Trick</u>	<u>1305 Twin Oaks Rd. East</u>	<u>Northport</u>	<u>AL</u>	<u>205-210-3683</u>
ARIZONA				
<u>Russell, Greg, Perkins, Weston, & Perkins, Luke</u>	<u>5991 E Abineau Canyon Dr.</u>	<u>Flagstaff</u>	<u>AZ</u>	<u>928-923-5555</u>
<u>David Phillips</u>	<u>1406 East Orange Grove Road</u>	<u>Tucson</u>	<u>AZ</u>	<u>520-445-2377</u>
<u>David Phillips</u>	<u>1406 East Orange Grove Road</u>	<u>Tucson</u>	<u>AZ</u>	<u>520-551-6422</u>
CALIFORNIA				
<u>Ross Mosbarger & Michele Nolan</u>	<u>570 Primrose Ln</u>	<u>Benicia</u>	<u>CA</u>	<u>707-751-0170</u>
<u>Scott Sutton</u>	<u>15881 Nuaimi Lane</u>	<u>Fontana</u>	<u>CA</u>	<u>909-578-6753</u>
<u>Scott Sutton</u>	<u>15881 Nuaimi Lane</u>	<u>Fontana</u>	<u>CA</u>	<u>909-578-6753</u>
<u>Mike Rozo</u>	<u>413 N 12TH ST</u>	<u>GROVER BEACH</u>	<u>CA</u>	<u>805-473-9663</u>
<u>Mike Rozo</u>	<u>413 N 12TH ST</u>	<u>GROVER BEACH</u>	<u>CA</u>	<u>805-473-9663</u>
<u>Mike Rozo</u>	<u>413 N 12TH ST</u>	<u>GROVER BEACH</u>	<u>CA</u>	<u>805-473-9663</u>
<u>Jonathan Schoen</u>	<u>660 TAMALPAIS AVE.</u>	<u>NOVATO</u>	<u>CA</u>	<u>415-897-1771</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Jonathan Schoen</u>	<u>660 TAMALPAIS AVE</u>	<u>NOVATO</u>	<u>CA</u>	<u>415-897-1771</u>
<u>Jonathan Schoen</u>	<u>660 TAMALPAIS AVE</u>	<u>NOVATO</u>	<u>CA</u>	<u>415-897-1771</u>
<u>John R. Nicholas III</u>	<u>14061 PARADISE DR</u>	<u>POWAY</u>	<u>CA</u>	<u>858-748-1734</u>
<u>Richard Nance</u>	<u>4228 ALTA CAMPO DRIVE</u>	<u>REDDING</u>	<u>CA</u>	<u>530-221-3275</u>
<u>Richard Nance</u>	<u>4228 ALTA CAMPO DRIVE</u>	<u>REDDING</u>	<u>CA</u>	<u>530-221-3275</u>
<u>William (Willie) Plaza</u>	<u>9820 Indiana Ave. Ste 17</u>	<u>Riverside</u>	<u>CA</u>	<u>951-772-1903</u>
<u>William (Willie) Plaza</u>	<u>9820 Indiana Ave. Ste. 17</u>	<u>Riverside</u>	<u>CA</u>	<u>951-772-1903</u>
<u>William (Willie) Plaza</u>	<u>9820 Indiana Ave. Ste. 17</u>	<u>Riverside</u>	<u>CA</u>	<u>951-772-1903</u>
<u>William (Willie) Plaza</u>	<u>9820 Indiana Ave. Ste. 17</u>	<u>Riverside</u>	<u>CA</u>	<u>951-772-1903</u>
<u>Jeffrey Overfield</u>	<u>2248 B SIERRA MEADOWS DRIVE</u>	<u>ROCKLIN</u>	<u>CA</u>	<u>916-630-0160</u>
<u>Jeffrey (Jeff) Overfield</u>	<u>2248 B SIERRA MEADOWS DRIVE</u>	<u>ROCKLIN</u>	<u>CA</u>	<u>916-630-0160</u>
<u>Greg Overfield</u>	<u>38 B-2 BETA COURT</u>	<u>SAN RAMON</u>	<u>CA</u>	<u>925-820-1019</u>
<u>Greg Overfield</u>	<u>38 B-2 BETA COURT</u>	<u>SAN RAMON</u>	<u>CA</u>	<u>925-820-1019</u>
<u>Oleg Reut</u>	<u>27 W Easy St.</u>	<u>Simi Valley</u>	<u>CA</u>	<u>805-491-2930</u>
<u>Reut, Oleg</u>	<u>27 W Easy St.</u>	<u>Simi Valley</u>	<u>CA</u>	<u>805-491-2930</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>OLEG REUT</u>	<u>27 W Easy St.</u>	<u>Simi Valley</u>	<u>CA</u>	<u>805-491-2930</u>
<u>Benjamin Vafai</u>	<u>12 Piedmont</u>	<u>Trabuco Canyon</u>	<u>CA</u>	<u>949-539-5053</u>
<u>Benjamin Vafai</u>	<u>12 Piedmont</u>	<u>Trabuco Canyon</u>	<u>CA</u>	<u>949-539-5053</u>
<u>Benjamin Vafai</u>	<u>12 Piedmont</u>	<u>Trabuco Canyon</u>	<u>CA</u>	<u>949-539-5053</u>
COLORADO				
<u>Stephen Lane Pack</u>	<u>5910 INGALLS ST #C</u>	<u>ARVADA</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Stephen Lane Pack</u>	<u>5910 Ingalls St #C</u>	<u>Arvada</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Stephen Lane Pack</u>	<u>5910 Ingalls St #C</u>	<u>Arvada</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Stephen Lane Pack</u>	<u>5910 Ingalls St #C</u>	<u>Arvada</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Stephen Lane Pack</u>	<u>5910 INGALLS ST #C</u>	<u>ARVADA</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Stephen Lane Pack</u>	<u>5910 Ingalls St #C</u>	<u>Arvada</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Stephen Lane Pack</u>	<u>5910 INGALLS ST #C</u>	<u>ARVADA</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Stephen Lane Pack</u>	<u>5910 INGALLS ST #C</u>	<u>ARVADA</u>	<u>CO</u>	<u>479-747-0050</u>
<u>Kathy Egan</u>	<u>6268 West 10th St.</u>	<u>Greeley</u>	<u>CO</u>	<u>970-702-4288</u>
<u>Kathy Egan</u>	<u>6268 West 10th St.</u>	<u>Greeley</u>	<u>CO</u>	<u>970-702-4288</u>
CONNECTICUT				
<u>Hedman, Doug</u>	<u>94 Seminary Rd.</u>	<u>Simsbury</u>	<u>CT</u>	<u>860-310-5919</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>DELAWARE</u>				<u>302-</u>
				<u>750-</u>
<u>T. Albert Hoffmann</u>	<u>500 Connor Boulevard</u>	<u>Bear</u>	<u>DE</u>	<u>5167</u>
<u>FLORIDA</u>				
<u>Jason Vanasse</u>	<u>2420 Concorde Drive</u>	<u>Fort Myers</u>	<u>FL</u>	<u>941-</u> <u>999-</u> <u>1142</u>
<u>Jason Vanasse</u>	<u>2420 Concorde Drive</u>	<u>Fort Myers</u>	<u>FL</u>	<u>920-</u> <u>475-</u> <u>3314</u>
<u>Clay & Teresa Fennimore</u>	<u>74 Sixth Street South</u>	<u>Jacksonville Beach</u>	<u>FL</u>	<u>904-</u> <u>220-</u> <u>9978</u>
<u>Clay & Teresa Fennimore</u>	<u>74 Sixth Street South</u>	<u>Jacksonville Beach</u>	<u>FL</u>	<u>904-</u> <u>220-</u> <u>9978</u>
<u>Clay & Teresa Fennimore</u>	<u>74 Sixth Street South</u>	<u>Jacksonville Beach</u>	<u>FL</u>	<u>904-</u> <u>220-</u> <u>9978</u>
<u>Clay & Teresa Fennimore</u>	<u>74 Sixth Street South</u>	<u>Jacksonville Beach</u>	<u>FL</u>	<u>904-</u> <u>220-</u> <u>9978</u>
<u>Clay & Teresa Fennimore</u>	<u>74 Sixth Street South</u>	<u>Jacksonville Beach</u>	<u>FL</u>	<u>904-</u> <u>220-</u> <u>9978</u>
<u>Patrick Hagerty</u>	<u>1258 Holly Cove Drive</u>	<u>JUPITER</u>	<u>FL</u>	<u>561-</u> <u>972-</u> <u>0042</u>
<u>Patrick Hagerty</u>	<u>1258 Holly Cove Drive</u>	<u>Jupiter</u>	<u>FL</u>	<u>561-</u> <u>972-</u> <u>0042</u>
<u>Patrick Hagerty</u>	<u>1258 Holly Cove Dr</u>	<u>Jupiter</u>	<u>FL</u>	<u>561-</u> <u>972-</u> <u>0042</u>
<u>Patrick Hagerty</u>	<u>1258 Holly Cove Drive</u>	<u>Jupiter</u>	<u>FL</u>	<u>561-</u> <u>972-</u> <u>0042</u>
<u>Patrick Hagerty</u>	<u>1258 Holly Cove Dr</u>	<u>Jupiter</u>	<u>FL</u>	<u>561-</u> <u>972-</u> <u>0042</u>
<u>Patrick Hagerty</u>	<u>1258 Holly Cove Drive</u>	<u>Jupiter</u>	<u>FL</u>	<u>561-</u> <u>267-</u> <u>3990</u>
<u>Daniel Geier</u>	<u>13022 125th Avenue</u>	<u>Largo</u>	<u>FL</u>	<u>727-</u> <u>469-</u> <u>3109</u>
<u>Daniel Geier</u>	<u>13022 125th Avenue</u>	<u>Largo</u>	<u>FL</u>	<u>727-</u> <u>644-</u> <u>6592</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Daniel Geier</u>	<u>13022 125th Avenue</u>	<u>Largo</u>	<u>FL</u>	<u>727-644-6592</u>
<u>Andrew Hesser</u>	<u>10124 SW 130 Terr</u>	<u>Miami</u>	<u>FL</u>	<u>305-491-1222</u>
<u>Andrew Hesser</u>	<u>10124 SW 130 Terr</u>	<u>Miami</u>	<u>FL</u>	<u>305-491-1222</u>
<u>Sandra Costantini</u>	<u>1345 Serrano Circle</u>	<u>Naples</u>	<u>FL</u>	<u>239-601-7702</u>
<u>Sandra Costantini</u>	<u>1345 Serrano Circle</u>	<u>Naples</u>	<u>FL</u>	<u>239-601-7702</u>
<u>Ernesto Rodriguez</u>	<u>10613 Crystal Springs Ct.</u>	<u>Orlando</u>	<u>FL</u>	<u>302-750-5167</u>
<u>Ernesto Rodriguez</u>	<u>10613 Crystal Spring Ct.</u>	<u>Orlando</u>	<u>FL</u>	<u>407-249-8801</u>
<u>Albert Hoffmann</u>	<u>10613 Crystal Springs Ct.</u>	<u>Orlando</u>	<u>FL</u>	<u>302-750-5167</u>
<u>Patricia Senak</u>	<u>1297 N US Highway 1 #6</u>	<u>Ormond Beach</u>	<u>FL</u>	<u>586-764-1538</u>
<u>Patricia Senak</u>	<u>1297 N US Highway 1 #6</u>	<u>Ormond Beach</u>	<u>FL</u>	<u>586-764-1538</u>
<u>Patricia Senak</u>	<u>ATTN: Patricia Senak</u>	<u>Ormond Beach</u>	<u>FL</u>	<u>586-764-1538</u>
<u>James Lafreniere</u>	<u>4699 North Federal Highway, #101-M</u>	<u>Pompano Beach</u>	<u>FL</u>	<u>954-294-1268</u>
<u>James Lafreniere</u>	<u>4699 North Federal Highway, #101-M</u>	<u>Pompano Beach</u>	<u>FL</u>	<u>305-491-3430</u>
<u>James Lafreniere</u>	<u>4699 North Federal Highway, #101-M</u>	<u>Pompano Beach</u>	<u>FL</u>	<u>954-294-1268</u>
<u>Juan Reynaud</u>	<u>8520 Sandy Beach St</u>	<u>Tampa</u>	<u>FL</u>	<u>727-723-9663</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Juan Reynaud</u>	<u>8457 Sandy Beach Street</u>	<u>Tampa</u>	<u>FL</u>	<u>813-362-7742</u>
<u>Juan Reynaud</u>	<u>8457 Sandy Beach Street</u>	<u>Tampa</u>	<u>FL</u>	<u>727-723-9663</u>
<u>Willie Diaz</u>	<u>6005 Jet Port Industrial Blvd</u>	<u>Tampa</u>	<u>FL</u>	<u>813-898-2895</u>
<u>Juan Reynaud</u>	<u>4302 Bayside Village Dr Apt 101</u>	<u>Tampa</u>	<u>FL</u>	<u>727-723-9663</u>
<u>Willie Diaz</u>	<u>6005 Jet Port Industrial Blvd</u>	<u>Tampa</u>	<u>FL</u>	<u>813-898-2895</u>
<u>Willie Diaz</u>	<u>6005 Jet Port Industrial Blvd</u>	<u>Tampa</u>	<u>FL</u>	<u>813-898-2895</u>
<u>Willie Diaz</u>	<u>6005 Jet Port Industrial Boulevard</u>	<u>Tampa</u>	<u>FL</u>	<u>813-898-2895</u>
<u>Willie Diaz</u>	<u>6005 Jet Port Industrial Blvd</u>	<u>Tampa</u>	<u>FL</u>	<u>813-898-2895</u>
<u>Urbizo-Poulsen, Irma</u>	<u>15777 Tangelo Twist</u>	<u>Winter Garden</u>	<u>FL</u>	<u>407-496-4776</u>
<u>Irma L. Ubizo-Poulsen</u>	<u>15777 Tangelo Twist</u>	<u>Winter Garden</u>	<u>FL</u>	<u>407-496-4776</u>
<u>Irma L. Ubizo-Poulsen</u>	<u>15777 Tangelo Twist</u>	<u>Winter Garden</u>	<u>FL</u>	<u>407-496-4776</u>
<u>Irma L. Ubizo-Poulsen</u>	<u>15777 Tangelo Twist</u>	<u>Winter Garden</u>	<u>FL</u>	<u>407-496-4776</u>
<u>Willie Diaz</u>	<u>6005 Jet Port Industrial Blvd.</u>	<u>Tampa</u>	<u>FL</u>	<u>813-898-2895</u>
<u>Brian Gore</u>	<u>2804 Mclain Lane</u>	<u>Albany</u>	<u>GA</u>	<u>229-886-6036</u>
<u>Tim Judy</u>	<u>1509 Chastain Road</u>	<u>Johns Island</u>	<u>SC</u>	<u>321-243-6054</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Tim Judy</u>	<u>1509 Chastain Road</u>	<u>Johns Island</u>	<u>SC</u>	<u>321-243-6054</u>
GEORGIA				
<u>Brandon Holcomb</u>	<u>ATTN: Brandon Holcomb</u>	<u>Alpharetta</u>	<u>GA</u>	<u>470-253-8794</u>
<u>Brandon Holcomb</u>	<u>9580 Red Bird Lane</u>	<u>Johns Creek</u>	<u>GA</u>	<u>470-253-8794</u>
<u>William Burns</u>	<u>109 Buckfield Drive</u>	<u>Rincon</u>	<u>GA</u>	<u>912-667-0287</u>
HAWAII				
<u>Mark Evans</u>	<u>73-1295 Nawahie Loop</u>	<u>Kailua Kona</u>	<u>HI</u>	<u>808-769-1947</u>
<u>Shawn Ouchi</u>	<u>94-622 Kuaie Street</u>	<u>Mililani</u>	<u>HI</u>	<u>808-772-4211</u>
<u>Shawn Ouchi</u>	<u>94-622 Kuaie Street</u>	<u>Mililani</u>	<u>HI</u>	<u>808-256-8441</u>
<u>Shawn Ouchi</u>	<u>94-622 Kuaie Street</u>	<u>Mililani</u>	<u>HI</u>	<u>808-772-4211</u>
IDAHO				
<u>Becca Labrador</u>	<u>6145 Corporal Lane</u>	<u>Boise</u>	<u>ID</u>	<u>208-392-1717</u>
<u>Becca Labrador</u>	<u>6145 Corporal Lane</u>	<u>Boise</u>	<u>ID</u>	<u>208-392-1717</u>
<u>Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace</u>	<u>525 Ella Road</u>	<u>Spokane Valley</u>	<u>WA</u>	<u>509-328-9663</u>
ILLINOIS				
<u>Tom Seeger</u>	<u>21338 Brandon Road</u>	<u>Kildeer</u>	<u>IL</u>	<u>847-234-8700</u>
<u>Tom Seeger</u>	<u>21338 BRANDON RD</u>	<u>KILDER</u>	<u>IL</u>	<u>847-234-8700</u>
<u>Tom Seeger</u>	<u>21338 Brandon Road</u>	<u>Kildeer</u>	<u>IL</u>	<u>847-234-8700</u>

