



CRS FRANCHISING, LLC

FRANCHISE DISCLOSURE

DOCUMENT

ISSUED: APRIL ~~1322~~, ~~2023~~ 2024

FRANCHISE DISCLOSURE DOCUMENT



CRS Franchising,
LLC A Pennsylvania limited liability
company 195 Montour Run Road., Suite
~~101~~ 105
Coraopolis, PA
15108
~~franchise@crspackout.com~~
support@crspackout.com
www.crspackout.com
(833) 525-7277

CRS Franchising, LLC d/b/a CRS, offers franchisees the opportunity to operate a professional restoration company specializing in restoration of personal property and goods that have been damaged in a flood, fire, or other tragedy under the [Content Recovery Specialists and](#) CRS name and mark (each, a “Business” or “Franchise Business”). ~~CRS’~~ CRS’s state-of-the-art technology, impeccable service and focus in working with insurance carriers, to document all contents digitally, puts them at the forefront for residential and commercial personal property restoration needs.

The total investment necessary to begin operation of a CRS Business for one territory is ~~\$150,100~~ 135,300 to ~~\$382,700~~ 294,000. This includes an initial ~~franchise fee amount~~ of \$55,000 that must be paid to us or our affiliates.

The total investment necessary to begin operation of ~~three (3)~~ between two (2) and five (5) CRS Businesses under a Development Agreement is ~~\$260,100 to \$492,700~~ 190,300 to \$514,000. This includes ~~from \$165,000 to \$275,000~~ from \$110,000 to \$275,000 that must be paid to us or our affiliates. ~~Although we use three (3) as an example, you must agree to develop a minimum of two (2) CRS Businesses under the Development Agreement.~~

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 Disclosure Document.** You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss this availability of disclosures in different formats, please contact Henry D. Duckstein and Ashley Taylor-Nock at 195 Montour Run Road., Suite ~~101~~ 105, Coraopolis, PA 15108 and 833-525-7277.

The terms of your franchise agreement will govern your franchise relationship. Do not rely on this Disclosure Document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement and this Disclosure Document to an advisor, like a lawyer or 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~~ contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue N.W., Washington, D.C. 20580. You can also visit the FTC’s home page at 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: April ~~13²²~~, ~~2023~~ 2024

Special Risks to Consider about *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. 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 Pennsylvania than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty payments or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in the termination of your franchise and loss of your investment.
3. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
4. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

~~5. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.~~

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" pages for your state in Exhibit I.

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

To simplify the language in this disclosure document, the words “we,” “our,” “us,” and “franchisor” refer to CRS Franchising, LLC d/b/a CRS. “you,” “your,” and “franchisee” means the person or entity who buys a franchise, including the individual owners of an entity owned franchise.

Franchisor and Affiliates

We are a Pennsylvania limited liability company organized on August 19, 2021, although we did not begin operations until March 2022. Our principal place of business is 195 Montour Run Road, Suite ~~101~~105, Coraopolis, PA 15108. We do business under our corporate name and under the trade name “CRS” which is short for “Content Recovery Specialists”. We began offering franchises in April 2022. We do not and have not conducted any other business, nor have we previously, or currently, offered franchises in any other line of business.

We do not have any predecessors or parents. Our agent for service of process in Pennsylvania is Ashley Taylor-Nock, and the agent’s principal business address is 195 Montour Run Road., Suite ~~101~~105, Coraopolis, Pennsylvania 15108. Our agents for service of process in other states are disclosed in Exhibit B.

Our affiliate, Content Recovery Specialists, LLC d/b/a Content Recovery Specialists, a Pennsylvania limited liability company, with a principal business address of 195 Montour Run Road., Suite ~~101~~105, Coraopolis, PA 15108. Content Recovery Specialists, LLC has operated a professional restoration business in and around Pennsylvania like the Businesses we offer in this Disclosure Document, since October 2020. Content Recovery Specialists, LLC will serve as the model store for training and related purposes. We refer to this affiliate-owned business as a “Company-Owned Outlet”.

Our affiliate will not provide products or services to our franchisees. Our affiliate does not offer franchises in any line of business.

Our Prior Business Experience

~~The Company Owned Outlet has been operating in its current capacity since 2020. Prior to 2020, Duckstein Contracting managed a Restoration Business, which was formed into Content Recovery Specialists, LLC in 2020.~~

Prior to 2020, a Pennsylvania company called Duckstein Contracting Inc. operated a restoration business. In 2020, the “Contents” division of Duckstein Contracting Inc. was developed into Content Recovery Specialists, LLC, which is our Company-Owned Outlet. Thereafter, we began selling franchises modeled after the Company-Owned Outlet in April 2022.

