

As of the date of the last financial statements, we derived \$1,000 from franchisees' required purchases and leases, which is 3% of our 2023 total revenue of \$32,643, according to our internally prepared financial statements.

We estimate that the cost of the items purchased according to our specifications will be approximately 40% to 60% of the overall purchases in establishing the business and approximately 25% of the total purchases during the operation of the business.

We reserve the right to mark up and earn a profit from the products purchased from us, our affiliates, or our suppliers. In 2023, our affiliate, BHI Distribution derived \$53,000.00 from the sale of franchisees' required purchases and our affiliate Chem-Dry, Inc. derived \$519.69 from the sale of franchisees' purchases.

8.10 Cooperatives

As of the date of this offering, we do not have any purchasing arrangements or distribution cooperatives, but we reserve the right to establish them in the future. We reserve the right to negotiate purchasing arrangements with suppliers, including price terms, for the benefit of franchisees.

8.11 Advertising

We will provide you with the Initial Marketing Package, which includes four (4) months of targeted marketing in your Territory.

For all other advertising, you must use our approved advertising and marketing materials or receive our written approval from us of any and all other advertising and marketing materials before their first use.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 1.D	Items 6, 11 and 12
b. Pre-opening purchases/leases	Sections 2.A, 2.B, 2.G, 2.H, 2.I, and 7	Items 6, 7 and 8
c. Site development and other pre-opening requirements	Sections 1.D, 2.F, 2.G, and 3.A	Items 7 and 11
d. Initial and ongoing training	Sections 1.C, 2.A and 3	Items 6, 7 and 11
e. Opening	Sections 2, 3 and 7	Item 11
f. Fees	Sections 2, 6.C, 10.B, 11.D, 13.A, 15.C and 16	Items 5 and 6

of maintaining, administering, directing, preparing, producing, and implementing advertising, including the cost of: (i) preparing, producing, and implementing television, radio, magazine, newspaper, and online advertising campaigns, the cost of direct mail and outdoor billboard advertising; (ii) public relations activities and advertising agencies; (iii) developing and maintaining an Internet website; and personnel and other departmental costs for advertising that we internally administer or prepare. Nevertheless, we acknowledge that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that the Brand Marketing Fund will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Marketing Fund for public relations or recognition of the “SAFER HOME SERVICES” brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available.”

We may periodically assist SAFER HOME SERVICES franchisees to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives (“Surveys”). The cost of such programs will be borne by the Brand Marketing Fund.

We have the right to reimburse ourselves from the Brand Marketing Fund for such reasonable costs and overhead, including salaries, if any, that we may incur in activities reasonably related to the direction and implementation of the Brand Marketing Fund by both in-house marketing staff and third-party marketing.

We are not required to contribute to the Brand Marketing Fund. We may, but are not obligated to, advance money to the Brand Marketing Fund to fund Brand Marketing Fund programs. In the event that we advance monies to the Brand Marketing Fund, we will determine, in our sole discretion, the manner and timing for the repayment, to us, of some, or all, of the funds we advance.

We will prepare on an annual basis, within 120 days of the end of the fiscal year, ~~and make available to you upon written request~~, a statement of contributions and expenditures for the Brand Marketing Fund. ~~These will be made available to you upon written request, which can be submitted to legal@belfrangroup.com.~~ The Brand Marketing Fund does not have to be independently audited. ~~In the year 2023, we did not collect Brand Marketing Fees from franchisees.~~

There are currently no requirements for participation in an advertising council or any local advertising cooperatives, though we reserve the right to establish an advertising council or advertising cooperatives in the future.

11.6 Computer Software, Internet, and Systems

You are required to use our SAFER HOME SERVICES CRM (customer relationship management) cloud-based software system. You access SAFER HOME SERVICES CRM from a tablet or computer. This system provides you the ability to manage cash flow and daily operating activities. The cost of the software is \$250 per month per user. We currently require you to utilize QuickBooks Online Accounting Software. We will have independent access to the information generated and stored in the Computer System.