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<u>Tom Seeger</u>	<u>21338 BRANDON RD</u>	<u>KILDER</u>	<u>IL</u>	<u>847-234-8700</u>
<u>Tom Seeger</u>	<u>21338 BRANDON RD</u>	<u>KILDER</u>	<u>IL</u>	<u>847-234-8700</u>
<u>Tom Seeger</u>	<u>21338 BRANDON RD</u>	<u>Kildeer</u>	<u>IL</u>	<u>847-234-8700</u>
<u>Tom Seeger</u>	<u>21338 Brandon Rd</u>	<u>Kildeer</u>	<u>IL</u>	<u>847-234-8700</u>
INDIANA				
<u>Ben Knipp</u>	<u>4349 Horman Road</u>	<u>FORT WAYNE</u>	<u>IN</u>	<u>260-341-6671</u>
<u>Kevin Jones</u>	<u>1601 COUNTRY CLUB RD STE A</u>	<u>INDIANAPOLIS</u>	<u>IN</u>	<u>317-273-8500</u>
<u>Kevin & Amy Jones</u>	<u>1601 COUNTRY CLUB RD STE A</u>	<u>INDIANAPOLIS</u>	<u>IN</u>	<u>317-273-8500</u>
<u>Kevin Jones</u>	<u>1601 COUNTRY CLUB RD STE A</u>	<u>INDIANAPOLIS</u>	<u>IN</u>	<u>317-273-8500</u>
<u>Surendra Kankariya</u>	<u>4 Cornwall Drive, Suite 220</u>	<u>East Brunswick</u>	<u>NJ</u>	<u>317-222-1058</u>
<u>Surendra Kankariya</u>	<u>4 Cornwall Drive, Suite 220</u>	<u>East Brunswick</u>	<u>NJ</u>	<u>317-222-1058</u>
IOWA				
<u>Jesse Klein</u>	<u>3019 300th St.</u>	<u>Ellsworth</u>	<u>IA</u>	<u>515-203-9420</u>
<u>Jesse Klein</u>	<u>3019 300th St.</u>	<u>Ellsworth</u>	<u>IA</u>	<u>515-203-9420</u>
KANSAS				
<u>Mark Harris</u>	<u>8423 Hall St.</u>	<u>Lenexa</u>	<u>KS</u>	<u>913-514-2556</u>
<u>Mark Harris</u>	<u>8423 Hall St.</u>	<u>Lenexa</u>	<u>KS</u>	<u>913-514-2556</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Kevin Burton</u>	<u>1260 NW 35th St.</u>	<u>Topeka</u>	<u>KS</u>	<u>785-484-3000</u>
KENTUCKY				
<u>Ken Koger</u>	<u>106 Elk Drive</u>	<u>Stamping Ground</u>	<u>KY</u>	<u>866-712-4484</u>
<u>Kenneth Koger</u>	<u>3369 Main Street</u>	<u>Stamping Ground</u>	<u>KY</u>	<u>866-712-4484</u>
<u>Kenneth Koger</u>	<u>3369 Main Street</u>	<u>Stamping Ground</u>	<u>KY</u>	<u>866-712-4484</u>
<u>Jason Crabb</u>	<u>5247 Wayne Rt. Z</u>	<u>Wappapello</u>	<u>MO</u>	<u>573-776-4328</u>
LOUISIANA				
<u>Jason Freeman</u>	<u>18241 Weatherwood Drive</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>225-910-4444</u>
<u>Jason Freeman</u>	<u>18241 Weatherwood Dr.</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>225-910-4444</u>
<u>Jason Freeman</u>	<u>18241 Weatherwood Drive</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>225-910-4444</u>
<u>Freeman, Jason</u>	<u>18241 Weatherwood Dr.</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>225-910-4444</u>
MARYLAND				
<u>John Dearing</u>	<u>14001 Greencroft Lane</u>	<u>Cockeysville</u>	<u>MD</u>	<u>443-338-3766</u>
<u>John Dearing</u>	<u>14001 Greencroft Lane</u>	<u>Cockeysville</u>	<u>MD</u>	<u>443-338-3766</u>
<u>John Dearing</u>	<u>14001 Greencroft Lane</u>	<u>Cockeysville</u>	<u>MD</u>	<u>443-797-9657</u>
MASSACHUSETTS				
<u>Patrick Greally</u>	<u>16 Russell Trufant Rd</u>	<u>CARVER</u>	<u>MA</u>	<u>781-561-5263</u>
<u>Gaudreau, Seth</u>	<u>986 Middle Rd.</u>	<u>Clarksburg</u>	<u>MA</u>	<u>413-281-3296</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Jeff Murray</u>	<u>769 Washington St</u>	<u>Haverhill</u>	<u>MA</u>	<u>978-228-0349</u>
<u>Jeff Murray</u>	<u>769 Washington St</u>	<u>Haverhill</u>	<u>MA</u>	<u>978-228-0349</u>
<u>Kevan Bradley</u>	<u>47 Perkins Avenue, Apt. 1</u>	<u>Malden</u>	<u>MA</u>	<u>978-413-7917</u>
MICHIGAN				
<u>Anna Exner</u>	<u>6999 Metroplex Drive</u>	<u>Romulus</u>	<u>MI</u>	<u>734-787-3387</u>
<u>Anna Exner</u>	<u>6999 Metroplex Drive</u>	<u>Romulus</u>	<u>MI</u>	<u>734-787-3387</u>
<u>Anna Exner</u>	<u>6999 Metroplex Drive</u>	<u>Romulus</u>	<u>MI</u>	<u>734-787-3387</u>
<u>Anna Exner</u>	<u>6999 Metroplex Drive</u>	<u>Romulus</u>	<u>MI</u>	<u>734-787-3387</u>
<u>Anna Exner</u>	<u>46825 Denton Road</u>	<u>Van Buren Township</u>	<u>MI</u>	<u>734-787-3387</u>
MINNESOTA				
<u>Ada Selina Garrido</u>	<u>944 Newport Avenue</u>	<u>Shakopee</u>	<u>MN</u>	<u>952-564-7828</u>
MISSOURI				
<u>Greg Carleton</u>	<u>4833 NW 57TH CT</u>	<u>KANSAS CITY</u>	<u>MO</u>	<u>816-868-7952</u>
<u>Jason Crabb</u>	<u>8815 Highway T</u>	<u>Wappapello</u>	<u>MO</u>	<u>573-776-4328</u>
<u>Jason Crabb</u>	<u>5247 Wayne Rt. Z</u>	<u>Wappapello</u>	<u>MO</u>	<u>573-776-4328</u>
MONTANA				
<u>Erik Hess</u>	<u>307 Mary Ave.</u>	<u>Missoula</u>	<u>MT</u>	<u>406-544-5208</u>
NEBRASKA				
<u>Larry Stolz</u>	<u>2500 Jameson N.</u>	<u>LINCOLN</u>	<u>NE</u>	<u>402-420-9027</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Larry Stolz</u>	<u>2500 Jameson North</u>	<u>Lincoln</u>	<u>NE</u>	<u>402-420-9027</u>
NEVADA				
<u>Brigham Redd</u>	<u>5062 Moose Falls Dr.</u>	<u>Las Vegas</u>	<u>NV</u>	<u>702-613-9282</u>
<u>Brigham Redd</u>	<u>5062 Moose Falls Dr.</u>	<u>Las Vegas</u>	<u>NV</u>	<u>702-613-9282</u>
<u>Greg Russell</u>	<u>2570 S. Sunshine Circle</u>	<u>Washington</u>	<u>UT</u>	<u>435-525-4496</u>
<u>Greg Russell</u>	<u>2570 S Sunshine Circle</u>	<u>Washington</u>	<u>UT</u>	<u>435-525-4496</u>
NEW JERSEY				
<u>Dillon McInerney</u>	<u>35 Hethcote Road</u>	<u>Glen Rock</u>	<u>NJ</u>	<u>551-655-5429</u>
<u>Dillon McInerney</u>	<u>35 Hethcote Road</u>	<u>Glen Rock</u>	<u>NJ</u>	<u>551-655-5429</u>
<u>Albert Hoffmann</u>	<u>2 REBECCA CT</u>	<u>MIDDLETOWN</u>	<u>DE</u>	<u>302-750-5167</u>
<u>Philip Miranda</u>	<u>9 Martin Street</u>	<u>Newton</u>	<u>NJ</u>	<u>973-862-5069</u>
<u>Philip Miranda</u>	<u>9 Martin Street</u>	<u>Newton</u>	<u>NJ</u>	<u>973-862-5069</u>
<u>Philip Miranda</u>	<u>9 Martin Street</u>	<u>Newton</u>	<u>NJ</u>	<u>973-862-5069</u>
<u>Anthony Rizzo</u>	<u>9 Brookside Road</u>	<u>Succasuna</u>	<u>NJ</u>	<u>973-552-9663</u>
<u>Anthony Rizzo</u>	<u>9 Brookside Rd.</u>	<u>Succasunna</u>	<u>NJ</u>	<u>973-252-9663</u>
<u>Anthony Rizzo</u>	<u>9 BROOKSIDE ROAD</u>	<u>SUCCASUNNA</u>	<u>NJ</u>	<u>973-252-9663</u>
<u>Ronald and Lisa Markese</u>	<u>1889 Lakewood Rd Suite 1</u>	<u>TOMS RIVER</u>	<u>NJ</u>	<u>848-210-6675</u>