The Franchise Being Offered

We grant qualified franchisees the right to open and operate CRS businesses specializing in restoration of personal property and goods that have been damaged in a flood, fire or other tragedy, under the trade name CRS (the “Recovery Services”). The franchise agreement authorizes you to use the trademarks, service marks, trade names, logos, and symbols we designate (the “Marks”) to provide Recovery Services (the “Business” or “Franchise Business”).

The Business will operate according to the procedures and methods we have developed and continue to develop for the CRS brand (the “System”).

Upon signing a Franchise Agreement with us, you will develop and operate a professional restoration company specializing in restoration of personal property and goods that have been damaged in

will develop multiple CRS outlets, on an agreed-upon schedule, at least 2. For each future unit franchise, we will require you to sign our then-current form of Franchise Agreement, which may be different from the form of Franchise Agreement included in this disclosure document.

Our franchisees operate the Business from a specific street address or site that we have approved for their business premises (the “Site”). Franchisees may have multiple franchises in contiguous or adjoining territories and operate from a single Site.

The Market and Competition

The market for Recovery Services is well established and highly competitive. The Recovery Services business operates year-round and is not seasonal. You will compete for customers with independent owners, national chains, regional chains, and franchised businesses, offering restoration services for personal property/goods that have been damaged in a flood, fire, or other tragedy.

Applicable Regulations

You must comply with all local, state, and federal laws and regulations applicable to the operation of Recovery Services businesses, including health, safety, insurance, discrimination, employment, and sexual harassment laws. Health regulations, as well as other state and local specific safety and workplace regulations may impact the types of training, devices, and equipment you must make available to your employees. Health and safety requirements can vary from jurisdiction to jurisdiction and specific inquiry should be made with your state and local authorities. There may be federal, state, and local laws which affect your franchise in addition to those listed here.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business. We strongly recommend that before signing the Franchise Agreement, you engage a franchise attorney and other professional advisors to advise you in determining the laws, ordinances, and regulations affecting your establishment or operation of a franchise, to assist you in evaluating the financial ramifications of this business decision, and the risks of this business investment.

ITEM 2 BUSINESS EXPERIENCE

Henry D. Duckstein –~~President~~–~~CEO~~

Mr. Duckstein has served as our ~~president-CEO~~ since May 2021, and has served as the ~~president-CEO~~ of Content Recovery Specialists, LLC since its formation in October 2020. From at least June 2005 ~~to and continuing through~~ the present, Mr. Duckstein has served as ~~president-Owner, CEO, and/or President~~ for Duckstein Properties-and-; Duckstein Contracting-in-; HEM HOLDINGS, LLC; The Greater Pittsburgh Sports Complex, Restoration Claims Consultants, Duckstein Estates, Duckstein Management, and more in and around the McKees Rocks, Pennsylvania area.

Ashley Taylor-Nock –~~General Manager~~~~President and Founder~~

Ms. Taylor-Nock has served as our ~~general manager–President and Founder~~ since May 2021, and has served as the ~~general manager–President and Founder~~ for Content Recovery Specialists, LLC since October 2020. From May 2012 to ~~the present~~January 2022, Ms. Taylor- Nock ~~has~~ served as ~~general manager–General Manager~~ for Duckstein Contracting in the McKees Rocks, Pennsylvania area.

**ITEM 3
LITIGATION**

No litigation exists or is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL
FEES**

We require a non-refundable initial franchise fee (the “Franchise Fee”) of \$55,000 for the operation of a CRS Business in a single territory (a “Territory”) consisting of an area with approximately 700,000 to 800,000 individuals that your Business may provide services to. While we generally attempt to establish Territories that consist of a population of 700,000 to 800,000 individuals, several factors may alter the size of the Territory you receive. The final and specific bounds of the Territory will be set forth in the Franchise Agreement. The initial Franchise Fee must be paid to us upon signing the Franchise Agreement.

We may permit you to purchase additional territory in contiguous areas (beyond 800,000 individuals) for each Business at a rate of ten cents (\$.10) per individual. Additional territory purchases will be evaluated on a case-by-case basis for a single [CRS Business](#) and for each Business in your Development Agreement. The number of individuals in your territory is generally determined from estimates prepared by the U.S. Census Bureau and other reporting agencies. We may use a substitute or successor source of population information and the source and date of the information we use is determined solely by us. Your Territory will typically be defined by zip codes but in densely populated urban areas it may be defined differently. See Item 12 for additional information regarding your territory.