We have the right to change this requirement at our discretion. We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including without limitation: (i) a compatible “back office” computer system that complies with our standards and specifications; (ii) a custom and proprietary point of sale system (iii) printers and other peripheral hardware or devices; (iv) archival back-up

****General and Administrative expenses were omitted from the above disclosure because they are discretionary, and vary in accordance with each Owner’s specific demographics. ~~As such, the above chart is not a full report of all variable costs or fixed operating expenses that you may incur, and is not a statement regarding the net income or profit of the Businesses in 2023. Additionally, while the business will be operated all year in all geographic locations, there are peak seasons in certain climates, which vary based on the area of the country where you are located.~~

Other than territory size, there were no other measurable differences between the affiliate-owned and franchisee location in 2023.

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

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

Other than the preceding financial performance representation, Safer Home Services, International, LLC does not make any representations about a franchisee’s future financial performance representations. We also do not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jim Swayne, President, 731 Fairfield Court, Ann Arbor, MI 48108, 734-864-9763, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
System wide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	1	1	0
	2022	1	1	0
	2023	1	3	+2
Company Owned	2021	8	8	0
	2022	8	8	0
	2023	8	8	0
Totals	2021	9	9	0
	2022	9	9	0
	2023	9	11	+2

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN CALIFORNIA

This is an addendum to the Agreement between Franchisor and Franchisee.

Notwithstanding anything to the contrary in the Franchise Agreement, if there is a conflict between the terms of this Addendum and the terms of your Franchise Agreement, the terms of this Addendum shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties signing below, it is hereby agreed and understood that the following will supersede the Sections of the Franchise Agreement listed below:

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.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

If the franchise agreement contains one or more of the provisions referred to in the following paragraph(s), the appropriate paragraph(s) shall be included:

- i. 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.).
- ii. 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.
- iii. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- iv. The franchise agreement requires mediation. The mediation will occur in Ann Arbor, Michigan, with the costs being borne by both 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 the State of California.
- v. The franchise agreement requires application of the laws of Michigan. This provision may not be enforceable under California law.

13.D. COVENANT NOT TO COMPETE.

You acknowledge and reaffirm that the SAFER HOME SERVICES customer list developed under your Franchise Agreement, is the sole and exclusive proprietary information of Safer Home Services International, LLC, and you have no ownership right(s) or any other interest in this customer list except as a SAFER HOME SERVICES franchisee. In the event of any future

~~ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN HAWAII~~

~~This is a Rider to the Agreement, which is being executed concurrently with this Rider, between Franchisor and Franchisee.~~

~~Item 5 and Item 21 are amended to state: Based upon the franchisor's financial condition, the Hawaii Department of Commerce and Consumer Affairs has required that we defer the collection of initial fees until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.~~

FRANCHISOR:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN ILLINOIS

This is a Rider to the Agreement, which is being executed concurrently with this Rider, between Franchisor and Franchisee.

Notwithstanding anything to the contrary in the Franchise Agreement, in the event of a conflict between the terms of this Rider and the terms of the Franchise Agreement, the terms of this Rider shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, (Ill. Comp. Stat. §§ 705/1 to 705/44), the parties to the Safer Home Services International, LLC Franchise Agreement (the “Agreement”) agree as follows:

1. Background

We and you are parties to that certain Agreement that has been executed on the Effective Date concurrently with the execution of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because (a) the offer or sale of the franchise for franchise you will operate under the Agreement was made in the State of Illinois and you will operate the Franchise in the State of Illinois and/or (b) you are a resident of the State of Illinois.

~~ADDITIONAL DISCLOSURES FOR THE STATE OF HAWAII~~

~~Item 5 and Item 21 are amended to state: Based upon the franchisor's financial condition, the Hawaii Department of Commerce and Consumer Affairs has required that we defer the collection of initial fees until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.~~

ADDITIONAL DISCLOSURES FOR THE STATE OF ILLINOIS

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

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

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

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

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 ILCS §§ 705/1 et. seq., the Franchise Disclosure Document, in connection with the offer and sale of franchises for use in the State of Illinois, shall be amended to include the following:

The following language is added to the table in Item 17 at the end of the Summary sections of provisions (v) and (w) entitled Choice of Forum and Choice of Law: "subject to state law, and except for any claims arising under the Illinois Franchise Disclosure Act of 1987." Illinois law will govern the Agreement and all litigation will be commenced in Illinois.

Item 5 is amended to state: A Surety Bond has been obtained by Franchisor to assure its financial capability; the bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney general due to Franchisor's financial condition.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Investment Act of 1987 are met independently without reference to this Addendum to the Disclosure Document.

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