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<u>Ronald Markese</u>	<u>1889 Lakewood Rd Suite 1</u>	<u>TOMS RIVER</u>	<u>NJ</u>	<u>848-210-6675</u>
<u>Ronald and Lisa Markese</u>	<u>1889 Lakewood Rd Suite 1</u>	<u>TOMS RIVER</u>	<u>NJ</u>	<u>848-210-6675</u>
<u>Ronald and Lisa Markese</u>	<u>1889 Lakewood Rd Suite 1</u>	<u>TOMS RIVER</u>	<u>NJ</u>	<u>848-210-6675</u>
<u>Ronald and Lisa Markese</u>	<u>1889 Lakewood Rd Suite 1</u>	<u>TOMS RIVER</u>	<u>NJ</u>	<u>848-210-6675</u>
<u>Ronald and Lisa Markese</u>	<u>1889 Lakewood Rd Suite 1</u>	<u>Toms River</u>	<u>NJ</u>	<u>848-210-6675</u>
NEW MEXICO				
<u>Charles Schmidt</u>	<u>2312 DIETZ PLACE NW</u>	<u>ALBUQUERQU E</u>	<u>NM</u>	<u>505-672-8776</u>
<u>Danny and Christy Trussell</u>	<u>8023 Edith Blvd. NE</u>	<u>ALBUQUERQU E</u>	<u>NM</u>	<u>505-314-1997</u>
<u>Danny and Christy Trussell</u>	<u>8023 Edith Blvd. NE</u>	<u>ALBUQUERQU E</u>	<u>NM</u>	<u>505-314-1997</u>
NEW YORK				
<u>Robert Degraff</u>	<u>12780 North Rd.</u>	<u>Alden</u>	<u>NY</u>	<u>716-391-0933</u>
<u>Robert Degraff</u>	<u>12866 Clinton St</u>	<u>Alden</u>	<u>NY</u>	<u>716-391-0933</u>
<u>Robert Degraff</u>	<u>12866 Clinton St</u>	<u>Alden</u>	<u>NY</u>	<u>716-391-0933</u>
<u>Jim Berardi</u>	<u>2528 Balsam Avenue</u>	<u>East Meadow</u>	<u>NY</u>	<u>516-545-0202</u>
<u>Jim Berardi</u>	<u>2528 Balsam Avenue</u>	<u>East Meadow</u>	<u>NY</u>	<u>516-545-0202</u>
<u>Jim Berardi</u>	<u>2528 Balsam Avenue</u>	<u>East Meadow</u>	<u>NY</u>	<u>516-551-7540</u>
<u>Jim Berardi</u>	<u>2528 Balsam Aveue</u>	<u>East Meadow</u>	<u>NY</u>	<u>516-551-7540</u>

Primary Contact	Street 1	City	State/Province	Phone
<u>Ken (Mengmeng) Wang</u>	<u>51 Old Estate Rd.</u>	<u>Manhassest</u>	<u>NY</u>	<u>917-378-1687</u>
<u>Ken (Mengmeng) Wang</u>	<u>51 Old Estate Rd.</u>	<u>Manhasset</u>	<u>NY</u>	<u>917-378-1687</u>
<u>Ken (Mengmeng) Wang</u>	<u>51 Old Estate Rd.</u>	<u>Manhasset</u>	<u>NY</u>	<u>917-378-1687</u>
<u>Ken (Mengmeng) Wang</u>	<u>51 Old Estate Rd.</u>	<u>Manhasset</u>	<u>NY</u>	<u>917-378-1687</u>
<u>Albert Chin</u>	<u>223-51 56th Road</u>	<u>Oakland Gardens</u>	<u>NY</u>	<u>917-831-2019</u>
<u>Michael Gangadeen</u>	<u>3000 Stevens St. Unit 45</u>	<u>Oceanside</u>	<u>NY</u>	<u>516-766-2939</u>
<u>Michael Gangadeen</u>	<u>3000 Stevens St. Unit 45</u>	<u>Oceanside</u>	<u>NY</u>	<u>516-766-2939</u>
<u>Ralph DeStefanis</u>	<u>1034 Erie St.</u>	<u>UTICA</u>	<u>NY</u>	<u>315-437-0055</u>
<u>Trevor Kaftan</u>	<u>955 Route 376</u>	<u>Wappingers Falls</u>	<u>NY</u>	<u>845-849-2244</u>
<u>Trevor Kaftan</u>	<u>955 Route 376, Suite 2</u>	<u>Wappingers Falls</u>	<u>NY</u>	<u>845-849-2244</u>
<u>Trevor Kaftan</u>	<u>955 Route 376</u>	<u>Wappingers Falls</u>	<u>NY</u>	<u>845-849-2244</u>
NORTH CAROLINA				
<u>Michael Sudyk</u>	<u>5515 Wagon Farm Road</u>	<u>Efland</u>	<u>NC</u>	<u>336-343-6782</u>
<u>Rhett & Sally Heglar</u>	<u>3221 BUR OAK DRIVE</u>	<u>GASTONIA</u>	<u>NC</u>	<u>704-332-2888</u>
<u>Richard Reid</u>	<u>106 S. Walnut Circle</u>	<u>Greensboro</u>	<u>NC</u>	<u>919-901-1333</u>
<u>Richard Reid</u>	<u>106 S. Walnut Circle</u>	<u>Greensboro</u>	<u>NC</u>	<u>919-901-1333</u>

Primary Contact	Street 1	City	State/Province	Phone
Tyrel Falgout	106 S. Walnut Circle, Suite A	Greensboro	NC	336-645-3390
Tyrel Falgout	106 S. Walnut Circle, Suite A	Greensboro	NC	336-299-2844
Richard Reid, Ty Falgout, Travis Nisley	106 S. Walnut Circle, Suite A	Greensboro	NC	336-645-3390
Tom Terrana	836 Hawk Ridge Drive	Mill Spring	NC	864-558-1000
Jasper Fowler	116 S Kerr Ave, Unit D	Wilmington	NC	910-541-1633
OHIO				
Ken Mullen	301 S. Miami Ave	Cleves	OH	513-467-9663
Ken Mullen	301 S. Miami Ave	Cleves	OH	513-467-9663
Ken Mullen	301 S. Miami Ave	Cleves	OH	513-467-9663
Ken Mullen	301 S. Miami Ave	Cleves	OH	513-467-9663
Thomas Fisher	530 N. Mulberry St	Clyde	OH	419-366-9682
Thomas Fisher	530 N. Mulberry St.	Clyde	OH	419-366-9682
Larry Pollock	6480 Fiesta Drive	Columbus	OH	614-315-4069
Larry Pollock	6480 Fiesta Drive	Columbus	OH	614-315-4069
Larry Pollock	6480 Fiesta Drive	Columbus	OH	614-315-4069
Larry Pollock	6480 Fiesta Drive	Columbus	OH	614-315-4069