If we determine you are qualified to develop multiple Businesses, we may offer you the opportunity to enter into a Development Agreement, to develop two or more CRS Businesses. A one-time development fee is due when the Development Agreement is executed (“Development Fee”). Your Development Fee will depend on the number of Businesses we grant you the right to open within the Development Area, and is calculated as ~~set forth in the~~ [the Franchise Fee multiplied by the number of units you agree to develop](#). The table below [illustrates the Development Fee](#):

Number of Franchised Businesses We Grant You the Right to Develop	Initial Franchise Fee Cost Per Unit in Range	Cumulative Development Fee
1	\$55,000	\$55,000
2	\$55,000	\$110,000
3	\$55,000	\$165,000
4 4	\$55,000	\$220,000 +
5+	\$55,000+	\$275,000+

You will be required to enter into a franchise agreement for each Business but will not be required to pay an initial franchise fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current Franchise Agreement for the initial Business we grant you the right to open within your Development Area concurrently with the Development Agreement.

Based upon the Franchisor's financial condition, the Minnesota Securities Registration Division has required a financial assurance. Therefore, the Franchisor will defer collection of initial franchise fees until the franchised business opens.

**ITEM 6
OTHER
FEES**

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Revenue. The minimum royalty fee is \$1,000 per month. ³	The 5 th day after you receive payment for any and all Services performed.	Gross Revenue is defined in the Franchise Agreement and in Note 2 below. Royalties are due monthly. Franchisor may require reconciliation within its reasonable discretion. The Royalty Fee applies on a per-Territory basis.
Review/Consulting Fee	3% of Gross Revenue	The 5 th day after you receive payment for any and all Services performed.	This fee is payable to us for the provision of support to you in reviewing bids <u>estimates and invoices</u> , costs, and strategy related to your Business.
Brand Fund Contribution	Up to 3% of Gross Revenue. Currently 1% of Gross Revenue	The 5 th day after you receive payment for any and all Services performed.	The purpose of the Brand Fund is to support general development and recognition of the CRS brand. We may specify a different Brand Fund Contribution, not to exceed 3% of Gross Revenue, upon notice to you.

Type of Fee ¹	Amount	Due Date	Remarks
Cooperative Advertising	Currently there are no advertising co-ops. If we establish an advertising co-op, you may be required to contribute as approved by a majority vote of the <u>of the</u> members of the co- <u>co-</u> op.	Established by co-op.	Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co- op, you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising expenditure. Franchisor outlets may participate but will have equal voting power to franchisee members of the co- op. If Franchisor outlets have controlling votes, participating outlets spend shall not exceed 2% of Gross Revenue.
Replacement / Additional Training fee	Currently, \$250 per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a markup or charge for administering the payment program.
Technology Fee	Currently, \$400 per month	Monthly	We require you to use certain software as described in Item 11. Any third party <u>You pay</u> subscription fees will be paid directly to the software supplier, and not to us. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. We may increase the Technology Fee at any time by providing sixty (60) days' notice to you. There is no cap on the amount the Technology Fee may be increased.

Type of Fee ¹	Amount	Due Date	Remarks
Non-compliance fee	\$500	On demand	We may charge you \$500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non- <u>non-</u> compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non- <u>non-</u> compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	\$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	\$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.

Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non- <u>non-</u> compliance, or (2) the audit concludes that you under- <u>under-</u> reported gross sales by more than 3% for any 4-week period.
---------------	-----------------	-----------	--

an account at a commercial bank of your choice and furnish the bank with authorizations when you sign the franchise agreement to permit us to make withdrawals from that account. Except as described in Note 3, all fees listed in this chart are applicable to each Territory purchased and the amount of each fee will be due and payable in the manner and at the times described in this table for each Territory [independently, and not in](#)

~~2.~~

~~independently, and not in~~ the aggregate.