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Larry Pollock</u>	<u>6480 Fiesta Drive</u>	<u>Columbus</u>	<u>OH</u>	<u>614-315-4069</u>
<u>Greg Henry</u>	<u>2699 COLUMBIA TRAIL</u>	<u>LOVELAND</u>	<u>OH</u>	<u>513-677-9663</u>
<u>Paul Flickinger</u>	<u>4276 Sylvan Road</u>	<u>Wooster</u>	<u>OH</u>	<u>330-262-5135</u>
<u>Paul Flickinger</u>	<u>4276 Sylvan Road</u>	<u>Wooster</u>	<u>OH</u>	<u>330-262-5135</u>
OKLAHOMA				
<u>Tim Tomlinson</u>	<u>12511 S. 4th Ct.</u>	<u>Jenks</u>	<u>OK</u>	<u>918-645-3068</u>
<u>Tim Tomlinson</u>	<u>12511 S. 4th Ct.</u>	<u>Jenks</u>	<u>OK</u>	<u>918-645-3068</u>
OREGON				
<u>James Carter</u>	<u>86057 Drummond Dr</u>	<u>EUGENE</u>	<u>OR</u>	<u>541-222-9663</u>
<u>Bill Walker</u>	<u>841 Enterprise Dr</u>	<u>Central Point</u>	<u>OR</u>	<u>541-779-9663</u>
<u>Bill Walker</u>	<u>841 Enterprise Dr</u>	<u>Central Point</u>	<u>OR</u>	<u>541-779-9663</u>
<u>Brock Brittain</u>	<u>7615 SW Salmon Ave.</u>	<u>Redmond</u>	<u>OR</u>	<u>541-317-9663</u>
PENNSYLVANIA				
<u>Albert Hoffmann</u>	<u>2 Rebecca Ct</u>	<u>Middletown</u>	<u>DE</u>	<u>302-750-5167</u>
<u>Ryan Janes</u>	<u>745 Mineo Drive</u>	<u>Erie</u>	<u>PA</u>	<u>814-882-0579</u>
<u>Nick Meyer</u>	<u>1625 Lowell Avenue</u>	<u>Erie</u>	<u>PA</u>	<u>412-932-9732</u>
<u>Nicholas Meyer</u>	<u>1625 Lowell Avenue</u>	<u>Erie</u>	<u>PA</u>	<u>412-932-9732</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Novel Kim</u>	<u>431 S. Bethlehem Pike</u>	<u>Fort Washington</u>	<u>PA</u>	<u>267-410-1710</u>
<u>Chris Lamason</u>	<u>1 BIG HORN AVENUE</u>	<u>MECHANICSBURG</u>	<u>PA</u>	<u>717-713-0237</u>
<u>Chris and Lorie Lamason</u>	<u>1 BIG HORN AVENUE</u>	<u>MECHANICSBURG</u>	<u>PA</u>	<u>717-713-0237</u>
<u>Bill Fuller</u>	<u>Attn: Bill Fuller</u>	<u>Pittsburgh</u>	<u>PA</u>	<u>412-378-4412</u>
<u>Bill Fuller</u>	<u>1150 Davis Ave</u>	<u>Pittsburgh</u>	<u>PA</u>	<u>412-407-9095</u>
<u>Bill Fuller</u>	<u>1150 Davis Ave</u>	<u>Pittsburgh</u>	<u>PA</u>	<u>412-378-4412</u>
<u>Kevin Cunningham</u>	<u>517-519 Wyoming Ave #203</u>	<u>Scranton</u>	<u>PA</u>	<u>570-904-4800</u>
<u>Kevin Cunningham</u>	<u>517-519 Wyoming Ave #203</u>	<u>Scranton</u>	<u>PA</u>	<u>570-904-4800</u>
<u>SOUTH CAROLINA</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Andrew Ambler</u>	<u>30 Peregrine Dr</u>	<u>Hilton Head</u>	<u>SC</u>	<u>843-715-8420</u>
<u>David Judy</u>	<u>1509 Chastain Road</u>	<u>Johns Island</u>	<u>SC</u>	<u>336-209-7560</u>
<u>Tim Judy</u>	<u>1509 Chastain Road</u>	<u>Johns Island</u>	<u>SC</u>	<u>336-209-7560</u>
<u>Tim Judy</u>	<u>1509 Chastain Road</u>	<u>Johns Island</u>	<u>SC</u>	<u>336-209-7560</u>
<u>Tim Judy</u>	<u>1509 Chastain Road</u>	<u>Johns Island</u>	<u>SC</u>	<u>321-243-6054</u>
<u>Tim Judy</u>	<u>1509 Chastain Road</u>	<u>Johns Island</u>	<u>SC</u>	<u>321-243-6054</u>
<u>Tom Terrana</u>	<u>836 Hawk Ridge Drive</u>	<u>Mill Spring</u>	<u>NC</u>	<u>864-558-1000</u>

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Phone</u>
<u>Tom Terrana</u>	<u>836 Hawk Ridge Drive</u>	<u>Mill Spring</u>	<u>NC</u>	<u>864-558-1000</u>
SOUTH DAKOTA				
<u>Lee Knigge</u>	<u>1400 N. Six Mile Road</u>	<u>Sioux Falls</u>	<u>SD</u>	<u>605-906-5565</u>
TENNESSEE				
<u>Stephen Taylor</u>	<u>942 Tom Osborne Rd</u>	<u>Columbia</u>	<u>TN</u>	<u>615-719-2674</u>
<u>Stephen Taylor</u>	<u>942 Tom Osborne Road</u>	<u>COLUMBIA</u>	<u>TN</u>	<u>615-719-2674</u>
<u>Stephen Taylor</u>	<u>942 Tom Osborne Road</u>	<u>Columbia</u>	<u>TN</u>	<u>615-719-2674</u>
<u>Kenneth Aldrich</u>	<u>188 County Rd. 577</u>	<u>Englewood</u>	<u>TN</u>	<u>423-840-1974</u>
<u>Kenneth Aldrich</u>	<u>188 County Rd. #577</u>	<u>Englewood</u>	<u>TN</u>	<u>423-840-1974</u>
<u>Duan Coqui</u>	<u>PO BOX 40387</u>	<u>Nashville</u>	<u>TN</u>	<u>931-548-4000</u>
TEXAS				
<u>Bryce Taylor</u>	<u>3506 Spotted Horse Tr</u>	<u>Austin</u>	<u>TX</u>	<u>512-909-4643</u>
<u>Bryce and Denise Taylor</u>	<u>3506 Spotted Horse Trail</u>	<u>Austin</u>	<u>TX</u>	<u>512-909-4643</u>
<u>Bryce and Denise Taylor</u>	<u>3506 Spotted Horse Trail</u>	<u>Austin</u>	<u>TX</u>	<u>512-909-4643</u>
<u>Bryce Taylor</u>	<u>3506 Spotted Horse Trail</u>	<u>Austin</u>	<u>TX</u>	<u>512-909-4643</u>
<u>Bryce Taylor</u>	<u>3506 Spotted Horse Trail</u>	<u>Austin</u>	<u>TX</u>	<u>512-909-4643</u>
<u>Stephen Lieb & Derek Griffith</u>	<u>697 Metro Park Circle</u>	<u>Lewisville</u>	<u>TX</u>	<u>469-287-5700</u>

Primary Contact	Street 1	City	State/Province	Phone
Derek Griffith	697 Metro Park Circle	Lewisville	TX	469-287-5700
Derek Griffith	697 Metro Park Circle	Lewisville	TX	469-287-5700
Derek Griffith	697 Metro Park Circle	Lewisville	TX	469-287-5700
Derek Griffith	697 Metro Park Circle	Lewisville	TX	469-287-5700
Schmidt, Daniel and Kerry	2980 Puter Creek	Spring Branch	TX	214-680-9447
Daniel Schmidt	2980 Puter Creek	Spring Branch	TX	214-680-9447
Daniel and Kerry Schmidt	2980 Puter Creek	Spring Branch	TX	214-680-9447
Jan Fredrik Bekkmo	1 Waterway Ave #1459	Woodlands	TX	346-298-4805
UTAH				
Behunin, Lonnie	2356 North 950 East	Cedar City	UT	801-406-1114
Behunin, Lonnie	2356 North 950 East	Cedar City	UT	801-406-1114
Monty Huntsman	681 N. 2525 W.	LAYTON	UT	801-399-9663
Monty Huntsman	681 N. 2525 W.	Layton	UT	801-399-9663
Zaric Bushnell	1260 E 3300 S	Millcreek	UT	385-492-8547
Behunin, Lonnie	860 N. 1430 W	Orem	UT	801-406-1114
Greg Russell	2570 S Sunshine Circle	Washington	UT	435-525-4496
VERMONT				

Primary Contact	Street 1	City	State/Province	Phone
Gaudreau, Seth	986 Middle Rd.	Clarksburg	MA	413-281-3296
VIRGINIA				
Greg Liszewski	427 White Oak Lane	Bluemont	VA	571-577-8602
Greg Liszewski	427 White Oak Ln.	Bluemont	VA	571-577-8602
Mark Donnelly	2800 Dorr Ave, Suite P	Merrifield	VA	703-345-3100
Mark Donnelly	2800 Dorr Ave, Suite P	Merrifield	VA	703-345-3100
Brian Curran	2361 B Greystone Court	Rockville	VA	804-283-4997
Brian Curran	2361 B Greystone Court	Rockville	VA	804-283-4997
Keith Reynolds	2636 WEST MAIN ST	SALEM	VA	540-375-6631
Bernice Sherrod-Dumas	2318 Calvert St	Virginia Beach	VA	757-995-1300
Bernice Sherrod-Dumas	2318 Calvert St	Virginia Beach	VA	757-995-1300
Bernice & Bob Dumas	2318 Calvert St	Virginia Beach	VA	757-995-1300
Albert Hoffmann	2 Rebecca Ct.	Middletown	DE	302-750-5167
WASHINGTON				
Chad Sutter	2204 15th St.	Anacortes	WA	360-722-2886
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663

Primary Contact	Street 1	City	State/Province	Phone
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	2518 East Riverside Avenue	Spokane	WA	253-474-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	2518 East Riverside Avenue	Spokane	WA	253-474-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	525 N. Ella Road	Spokane Valley	WA	509-328-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	525 Ella Road	Spokane Valley	WA	509-328-9663
WISCONSIN				
Michael Hilliard	13208 W. Hwy. 14	Evansville	WI	608-205-4455
Primary Contact	Street 1	City	State/Province	Bus Phone
ALABAMA				
Sammy Dosch	422 Valley Rd.	Birmingham	AL	205-600-9817
Sammy Dosch	422 Valley Rd.	Birmingham	AL	205-600-9817
Fred Trick	1305 Twin Oaks Rd. East	Northport	AL	205-210-3683
ARIZONA				

Primary Contact	Street 1	City		State/Province	Phone
John Kiesel	2333 West Clearview Trail	Anthem	AZ	(602)809-5340	
Russell, Greg, Perkins, Weston, & Perkins, Luke	5991 E Abineau Canyon Dr.	Flagstaff	AZ	928-923-5555	
Scott McFadden	4129 East Shannon Street	Gilbert	AZ	480-594-3240	
David Phillips	1406 East Orange Grove Road	Tucson	AZ	520-445-2377	
David Phillips	1406 East Orange Grove Road	Tucson	AZ	520-551-6422	
ARKANSAS					
Taylor White	1753 N. Garland Avenue	Fayetteville	AR	479-259-9722	
Taylor White	1753 N. Garland Avenue	Fayetteville	AR	469-222-9310	
CALIFORNIA					
Ross Mosbarger & Michele Nolan	570 Primrose Ln	Benicia	CA	707-751-0170	
Scott Sutton	15881 Nuaimi Lane	Fontana	CA	909-578-6753	
Scott Sutton	15881 Nuaimi Lane	Fontana	CA	909-578-6753	
Federico Romero	1205 E. Ash Ave	Fullerton	CA	714-519-3230	
Federico Romero	1205 E. Ash Ave	Fullerton	CA	714-519-3230	
Mike Rozo	413 N 12 TH ST.	GROVER BEACH	CA	805-473-9663	
Mike Rozo	413 N 12 TH ST.	GROVER BEACH	CA	805-473-9663	
Mike Rozo	413 N 12 TH ST	GROVER BEACH	CA	805-473-9663	
Mike Rozo	413 N 12 TH ST	GROVER BEACH	CA	805-473-9663	
Mike Rozo	413 N 12 TH ST	GROVER BEACH	CA	805-473-9663	
Jonathan Schoen	660 TAMALPAIS AVE.	NOVATO	CA	415-897-1771	
Jonathan Schoen	660 TAMALPAIS AVE	NOVATO	CA	415-897-1771	
Jonathan Schoen	660 TAMALPAIS AVE	NOVATO	CA	415-897-1771	
John R. Nicholas III	14061 PARADISE DR	POWAY	CA	858-748-1734	
Richard Nance	4228 ALTA CAMPO DRIVE	REDDING	CA	530-221-3275	
Richard Nance	4228 ALTA CAMPO DRIVE	REDDING	CA	530-221-3275	
William (Willie) Plaza	9820 Indiana Ave. Ste 17	Riverside	CA	951-772-1903	
William (Willie) Plaza	9820 Indiana Ave. Ste. 17	Riverside	CA	951-772-1903	

Primary Contact	Street 1	City		State/Province	Phone
William (Willie) Plaza	9820 Indiana Ave. Ste. 17	Riverside	CA	951-772-1903	
William (Willie) Plaza	9820 Indiana Ave. Ste. 17	Riverside	CA	951-772-1903	
Jeffrey Overfield	2248 B SIERRA MEADOWS DRIVE	ROCKLIN	CA	916-630-0160	
Jeffrey (Jeff) Overfield	2248 B SIERRA MEADOWS DRIVE	ROCKLIN	CA	916-630-0160	
Greg Overfield	38 B-2 BETA COURT	SAN RAMON	CA	925-820-1019	
Greg Overfield	38 B-2 BETA COURT	SAN RAMON	CA	925-820-1019	
Oleg Reut	27 W Easy St.	Simi Valley	CA	805-491-2930	
Reut, Oleg	27 W Easy St.	Simi Valley	CA	805-491-2930	
OLEG REUT	27 W Easy St.	Simi Valley	CA	805-491-2930	
Jack Colliau	1111 W. EL CAMINO REAL STE 133	Sunnyvale	CA	855-728-7157	
Benjamin Vafai	12 Piedmont	Trabuco Canyon	CA	949-539-5053	
Benjamin Vafai	12 Piedmont	Trabuco Canyon	CA	949-539-5053	
Benjamin Vafai	12 Piedmont	Trabuco Canyon	CA	949-539-5053	
COLORADO					
Stephen Lane Pack	5910 INGALLS ST #C	ARVADA	CO	479-747-0050	
Stephen Lane Pack	5910 Ingalls St #C	Arvada	CO	479-747-0050	
Stephen Lane Pack	5910 Ingalls St #C	Arvada	CO	479-747-0050	
Stephen Lane Pack	5910 Ingalls St #C	Arvada	CO	479-747-0050	
Stephen Lane Pack	5910 INGALLS ST #C	ARVADA	CO	479-747-0050	
Stephen Lane Pack	5910 Ingalls St #C	Arvada	CO	479-747-0050	
Stephen Lane Pack	5910 INGALLS ST #C	ARVADA	CO	479-747-0050	
Stephen Lane Pack	5910 INGALLS ST #C	ARVADA	CO	479-747-0050	
Kathy Egan	6268 West 10 th St.	Greeley	CO	970-702-4288	
Kathy Egan	6268 West 10 th St.	Greeley	CO	970-702-4288	
CONNECTICUT					
Hedman, Doug	94 Seminary Rd.	Simsbury	CT	860-310-5919	
DELAWARE					
T. Albert Hoffmann	500 Connor Boulevard	Bear	DE	302-750-5167	
FLORIDA					
Jason Vanasse	2420 Concorde Drive	Fort Myers	FL	941-999-1142	

Primary Contact	Street 1	City		State/Province	Phone
Jason Vanasse	2420 Concorde Drive	Fort Myers	FL		920-475-3314
Clay & Teresa Fennimore	74 Sixth Street South	Jacksonville Beach	FL		904-220-9978
Clay & Teresa Fennimore	74 Sixth Street South	Jacksonville Beach	FL		904-220-9978
Clay & Teresa Fennimore	74 Sixth Street South	Jacksonville Beach	FL		904-220-9978
Clay & Teresa Fennimore	74 Sixth Street South	Jacksonville Beach	FL		904-220-9978
Patrick Hagerty	1258 Holly Cove Drive	JUPITER	FL		561-972-0042
Patrick Hagerty	1258 Holly Cove Drive	Jupiter	FL		561-972-0042
Patrick Hagerty	1258 Holly Cove Dr	Jupiter	FL		561-972-0042
Patrick Hagerty	1258 Holly Cove Drive	Jupiter	FL		561-972-0042
Patrick Hagerty	1258 Holly Cove Dr	Jupiter	FL		561-972-0042
Patrick Hagerty	1258 Holly Cove Drive	Jupiter	FL		561-267-3990
Daniel Geier	13022 125 th Avenue	Largo	FL		727-469-3109
Daniel Geier	13022 125 th Avenue	Largo	FL		727-644-6592
Daniel Geier	13022 125 th Avenue	Largo	FL		727-644-6592
Andrew Hesser	10124 SW 130 Terr	Miami	FL		305-491-1222
Andrew Hesser	10124 SW 130 Terr	Miami	FL		305-491-1222
Sandra Costantini	1345 Serrano Circle	Naples	FL		239-601-7702
Sandra Costantini	1345 Serrano Circle	Naples	FL		239-601-7702
Ernesto Rodriguez	10613 Crystal Springs Ct.	Orlando	FL		302-750-5167
Ernesto Rodriguez	10613 Crystal Spring Ct.	Orlando	FL		407-249-8801
Albert Hoffmann	10613 Crystal Springs Ct.	Orlando	FL		302-750-5167
Patricia Senak	1297 N US Highway 1 #6	Ormond Beach	FL		586-764-1538
Patricia Senak	1297 N US Highway 1 #6	Ormond Beach	FL		586-764-1538

Primary Contact	Street 1	City		State/Province	Phone
Patricia Senak	ATTN: Patricia Senak	Ormond Beach	FL		586-764-1538
James Lafreniere	4699 North Federal Highway, #101-M	Pompano Beach	FL		954-294-1268
James Lafreniere	4699 North Federal Highway, #101-M	Pompano Beach	FL		305-491-3430
James Lafreniere	4699 North Federal Highway, #101-M	Pompano Beach	FL		954-294-1268
Juan Reynaud	8520 Sandy Beach St	Tampa	FL		727-723-9663
Juan Reynaud	8457 Sandy Beach Street	Tampa	FL		813-362-7742
Juan Reynaud	8457 Sandy Beach Strreet	Tampa	FL		727-723-9663
Willie Diaz	6005 Jet Port Industrial Blvd	Tampa	FL		813-898-2895
Juan Reynaud	4302 Bayside Village Dr Apt 101	Tampa	FL		727-723-9663
Willie Diaz	6005 Jet Port Industrial Blvd	Tampa	FL		813-898-2895
Willie Diaz	6005 Jet Port Industrial Blvd	Tampa	FL		813-898-2895
Willie Diaz	6005 Jet Port Industrial Boulevard	Tampa	FL		813-898-2895
Willie Diaz	6005 Jet Port Industrial Blvd	Tampa	FL		813-898-2895
Urbizo-Poulsen, Irma	15777 Tangelo Twist	Winter Garden	FL		407-496-4776
Irma L. Ubizo-Poulsen	15777 Tangelo Twist	Winter Garden	FL		407-496-4776
Irma L. Ubizo-Poulsen	15777 Tangelo Twist	Winter Garden	FL		407-496-4776
Irma L. Ubizo-Poulsen	15777 Tangelo Twist	Winter Garden	FL		407-496-4776
Willie Diaz	6005 Jet Port Industrial Blvd.	Tampa	FL		813-898-2895
Brian Gore	2804 McClain Lane	Albany	GA		229-886-6036
Tim Judy	1509 Chastain Road	Johns Island	SC		321-243-6054
Tim Judy	1509 Chastain Road	Johns Island	SC		321-243-6054
GEORGIA					

Primary Contact	Street 1	City	State/Province	Phone
Brandon Holcomb	ATTN: Brandon Holcomb	Alpharetta	GA	470-253-8794
Brandon Holcomb	6820 Meadowridge Ct	Alpharetta	GA	470-253-8794
Jerald Evans	3884 Grayridge Dr.	Duluth	GA	470-235-4769
Jerald Evans	3884 Grayridge Dr.	Duluth	GA	470-235-4769
Brandon Holcomb	9580 Red Bird Lane	Johns Creek	GA	470-253-8794
William Burns	109 Buckfield Drive	Rincon	GA	912-667-0287
Andrew Ambler	30 Peregrine Dr	Hilton Head	SC	912-223-5894
HAWAII				
Mark Evans	73-1295 Nawahie Loop	Kailua-Kona	HI	808-769-1947
Shawn Ouchi	94-622 Kuaie Street	Mililani	HI	808-772-4211
Shawn Ouchi	94-622 Kuaie Street	Mililani	HI	808-256-8441
Shawn Ouchi	94-622 Kuaie Street	Mililani	HI	808-772-4211
IDAHO				
Becca Labrador	6145 Corporal Lane	Boise	ID	208-392-1717
Becca Labrador	6145 Corporal Lane	Boise	ID	208-392-1717
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	525 Ella Road	Spokane Valley	WA	509-328-9663
ILLINOIS				
Tom Seeger	21338 Brandon Road	Kildeer	IL	847-234-8700
Tom Seeger	21338 BRANDON RD	KILDER	IL	847-234-8700
Tom Seeger	21338 Brandon Road	Kildeer	IL	847-234-8700
Tom Seeger	21338 BRANDON RD	KILDER	IL	847-234-8700
Tom Seeger	21338 BRANDON RD	KILDER	IL	847-234-8700
Tom Seeger	21338 BRANDON RD	Kildeer	IL	847-234-8700
Tom Seeger	21338 Brandon Rd	Kildeer	IL	847-234-8700
INDIANA				

Primary Contact	Street 1	City		State/Province	Phone
Ben Knipp	4349 Horman Road	FORT WAYNE	IN		260-341-6671
Kevin Jones	1601 COUNTRY CLUB RD STE A	INDIANAPOLIS	IN		317-273-8500
Kevin & Amy Jones	1601 COUNTRY CLUB RD STE A	INDIANAPOLIS	IN		317-273-8500
Kevin Jones	1601 COUNTRY CLUB RD STE A	INDIANAPOLIS	IN		317-273-8500
Terrell Bailey	4267 Sunrise Drive	Sellersburg	IN		812-913-3825
Surendra Kankariya	4 Cornwall Drive, Suite 220	East Brunswick	NJ		317-222-1058
Surendra Kankariya	4 Cornwall Drive, Suite 220	East Brunswick	NJ		317-222-1058
IOWA					
Jesse Klein	3019 300 th St.	Ellsworth	IA		515-203-9420
Jesse Klein	3019 300 th St.	Ellsworth	IA		515-203-9420
KANSAS					
Mark Harris	8423 Hall St.	Lenexa	KS		913-514-2556
Mark Harris	8423 Hall St.	Lenexa	KS		913-514-2556
Kevin Burton	1260 NW 35 th St.	Topeka	KS		785-484-3000
KENTUCKY					
Aaron Davis	9103 Hudson Lane	Louisville	KY		502-804-4941
Davis, Aaron	9103 Hudson Lane	Louisville	KY		502-804-4941
Aaron Davis	9103 Hudson Lane	Louisville	KY		502-804-4941
Ken Koger	106 Elk Drive	Stamping Ground	KY		866-712-4484
Kenneth Koger	3369 Main Street	Stamping Ground	KY		866-712-4484
Kenneth Koger	3369 Main Street	Stamping Ground	KY		866-712-4484
Jason Crabb	5247 Wayne Rt. Z	Wappapello	MO		573-776-4328
LOUISIANA					
Jason Freeman	18241 Weatherwood Drive	Baton Rouge	LA		225-910-4444
Jason Freeman	18241 Weatherwood Dr.	Baton Rouge	LA		225-910-4444
Jason Freeman	18241 Weatherwood Drive	Baton Rouge	LA		225-910-4444
Freeman, Jason	18241 Weatherwood Dr.	Baton Rouge	LA		225-910-4444
MARYLAND					
John Dearing	14001 Greencroft Lane	Cockeysville	MD		443-338-3766