2. “Gross Revenue” means all revenue from the sale of products and services and all other income of every kind related to the Business, whether for cash, credit, trade, barter, or other value and regardless of collection in the case of credit and even if you have contracted with third parties to provide certain of the services, less any bona fide refunds given to customers in the ordinary course of business. Gross Revenue also includes amounts billed to insurance or government programs. Further, Gross Revenue includes all revenue related to the sale of any products and the performance of any services (whether or not the products or services are approved by us) that are provided using any portion of the Business in any manner, including the Marks (such as service vehicles, invoices, and uniforms bearing the Marks), the System, Confidential Information, any of the employees of the Business, or the telephone number of the Franchised Business. Gross Revenue also includes any proceeds of business interruption insurance. Your Gross Revenue will not be reduced on account of any fees or commissions you pay to third parties who refer customers.

Gross Revenue does not include any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from Gross Revenue as circumstances, business practices, and technology change. [As a condition of your Franchise Agreement, Franchisor will have access to your QuickBooks account.](#)

3. Beginning in the seventh (7th) month after opening the Business for operation, Franchisee must make a minimum Royalty Fee payment which is the greater of 7% of your Gross Sales or \$1,000 per month (the “Minimum Royalty”). The Minimum Royalty may be increased at the start of any year by no greater than the CPI Increase. To calculate the “CPI Increase” on any amount, multiply the currently effective Minimum Royalty amount by a fraction, the numerator of which is the Inflation Index on the first day of the year for which the increase is to apply, and the denominator for which is the Inflation Index on January 1 of the year of the Effective Date or the effective date of the most recent CPI Increase, whichever is more recent. The “Inflation Index” means the U.S. City Average Price Index for All Urban Consumers for All Items (Base Year 1982-84), as published by the United States Department of Labor, Bureau of Labor Statistics, or, if such index is discontinued or unavailable, such other comparable index for calculating changes in the cost of living or purchasing power for consumers in the United States that we reasonably designate.

4. The Local Advertising Expenditure requirement is a minimum of 1% of your Gross Sales per month. We may elect to directly manage local advertising on your behalf. If we do so, you will pay this amount to us each month and we will be entitled to a reasonable fee for our services.

5. You must maintain insurance of the types and amounts we specify in your franchise agreement, the Manual, or in supplementary notices. You may obtain additional insurance as you desire. Insurance policies may not be subject to amendment or cancellation without at least 30 days prior written notice to us and must list us as additional named insured. You must provide certificates of insurance evidencing coverage on an ongoing basis. We must be named as an additional insured on all insurance policies, and we must receive your certificate of insurance prior to opening your Business.

6. You must indemnify us and our respective owners, employees, and officers for any claims relating to the operation of your Business, and for all costs incurred relating to any default by you under the Franchise Agreement.

7. Interest begins from the due date.

8. If litigation occurs in which we are adverse to you, regardless of how the litigation arises or resolves, you must pay our costs of litigation, including reasonable attorneys’ fees and any cost of

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

A. YOUR ESTIMATED INITIAL INVESTMENT – ONE PROTECTED TERRITORY

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low Estimate	High Estimate			
Initial Franchise Fee ¹	\$55,000	\$55,000	Collected funds – lump sum	Upon execution of Franchise Agreement	Franchisor
Grand Opening Marketing ²	\$1,000 <u>2,000</u>	\$3,000 <u>6,000</u>	As arranged	As incurred	Various suppliers and/or franchisor <u>Franchisor</u>
Rent (1 month rent, plus security deposit) ³	\$6,000	\$46,000 <u>\$41,700</u>	As arranged	Prior to opening your Business	Lessor
Leasehold Improvements ⁴	\$10,000 <u>2,000</u>	\$70,000 <u>\$30,000</u>	As arranged	As incurred	Contractors
Office Supplies ⁵	\$1,000	\$2,000	As arranged	Prior to opening your Business	Suppliers
Signage ⁶	\$1,000 <u>400</u>	\$10,000 <u>3,000</u>	As arranged	As incurred	Suppliers
Utility Security Deposits ⁷	\$200	\$4,000 <u>2,000</u>	Lump sum	Prior to opening your Business	Utility companies
Furniture, Fixtures, and Equipment ⁸	\$10,000 <u>2,800</u>	\$70,000 <u>\$50,000</u>	As arranged	Prior to opening your Business	Suppliers
Business Management and Technology System ⁹ <u>System and Technology Fee (3 months)</u>	\$2,500 <u>3,700</u>	\$5,500 <u>4,000</u>	Lump sum	Prior to opening your Business	Suppliers <u>and Franchisor</u>
Travel Expense for Initial Training ¹⁰	\$2,000	\$4,000	As arranged	As incurred	Transportation, hotels, restaurants
Vehicle ¹¹	\$6,500	\$13,000	As arranged	Prior to opening your Business	Suppliers
Inventory and Supplies ¹²	\$2,000	\$10,000 <u>4,300</u>	As arranged	Prior to opening your	Suppliers