Primary Contact	Street 1	City		State/Province	Phone
John Dearing	14001 Greencroft Lane	Cockeysville	MD	443-338-3766	
John Dearing	14001 Greencroft Lane	Cockeysville	MD	443-797-9657	
MASSACHUSETTS					
Patrick Greally	16 Russell Trufant Rd	CARVER	MA	781-561-5263	
Gaudreau, Seth	986 Middle Rd.	Clarksburg	MA	413-281-3296	
Jeff Murray	769 Washington St	Haverhill	MA	978-228-0349	
Jeff Murray	769 Washington St	Haverhill	MA	978-228-0349	
Kevan Bradley	47 Perkins Avenue, Apt. 1	Malden	MA	978-413-7917	
MICHIGAN					
Anna Exner	6999 Metroplex Drive	Romulus	MI	734-787-3387	
Anna Exner	6999 Metroplex Drive	Romulus	MI	734-787-3387	
Anna Exner	6999 Metroplex Drive	Romulus	MI	734-787-3387	
Anna Exner	6999 Metroplex Drive	Romulus	MI	734-787-3387	
Anna Exner	46825 Denton Road	Van Buren Township	MI	734-787-3387	
MISSOURI					
Greg Carleton	4833 NW 57 TH CT	KANSAS CITY	MO	816-868-7952	
Greg Carleton	4833 NW 57 TH CT	KANSAS CITY	MO	816-868-7952	
Jason Crabb	8815 Highway T	Wappapelle	MO	573-776-4328	
Jason Crabb	5247 Wayne Rt. Z	Wappapelle	MO	573-776-4328	
MONTANA					
Erik Hess	307 Mary Ave.	Missoula	MT	406-544-5208	
NEBRASKA					
Larry Stolz	2500 Jameson N.	LINCOLN	NE	402-420-9027	
Larry Stolz	2500 Jameson North	Lincoln	NE	402-420-9027	
NEVADA					
Brigham Redd	5062 Moose Falls Dr.	Las Vegas	NV	702-613-9282	
Brigham Redd	5062 Moose Falls Dr.	Las Vegas	NV	702-613-9282	
Greg Russell	2570 S. Sunshine Circle	Washington	UT	435-525-4496	
Greg Russell	2570 S Sunshine Circle	Washington	UT	435-525-4496	
NEW JERSEY					

Primary Contact	Street 1	City		State/Province	Phone
Anthony Rizzo	9 Brookside Road	Succasuna	NJ	973-552-9663	
Philip Miranda	9 Martin Street	Newton	NJ	973-862-5069	
Philip Miranda	9 Martin Street	Newton	NJ	973-862-5069	
Philip Miranda	9 Martin Street	Newton	NJ	973-862-5069	
Anthony Rizzo	9 Brookside Rd.	Succasunna	NJ	973-252-9663	
Anthony Rizzo	9 BROOKSIDE ROAD	SUCCASUNNA	NJ	973-252-9663	
Ronald and Lisa Markese	1889 Lakewood Rd Suite 1	TOMS RIVER	NJ	848-210-6675	
Ronald Markese	1889 Lakewood Rd Suite 1	TOMS RIVER	NJ	848-210-6675	
Ronald and Lisa Markese	1889 Lakewood Rd Suite 1	TOMS RIVER	NJ	848-210-6675	
Ronald and Lisa Markese	1889 Lakewood Rd Suite 1	TOMS RIVER	NJ	848-210-6675	
Ronald and Lisa Markese	1889 Lakewood Rd Suite 1	TOMS RIVER	NJ	848-210-6675	
Ronald and Lisa Markese	1889 Lakewood Rd Suite 1	Toms River	NJ	848-210-6675	
Albert Hoffmann	2 REBECCA CT	MIDDLETOWN	DE	302-750-5167	
NEW MEXICO					
Charles Schmidt	2312 DIETZ PLACE NW	ALBUQUERQUE	NM	505-672-8776	
Danny and Christy Trussell	8023 Edith Blvd. NE	ALBUQUERQUE	NM	505-314-1997	
Danny and Christy Trussell	8023 Edith Blvd. NE	ALBUQUERQUE	NM	505-314-1997	
NEW YORK					
Robert Degraff	12780 North Rd.	Alden	NY	716-391-0933	
Robert Degraff	12866 Clinton St	Alden	NY	716-391-0933	
Robert Degraff	12866 Clinton St	Alden	NY	716-391-0933	
Jim Berardi	2528 Balsam Avenue	East Meadow	NY	516-545-0202	
Jim Berardi	2528 Balsam Avenue	East Meadow	NY	516-545-0202	
Jim Berardi	2528 Balsam Avenue	East Meadow	NY	516-551-7540	
Jim Berardi	2528 Balsam Aveue	East Meadow	NY	516-551-7540	
Jay VanIngen	25 Temple Acres	Geneseo	NY	585-243-0577	
Ken (Mengmeng) Wang	51 Old Estate Rd.	Manhasset	NY	917-378-1687	
Ken (Mengmeng) Wang	51 Old Estate Rd.	Manhasset	NY	917-378-1687	

Primary Contact	Street 1	City		State/Province	Phone
Ken (Mengmeng) Wang	51 Old Estate Rd.	Manhasset	NY		917-378-1687
Ken (Mengmeng) Wang	51 Old Estate Rd.	Manhasset	NY		917-378-1687
Albert Chin	223-51 56 th Road	Oakland Gardens	NY		917-831-2019
Michael Gangadeen	3000 Stevens St. Unit 45	Oceanside	NY		516-766-2939
Michael Gangadeen	3000 Stevens St. Unit 45	Oceanside	NY		516-766-2939
Saulino, Andrew J.	PO BOX 85	Speonk	NY		631-339-9055
Saulino, Andrew J.	PO BOX 85	Speonk	NY		631-339-9055
Saulino, Andrew J.	PO BOX 85	Speonk	NY		631-339-9055
Ralph DeStefanis	1034 Erie St.	UTICA	NY		315-738-1113
Ralph DeStefanis	1034 Erie St.	UTICA	NY		315-437-0055
Trevor Kaftan	955 Route 376	Wappingers Falls	NY		845-849-2244
Trevor Kaftan	955 Route 376, Suite 2	Wappingers Falls	NY		845-849-2244
Trevor Kaftan	955 Route 376	Wappingers Falls	NY		845-849-2244
NORTH CAROLINA					
Michael Sudyk	5515 Wagon Farm Road	Efland	NC		336-343-6782
Rhett & Sally Heglar	3221 BUR OAK DRIVE	GASTONIA	NC		704-332-2888
Richard Reid	106 S. Walnut Circle	Greensboro	NC		919-901-1333
Richard Reid	106 S. Walnut Circle	Greensboro	NC		919-901-1333
Tyrel Falgout	106 S. Walnut Circle, Suite A	Greensboro	NC		336-645-3390
Tyrel Falgout	106 S. Walnut Circle, Suite A	Greensboro	NC		336-299-2844
Richard Reid, Ty Falgout, Travis Nisley	106 S. Walnut Circle, Suite A	Greensboro	NC		336-645-3390
Tom Terrana	836 Hawk Ridge Drive	Mill Spring	NC		864-558-1000
Jasper Fowler	116 S Kerr Ave, Unit D	Wilmington	NC		910-541-1633
OHIO					
Ken Mullen	301 S. Miami Ave	Cleves	OH		513-467-9663
Ken Mullen	301 S. Miami Ave	Cleves	OH		513-467-9663
Ken Mullen	301 S. Miami Ave	Cleves	OH		513-467-9663
Ken Mullen	301 S. Miami Ave	Cleves	OH		513-467-9663
Thomas Fisher	530 N. Mulberry St	Clyde	OH		419-366-9682

Primary Contact	Street 1	City		State/Province	Phone
Thomas Fisher	530 N. Mulberry St.	Clyde	OH		419-366-9682
Larry Pollock	6480 Fiesta Drive	Columbus	OH		614-315-4069
Larry Pollock	6480 Fiesta Drive	Columbus	OH		614-315-4069
Larry Pollock	6480 Fiesta Drive	Columbus	OH		614-315-4069
Larry Pollock	6480 Fiesta Drive	Columbus	OH		614-315-4069
Larry Pollock	6480 Fiesta Drive	Columbus	OH		614-315-4069
Paul Lawrence	8712 Paulden Court	Lewis Center	OH		740-953-8108
Paul Lawrence	8712 Paulden Court	Lewis Center	OH		740-953-8108
Greg Henry	2699 COLUMBIA TRAIL	LOVELAND	OH		513-677-9663
Paul Flickinger	4276 Sylvan Road	Wooster	OH		330-262-5135
Paul Flickinger	4276 Sylvan Road	Wooster	OH		330-262-5135
OKLAHOMA					
Tim Tomlinson	12511 S. 4 th Ct.	Jenks	OK		918-645-3068
Tim Tomlinson	12511 S. 4 th Ct.	Jenks	OK		918-645-3068
Tim Tomlinson	12511 S. 4 th Ct.	Jenks	OK		918-645-3068
Tim Tomlinson	12511 S. 4 th Ct.	Jenks	OK		918-645-3068
OREGON					
James Carter	86057 Drummond Dr	EUGENE	OR		541-222-9663
Bill Walker	841 Enterprise Dr	Central Point	OR		541-779-9663
Bill Walker	841 Enterprise Dr	Central Point	OR		541-779-9663
Brock Brittain	7615 SW Salmon Ave.	Redmond	OR		541-317-9663
PENNSYLVANIA					
Albert Hoffmann	2 Rebecca Ct	Middletown	DE		302-750-5167
Ryan Janes	745 Mineo Drive	Erie	PA		814-882-0579
Nick Meyer	1625 Lowell Avenue	Erie	PA		412-932-9732
Nicholas Meyer	1625 Lowell Avenue	Erie	PA		412-932-9732
Chris Lamason	1 BIG HORN AVENUE	MECHANICSBURG	PA		717-713-0237
Chris and Lorie Lamason	1 BIG HORN AVENUE	MECHANICSBURG	PA		717-713-0237
Bill Fuller	Attn: Bill Fuller	Pittsburgh	PA		412-378-4412
Bill Fuller	1150 Davis Ave	Pittsburgh	PA		412-407-9095
Bill Fuller	1150 Davis Ave	Pittsburgh	PA		412-378-4412
SOUTH CAROLINA					
Andrew Ambler	30 Peregrine Dr	Hilton Head	SC		843-715-8420
David Judy	1509 Chastain Road	Johns Island	SC		336-209-7560

Primary Contact	Street 1	City		State/Province	Phone
Tim Judy	1509 Chastain Road	Johns Island	SC	336-209-7560	
Tim Judy	1509 Chastain Road	Johns Island	SC	336-209-7560	
Tim Judy	1509 Chastain Road	Johns Island	SC	321-243-6054	
Tim Judy	1509 Chastain Road	Johns Island	SC	321-243-6054	
Tom Terrana	836 Hawk Ridge Drive	Mill Spring	NC	864-558-1000	
Tom Terrana	836 Hawk Ridge Drive	Mill Spring	NC	864-558-1000	
SOUTH DAKOTA					
Lee Holway	1130 E St. James Suite #3	Rapid City	SD	605-391-8742	
Lee Knigge	1400 N. Six Mile Road	Sioux Falls	SD	605-906-5565	
TENNESSEE					
Stephen Taylor	942 Tom Osborne Rd	Columbia	TN	615-719-2674	
Stephen Taylor	942 Tom Osborne Road	COLUMBIA	TN	615-719-2674	
Stephen Taylor	942 Tom Osborne Road	Columbia	TN	615-719-2674	
Kenneth Aldrich	188 County Rd. 577	Englewood	TN	423-840-1974	
Kenneth Aldrich	188 County Rd. #577	Englewood	TN	423-840-1974	
Duan Coqui	PO BOX 40387	Nashville	TN	931-548-4000	
TEXAS					
Bryce Taylor	3506 Spotted Horse Tr	Austin	TX	512-909-4643	
Bryce and Denise Taylor	3506 Spotted Horse Trail	Austin	TX	512-909-4643	
Bryce and Denise Taylor	3506 Spotted Horse Trail	Austin	TX	512-909-4643	
Bryce Taylor	3506 Spotted Horse Trail	Austin	TX	512-909-4643	
Bryce Taylor	3506 Spotted Horse Trail	Austin	TX	512-909-4643	
Jon Flynt	106 North Denton Tap Road	Coppell	TX	469-521-9393	
Jon Flynt	106 North Denton Tap Road	Coppell	TX	469-521-9393	
Stephen Lieb & Derek Griffith	697 Metro Park Circle	Lewisville	TX	469-287-5700	

Primary Contact	Street 1	City		State/Province	Phone
Derek Griffith	697 Metro Park Circle	Lewisville	TX		469-287-5700
Derek Griffith	697 Metro Park Circle	Lewisville	TX		469-287-5700
Derek Griffith	697 Metro Park Circle	Lewisville	TX		469-287-5700
Derek Griffith	697 Metro Park Circle	Lewisville	TX		469-287-5700
John Good	6311 Lakewood Park	San Antonio	TX		830-714-4798
John Good	6311 Lakewood Park	San Antonio	TX		830-714-4798
Schmidt, Daniel and Kerry	2980 Puter Creek	Spring Branch	TX		214-680-9447
Daniel Schmidt	2980 Puter Creek	Spring Branch	TX		214-680-9447
Daniel and Kerry Schmidt	2980 Puter Creek	Spring Branch	TX		214-680-9447
UTAH					
Behunin, Lonnie	2356 North 950 East	Cedar City	UT		801-406-1114
Behunin, Lonnie	2356 North 950 East	Cedar City	UT		801-406-1114
Monty Huntsman	681 N. 2525 W.	LAYTON	UT		801-399-9663
Monty Huntsman	681 N. 2525 W.	Layton	UT		801-399-9663
Zaric Bushnell	1260 E 3300 S	Millcreek	UT		385-492-8547
Behunin, Lonnie	860 N. 1430 W	Orem	UT		801-406-1114
Greg Russell	2570 S Sunshine Circle	Washington	UT		435-525-4496
VERMONT					
Gaudreau, Seth	986 Middle Rd.	Clarksburg	MA		413-281-3296
VIRGINIA					
Greg Liszewski	427 White Oak Lane	Bluemont	VA		571-577-8602
Greg Liszewski	427 White Oak Ln.	Bluemont	VA		571-577-8602
Mark Donnelly	2800 Dorr Ave, Suite P	Merrifield	VA		703-345-3100
Mark Donnelly	2800 Dorr Ave, Suite P	Merrifield	VA		703-345-3100
Brian Curran	2361 B Greystone Court	Rockville	VA		804-283-4997
Brian Curran	2361 B Greystone Court	Rockville	VA		804-283-4997
Keith Reynolds	2636 WEST MAIN ST	SALEM	VA		540-375-6631
Bernice Sherrod-Dumas	2318 Calvert St	Virginia Beach	VA		757-995-1300

Primary Contact	Street 1	City	State/Province	Phone
Bernice Sherrod-Dumas	2318 Calvert St	Virginia Beach	VA	757-995-1300
Bernice Sherrod-Dumas	2318 Calvert St	Virginia Beach	VA	757-995-1300
Bernice & Bob Dumas	2318 Calvert St	Virginia Beach	VA	757-995-1300
Albert Hoffmann	2 Rebecca Ct.	Middletown	DE	302-750-5167
WASHINGTON				
Chad Sutter	2204 15 th St.	Anacortes	WA	360-722-2886
Jeff Mourer	10328 NE 201 st PLACE	BOTHELL	WA	425-481-5555
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	2518 East Riverside Avenue	Spokane	WA	253-474-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	2518 East Riverside Avenue	Spokane	WA	253-474-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	525 N. Ella Road	Spokane Valley	WA	509-328-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	525 Ella Road	Spokane Valley	WA	509-328-9663
Adam Blake, Dennis Pace, Jeffrey Pace, & Eric Cox	525 Ella Road	Spokane Valley	WA	253-474-9663
WISCONSIN				
Michael Hilliard	13208 W. Hwy. 14	Evansville	WI	608-205-4455
Michael Hilliard	13208 W. Hwy. 14	Evansville	WI	608-205-4455

EXHIBIT G

LIST OF FORMER FRANCHISEES

Primary Contact	Street 1	City	State/Province	ZIP/Postal Code	Bus Phone
Larry & Paula Strickland	461 Cabbage Patch Rd	Lacey Springs	AL	35754	256-261-8103
Scott McFadden and Rebecca Bradley	4129 East Shannon Street	Gilbert	AZ	85296	480-594-3240
Michele Mosbarger	570 Primrose Lane	Benicia	CA	94510	707-771-0700
Thomas Mann	3604 Millbrae Rd.	Cameron Park	CA	95682	530-333-3273
Alejandro Rivero	150 F Avenue	Coronado	CA	92118	619-301-1728
Dave Lantow	2410 Marwick Ave	Long Beach	CA	90815	714-362-3717
Jack & Marilyn Colliau	1111 West El Camino Real	Sunnyvale	CA	94087	855-728-7157

Keith Stiriz	8345 NW 54 Terrace	Gainesville	FL	32653	352-262-2834
Gary A. Chin	15827 NW 11 St	Pembroke Pines	FL	33028	954-249-4856
Jason Morgan	5680 Oakbrook Parkway, Suite 105	Norcross	GA	30093	770-815-9042
Ronald J Toepper	2040 E. Algonquin Rd.	Algonquin	IL	60102	224-600-8049
Cory L. Diedrich	16250 E. Lake Shore Drive N.	Hope	IN	47246	812-546-2236
Robert Kassiotis	4 Graystone Dr	Danvers	MA	01923	617-543-5792
James & Krissy Verney	530 ROXBURY PLACE	FLORENC E	MS	39073	601-845-7484
David Charles	3806 Steve Ikerd Dr NE	Hickory	NC	28601	828-381-5252
Hugo Ramos-Duarte	1176 Mocksville Hwy	Statesville	NC	28625	704-402-2332
Brandon Klein	74 Quincy Drive	Bedford	NH	03110	603-470-6182
Albert Chin	223-51 56 th Rd	Oakland Gardens	NY	11364	917-831-2019
Ty Arsenault	1231 West Waterloo Road	Akron	OH	44314	234-254-6200
Chet Grewe	719 Congress Park	Centerville	OH	45459	937-604-2920
Chris Lamason	1 Big Horn Avenue	Mechanics burg	PA	17055	717-462-7228
Frazier, Shane	PO BOX 893	Hixson	TN	37343	423-763-8502
David Cole	5110 Melia Dr.	Arlington	TX	76001	817-239-0938
Hills, Tina	9427 Button Brush Court	Gypress	TX	77433	254-702-2720
Jose Kamar	6304 Via Serena Drive	El Paso	TX	79912	915-667-7474

George Martinez	124 Blue Ridge	Kerrville	TX	78028	830-777-7074
Mia Cobell	6807 Trinity Trail Ln	Rosenburg	TX	77469	281-223-1761
James Scott Woodland	2 Bluff View	Round Rock	TX	78664	512-634-8882
Brian and Karen Hammens	26139 Wood Chuck	San Antonio	TX	78260	601-807-3233
Erik Clark	6509 La Sol Lane	Woodway	TX	76712	254-733-7271
David Croy	1130 International Parkway	Fredricksburg	VA	22406	571-616-0015
Bernice & Bob Dumas	2318 Calvert St	Virginia Beach	VA	23451	757-995-1300
William Njama	PO Box 1231	Bremerton	WA	98337	253-561-5239
Jody Gooslin	31 East 2 nd Avenue	Williamson	WV	25661	304-784-7365
Tom Gibson	4 Dover St.	Winfield	WV	25213	304-760-9500
Franchisees who left the system after selling/transferring their business					
Andy Rozzo	5910 Ingalls Street	Arvada	CO	-	303-463-9663
Brian and Karen Hammens	26139 Wood Chuck	San Antonio	TX	78260	210-364-8523
Franchises that have ceased operating					
Todd Sorrell	707 Jennifer St.	Brentwood	CA	94513	925-330-0666
Juan Bartesaghi	284 West Ave	Bridgeport	CT	06604	203-202-2101
Peter Woods	6 OLD DUCK HOLE ROAD	MADISON	CT	06443	203-245-7000
Tony Razza	3 Taylor Drive	Rehoboth	MA	02769	508-509-8385
Knowles, Jerry	7282 N Farm Road 227	Springfield	MO	65809	417-521-4613

<u>Allen Oravetz</u>	<u>105 Warpath Road</u>	<u>Murphy</u>	<u>NC</u>	<u>28906</u>	<u>828-633-3118</u>
<u>Sam Ou</u>	<u>2206 Freeman Way</u>	<u>Allendale</u>	<u>NJ</u>	<u>07401</u>	<u>201-612-9663</u>

~~*Some franchisees terminated, transferred or ceased operating more than one franchise agreement.~~

<u>Primary Contact</u>	<u>Street 1</u>	<u>City</u>	<u>State/Province</u>	<u>Bus Phone</u>
<u>Taylor White</u>	<u>1753 N. Garland Avenue</u>	<u>Fayetteville</u>	<u>AR</u>	<u>469-222-9310</u>
<u>John Kisiel</u>	<u>2333 West Clearview Trail</u>	<u>Anthem</u>	<u>AZ</u>	<u>602-809-5340</u>
<u>Todd Sorrell</u>	<u>707 Jennifer St.</u>	<u>Brentwood</u>	<u>CA</u>	<u>925-330-0666</u>
<u>Federico Romero</u>	<u>1205 E. Ash Ave</u>	<u>Fullerton</u>	<u>CA</u>	<u>714-519-3230</u>
<u>Mike Rozo</u>	<u>413 N 12TH ST</u>	<u>GROVER BEACH</u>	<u>CA</u>	<u>805-473-9663</u>
<u>Juan Bartesaghi</u>	<u>284 West Ave</u>	<u>Bridgeport</u>	<u>CT</u>	<u>203-202-2101</u>
<u>Peter Woods</u>	<u>6 OLD DUCK HOLE ROAD</u>	<u>MADISON</u>	<u>CT</u>	<u>203-245-7000</u>
<u>Brandon Holcomb</u>	<u>6820 Meadowridge Ct</u>	<u>Alpharetta</u>	<u>GA</u>	<u>470-253-8794</u>
<u>Jerald Evans</u>	<u>3884 Grayridge Dr.</u>	<u>Duluth</u>	<u>GA</u>	<u>470-235-4769</u>
<u>Terrell Bailey</u>	<u>4267 Sunrise Drive</u>	<u>Sellersburg</u>	<u>IN</u>	<u>812-913-3825</u>
<u>Tony Razza</u>	<u>3 Taylor Drive</u>	<u>Rehoboth</u>	<u>MA</u>	<u>508-509-8385</u>
<u>Greg Carleton</u>	<u>4833 NW 57TH CT</u>	<u>KANSAS CITY</u>	<u>MO</u>	<u>816-868-7952</u>
<u>Knowles, Jerry</u>	<u>3684 East Beaumont Street</u>	<u>Springfield</u>	<u>MO</u>	<u>417-830-8264</u>
<u>Allen Oravetz</u>	<u>105 Warpath Road</u>	<u>Murphy</u>	<u>NC</u>	<u>828-633-3118</u>
<u>Sam Ou</u>	<u>2206 Freeman Way</u>	<u>Allendale</u>	<u>NJ</u>	<u>201-612-9663</u>