				Business	
Insurance ¹³	\$10,000	\$15,000	As arranged	Prior to opening your Business	Insurance company
Professional fees ¹⁴	\$1,500	\$3,000	As arranged	As incurred	Professional Advisors
Permits and Licenses ¹⁵	\$200	\$1,000	As required by federal, state, and local governments	As required by federal, state, and local governments	Federal, state, and local government agencies
Technology Fees (3-months)¹⁶	\$1,200	\$1,200	Lump Sum	Monthly, as-invoiced	Franchisor
Additional Funds (3 months)¹⁷ <u>months)¹⁶</u>	\$40,000	\$70,000 <u>\$60,000</u>	As arranged	Weekly payroll, other expenses and purchases	Approved suppliers, employees, etc.
TOTAL	\$150,100 <u>\$135,300</u>	\$382,700 <u>\$294,000</u>			

Notes:

1. Initial Franchise Fee. Calculation of the Franchise Fee is discussed in detail in Item 5. The [Franchise](#)

~~Franchise Fee~~ shown is for a standard Territory. ~~Based upon the Franchisor's financial condition, the Minnesota Securities Registration Division has required a financial assurance. Therefore, the Franchisor will defer collection of initial franchise fees until the franchised business opens.~~

2. Grand Opening Marketing. You must ~~spend~~ pay us at least \$~~1,000-2,000~~ to conduct a grand opening advertising campaign within 90 days following the opening of your Franchise Business in accordance with our ~~instructions~~ specifications. We will advise you regarding the planning and execution of ~~your Grand~~ the Grand Opening Marketing plan. You can expend any additional amounts that you wish on a grand opening advertising campaign, and we estimate that you will do so.

3. Rent and Security Deposit. You must secure an office, storage warehouse, or other space suitable for the operation of the Business and satisfactory to us within the Territory for your CRS business operations. You must, at minimum, obtain or lease storage facilities as necessary to store the Equipment used in the Business. The rent estimate contemplates one month's rent plus a lease security deposit of an equal amount. Our estimate is based on our knowledge of rent expenses in Pittsburgh, Pennsylvania. Rent expense for a facility from which to operate your Business will vary, based on location, square footage, age and condition of the structure, lease arrangements, and other such factors. The low-end estimate assumes your facility is approximately 7,000 square feet and is rented at a rate of \$5.00 per square foot, and the high end estimate assumes your facility is approximately 12,500 square feet and is rented at a rate of \$20.00 per square foot. Your facility must be at least 7,000 square feet, have at least two offices, at least 16-foot ceilings, and a 14-foot garage/drive thru door. Your facility must be climate controlled.

4. Leasehold Improvements. Leasehold improvement costs, including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work. Architect's and contractor's fees are included in this range and will depend on various factors, including: (i) the site's condition, location, and size; (ii) the demand for the site among prospective lessees; (iii) the site's previous use; the build-out required to conform the site for your Business; and (iv) any construction or other allowances the landlord grants. The lower figures provided here under "Leasehold Improvements" assume that you remodel an existing building that has previously been utilized as a recovery business. The higher figures provided include a more extensive build-out including plumbing and storage units. Construction of a new building on a pad site or otherwise likely would require a greater initial investment, the amount of which would depend on market conditions.

Your actual costs will depend on, among other factors, the Business location, the size of the Business, the condition of the premises being remodeled, national and local economic factors, the local costs of material and labor, and the amount of tenant improvement allowances that you are able to obtain, if any. In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C., costs may be higher due to local market rates for materials and labor.

5. Office Supplies. These amounts include your purchase of miscellaneous office supplies for use in the operation of your Business, such as printer paper, ink, writing utensils, and organizational supplies.

6. Signage. ~~If you lease office space from which to operate your Business, you~~ You are expected to acquire and install signs selected from our pre-approved branding materials or approved in our sole discretion on the exterior of the leased space, or on the side of appropriate exterior windows. We estimate this cost based on our experience. Costs may vary depending on the style and medium of signage chosen.

The low-end estimate assumes purchase and installation cost associated with a vinyl banner, whereas the ~~high-~~end estimate assumes purchase and installation of a permanent sign which is approximately 5 feet by 10 feet in size.