<u>Jay VanIngen</u>	<u>25 Temple Acres</u>	<u>Geneseo</u>	<u>NY</u>	<u>585-243-0577</u>
<u>Saulino, Andrew J.</u>	<u>PO BOX 85</u>	<u>Speonk</u>	<u>NY</u>	<u>631-339-9055</u>
<u>Ralph DeStefanis</u>	<u>1034 Erie St.</u>	<u>UTICA</u>	<u>NY</u>	<u>315-437-0055</u>
<u>Tim Tomlinson</u>	<u>12511 S. 4th Ct.</u>	<u>Jenks</u>	<u>OK</u>	<u>918-645-3068</u>
<u>Andrew Ambler</u>	<u>30 Peregrine Dr</u>	<u>Hilton Head</u>	<u>SC</u>	<u>912-223-5894</u>
<u>Lee Holway</u>	<u>ATTN: Lee Holway & Kelly Stacy</u>	<u>Rapid City</u>	<u>SD</u>	<u>605-391-8742</u>
<u>Jon Flynt</u>	<u>106 North Denton Tap Road</u>	<u>Coppell</u>	<u>TX</u>	<u>469-521-9393</u>
<u>John Good</u>	<u>6311 Lakewood Park</u>	<u>San Antonio</u>	<u>TX</u>	<u>830-714-4798</u>
<u>Bernice & Bob Dumas</u>	<u>2318 Calvert St</u>	<u>Virginia Beach</u>	<u>VA</u>	<u>757-995-1300</u>
<u>Jeff Mourer</u>	<u>10328 NE 201ST PLACE</u>	<u>BOTHELL</u>	<u>WA</u>	<u>425-481-5555</u>
<u>Michael Hilliard</u>	<u>Attn: Michael Hilliard</u>	<u>Evansville</u>	<u>WI</u>	<u>608-205-4455</u>
Franchisees who left the system after selling/transferring their business				
<u>Brigham Redd</u>	<u>5062 Moose Falls Drive</u>	<u>Las Vegas</u>	<u>NV</u>	<u>702-613-9282</u>
<u>Zaric Bushnell</u>	<u>1260 E. 3300 S, Se 220</u>	<u>Millcreek</u>	<u>UT</u>	<u>385-492-8547</u>
Franchises that have ceased operating				
<u>Scott McFadden</u>	<u>4129 East Shannon Street</u>	<u>Gilbert</u>	<u>AZ</u>	<u>480-594-3240</u>
<u>M. Colliau</u>	<u>1111 W. El Camino Real</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>855-728-7157</u>
<u>Aaron Davis</u>	<u>9103 Hudson Lane</u>	<u>Louisville</u>	<u>KY</u>	<u>502-804-4941</u>
<u>Paul Lawrence</u>	<u>8712 Paulden Court</u>	<u>Lewis Center</u>	<u>OH</u>	<u>740-953-8108</u>

***Some franchisees terminated, transferred or ceased operations operated multiple territories**

EXHIBIT H
STATE ADDENDA TO THE DISCLOSURE DOCUMENT

ADDITIONAL STATE DISCLOSURES
TO FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

See the cover page of the Disclosure Document for our URL address. A. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AND COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.DBO.CA.GOV.

1. The following statement is added to Item 3:

Neither Franchisor nor any other person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

2. The following statements are added to Item 17:

California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

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

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur at Nashville, Tennessee or Salt Lake City, Utah with the costs being borne by equally by the parties.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.

The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
4. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Maryland. This also applies to non-residents of Maryland who will operate an N-Hance franchise in the State of Maryland.

10. Item 17 is amended to provide that:

- a. The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- b. The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- d. The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. You may request and we will provide, within a reasonable amount of time, an accounting of the advertising fund, including a summary of revenue and disbursements. Any such accounting will be strictly confidential.

10. If the franchisee resides within or if the franchised business will be located within the State of Maryland, Exhibit I, Franchise Disclosure Questionnaire may be completed, but should not be signed by the franchisee.

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.

MINNESOTA

Minnesota statute §80C14 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

Minnesota statute §80C14 provides: It shall be deemed unfair and inequitable for any person to:

- (A) Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the Franchisee at least 90 days in advance of termination or cancellation, and the recipient of a notice fails to correct the reasons stated for cancellation or termination within 60 days within receipt of the notice, except that the notice shall be effective immediately upon receipt where the alleged grounds are:
 - (i) Voluntary abandonment of the franchise relationship by the Franchisee;
 - (ii) The conviction of the Franchisee of an offense directly related to the business conducted pursuant to the franchise; or
 - (iii) Failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Franchisor's trade name, Trademark, service mark, logotype or other commercial symbol after the Franchisee has received written notice to cure of at least 24 hours in advance thereof;
- (B) Terminate or cancel a franchise except for good cause. "Good cause" shall be failure by the Franchisee substantially to comply with reasonable requirements imposed upon him by the franchise including, but not limited to:
 - (iv) The bankruptcy or insolvency of the Franchisee;
 - (v) Assignment for the benefit of creditors or similar disposition of the assets of the franchise business;
 - (vi) Voluntary abandonment of the franchise business;
 - (vii) Conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or
 - (viii) Any act by, or conduct of, the Franchisee which materially impairs

the goodwill associated with the Franchisor's Trademark, trade name, service mark, logotype or other commercial symbol.

- (C) Unless the failure to renew the franchise is for good cause as defined in clause (B), Franchisor may not fail to renew a franchise unless (i) the Franchisee has been given written notice of the intention not to renew at least 180 days in advance thereof and (ii) has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.

A franchisor may not unreasonably withhold consent to an assignment, transfer, or sale of the franchise where the assignee meets the present qualifications and standards required of other franchisees.

Item 13 is modified as follows: The Minnesota Department of Commerce requires that a Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Trademark infringes Trademark rights of the third party. The Company does not indemnify against the consequences of the Franchisee's use of the Company's Trademark except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, the Franchisee must provide notice to the Company of any such claim within 10 days and tender the defense of the claim to the Company. If the Company accepts the tender of defense, the Company has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17 is amended to provide that you shall not be required to assent to a general release, and that liquidated damages are generally not permitted under Minnesota law.

NEW YORK

The following is added to the Cover Page of the Disclosure Document:

SPECIAL RISK FACTORS:

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

The following should be added to Item 3 of this Disclosure Document:

Item 3. Litigation. The first paragraph is deleted in its entirety and replaced with the following:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

1. No such party has had an administrative, criminal, or civil action alleging: a felony; violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.
2. No such party has pending actions, other than routine litigation, incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
3. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the ten-year period immediately preceding the application for registration, has been convicted or pleaded nolo contendere to a misdemeanor charge; or been held liable in a civil action alleging: violation of a franchise, antitrust, or securities law; fraud; embezzlement; misappropriation of property; unfair or deceptive practices, or comparable allegations.
4. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a franchise as a real estate broker

or sales agent.

Item 11. The following is inserted at the end of Item 11: “Advertising on the Internet”. We have no restrictions regarding our use of the internet or the worldwide web for advertising purposes. You must have a customized web site connected to our web site and managed by our web site provider (Items 6 and 8 of this Disclosure Document). You may not develop and implement an N-Hance website through a third party provider (Item 8 of the Disclosure Document and Section 2.I. of the Franchise Agreement).

Item 15. The following is inserted to the end of paragraph 1: If you hire an employee to serve as the Managing Owner of the Franchised Business (“delegate”), the delegate does not need to have any ownership in the Franchised Business. However, the delegate must attend Training and sign our Confidentiality and Non-Disclosure document prior to assuming this role. Your delegate must not have pleaded no contest or been convicted of a felony and must submit to a background check, whose cost is to be paid by the Franchisee.

The following is added to the end of the “Summary” sections of 17(c), titled “**Requirements for franchisee to renew or extend**” and 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 by 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.”

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.”

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

Item 17.J. Summary Column, is amended to read: “No restriction on us of the right to assign however, no assignment will be made except to an assignee that, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.”

Item 17.S. Summary Column, the following is added to the end of Item 17.S.:

“Modifications to the System Standards will not unreasonably affect your obligations under the Franchise Agreement.”

NORTH DAKOTA

The following statements are added to Item 17:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.

Arbitration proceedings may take place at a location mutually agreed between the parties that is not remote from your Territory.

You are not required to release any claims you might have against us under the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of the franchise agreements are generally not enforceable in the State of North Dakota, except in certain instances as provided by law.

RHODE ISLAND

The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.

VIRGINIA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

10. The following is added to the Special Risks to Consider:

Spousal Liability. Your spouse may be asked to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

10 The following is added to Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement and/or the Development Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

3. The proposed agreements described in Item 22, including all agreements that a franchisee must sign, are accurately presented in this Disclosure Document.

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to the Disclosure Document:

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

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and your relationship with us, including the areas of termination and renewal of your franchise.

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

To the extent required by the Act, a release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act, except when executed according to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitation period for claims under the Act, rights or remedies under the Act, such as rights to jury trial might not be enforceable; however, we agree to enforce them to the extent the law allows.

Transfer fees are collectible to the extent they reflect our reasonable estimated or actual costs in effecting a transfer.

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

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

Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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.

WISCONSIN

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Wisconsin.

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
2. The following applies to Franchise Agreements in the State of Wisconsin:
 - (a) The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the Act), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - (b) The Act's requirements that Franchisor must provide franchisee at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. This notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that franchisee has 60 days in which to cure any claimed deficiency. If the deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, franchisee will have 10 days to cure the deficiency.

EXHIBIT I

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Nhance, Inc. and you are preparing to enter into a Franchise Agreement for the operation of an Nhance franchise. Please review each of the following questions carefully and provide honest responses to each question. Franchisees in the State of Washington should not sign this Questionnaire.

1. Have you received and personally reviewed the Nhance, Inc. Franchise Disclosure Document and each exhibit we provided to you? Yes_____ No_____
2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? Yes_____ No_____
3. Have you discussed operating a Nhance franchise with an attorney, accountant or other professional advisor? Yes_____ No_____
4. Do you understand the success or failure of your franchise will depend on many factors including your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace? Yes_____ No_____
5. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise regarding the amount of money you may earn in operating the Nhance franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes_____ No_____
6. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise concerning the total amount of revenue the Nhance franchise will generate that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes_____ No_____
7. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise regarding the costs involved in operating the Nhance franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes_____ No_____
8. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating an Nhance franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes_____ No_____
9. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes_____ No_____

10. If you have answered “Yes” to any of the questions 7 through 11, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of the foregoing questions, please leave the following lines blank.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

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.

Maryland sales/Maryland residents: The representations, acknowledgements and affirmations in this Exhibit are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act

Washington sales/Washington residents: This Franchisee Disclosure Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

FRANCHISE APPLICANT

_____, 20__

STATE EFFECTIVE DATES

The following states require that the 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 Dates stated below:

State	Effective Date
California	pending
Hawaii	pending
Illinois	Exempt
Indiana	Exempt
Maryland	pending
Michigan	Effective
Minnesota	pending
New York	Exempt
North Dakota	pending
Rhode Island	pending
South Dakota	pending April 7, 2023
Virginia	pending
Washington	pending
Wisconsin	pending

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

Item 23

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Nhance, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The issuance date of this Franchise Disclosure Document is March ~~29, 31, 2023, as amended July 19, 2023, as amended January 17, 2024~~.

Nhance, Inc. authorizes the respective state agents identified on **Exhibit A** to receive service of process for it in the particular states.

I received a Disclosure Document from Nhance, Inc. dated March ~~29, 31, 2023, as amended July 19, 2023, as amended January 17, 2024~~ that included the following Exhibits:

A	State Agencies/Agents for Service of Process	G	Former Franchisees
B	Franchise Agreement and other Agreements	H	State Addendums to the
C	Initial Fee Business Note		Franchise Disclosure Document
D	Financial Statements & Guaranty	I	Franchise Disclosure Questionnaire
E	Table of Contents of Training Manual		
F	List of Franchisees		

Date Received	Signature	Printed Name
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Date Received	Signature	Printed Name
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If Corporation or other entity – Name of entity:_____

Date	Signature of Officer	Printed Name and Title
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Franchise Sellers located at: 3310 West End Avenue, Suite 620, Nashville, TN 37203; Telephone: (800) 841-6583.
Please check the salesperson/people that you worked with.

____ D'Wayne Tanner ____ David Luke ____ Laura Martin Other_____

Please keep one Receipt for your records and return one to NHance, Inc., 3310 West End Avenue, Suite 620, Nashville, TN 37203

Item 23
RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Nhance, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The issuance date of this Franchise Disclosure Document is March ~~29, 31, 2023, as amended July 19, 2023, as amended January 17, 2024~~.

NHance, Inc. authorizes the respective state agents identified on **Exhibit A** to receive service of process for it in the particular states.

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