7. Utility Security Deposits (if applicable). Utility companies may require you to place a deposit before installing telephone, gas, electricity and related utility services at the location of your

8. Furniture, Fixtures, and Equipment. This is the estimated cost of purchasing office furniture and fixtures for a typical office space based on our previous experience. Costs vary depending on the size of the office and the style and quantity of furniture selected. These amounts include specific specialized equipment used in the preparation of all items that you may be required to lease or purchase only from a designated or approved supplier. These amounts also include the Portable Carpet Extractor, O-Zone Machine, pallet jack, air compressor, and other equipment, such as office equipment and furniture, shelving, crates, ladders, telephone system, and computer system and software (which is separate from your Business Management and Technology System). The low-end estimate assumes the equipment is leased, and that you do not purchase the Sonic Cleaning System, and the high-end estimate assumes the equipment is purchased, including the Sonic Cleaning System, and also includes the estimated cost of renting/leasing a forklift and installing racking in the space. These amounts also include purchases of furniture which you may be required to purchase only from a designated or approved supplier. Certain items of millwork such as cabinets are also included in this amount.

9. Business Management and Technology System. See Item 11 for details on required purchases related to the Computer System for your Business. This estimate also includes three months' payment of the required Technology Fee, which is currently \$400 per month, but may change upon 60 days' written notice to you. The low estimate assumes you purchase a baseline iPad tablet, laptop, and printer that meets our requirements. The high estimate assumes you purchase a higher end iPad, laptop, and printer for your business.

10. Travel Expenses to Training. There is no tuition or fee for initial training for up to two (2) of your representatives. You are, however, responsible for making arrangements and paying the expenses for any persons attending the training program including, without limitation, transportation, lodging, meals and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodations you choose. The estimate provided contemplates costs associated with the training of two (2) people for our one-week training program in Coraopolis, Pennsylvania.

11. Vehicle. This item includes the estimated cost to lease or purchase a moving truck and van (a Mercedes Benz Sprinter Van or equivalent vehicle that we approve in writing), if you choose to purchase both, which you will use in the operation of the CRS business. The body of the truck and van must be clean and free of any damage. This cost includes application of our standard wrap to the truck and van. The low estimate represents the low-end estimate for the first month's ~~worth of payments~~ payment for a leased moving truck at a low interest rate, including down payment and application of our standard vehicle wrap, and estimated shipping expenses within the continental United States (i.e., excluding Alaska and Hawaii). The high estimate represents the high-end estimate of the total payments for the first month's ~~worth of payments~~ payment for a leased moving truck and also a van at a low interest rate, down payment, application of our standard vehicle ~~wrap~~ wraps to both ~~vehicles~~ vehicles, estimated shipping expenses within the continental United States (i.e., excluding Alaska and Hawaii). This chart does not include estimates for items such as purchasing your moving truck or van, acquiring a license, insurance, registration, or other permits for your ~~Vehicle~~ vehicle, or otherwise making improvements to your ~~Vehicle~~ vehicle. If you purchase the van or moving truck, your initial investment will be higher than the figures listed in the chart. We reserve the right to revoke our approval of a van or moving truck should the van or moving truck no longer meet our minimum standards.

12. Inventory and Supplies. This estimates the cost of supplies required to begin operating your office and perform Recovery Services. We require you to purchase cleaning supplies and equipment from our chosen supplier. In the future we may require you to use suppliers of our choosing for other purchases or use different suppliers for cleaning supplies.

13. Insurance. You must purchase and maintain insurance in the types and amounts described in the Franchise Agreement or Manual. This estimate covers three months' premiums for workers' compensation and commercial liability insurance. Your cost of insurance may vary depending on the insurer, the location of your Business, your claims history, and other factors. You must provide

14. Professional Fees. This estimates the costs of professional advisors (like an attorney and an accountant) for the initial review and advice consistent with the start-up of a franchised business.

15. Business Licenses. This estimates the costs of business licenses for you to begin operations of the Business. This estimate is based on our experiences with business licenses in Coraopolis, Pennsylvania and may vary depending on your state and local requirements.

~~19. Technology Fees. This estimate includes three months' payment of the required Technology Fee, which is currently \$400 per month, but may change upon 60 days' written notice to you.~~

16. Additional Funds (3 months). This category estimates your pre-operational expenses that are not listed in other categories, as well as additional funds necessary for the first three (3) months of your operations including expenses for this such as employee salaries and wages, utilities, payroll taxes (including payroll to cover the grand opening promotional period and the pre-opening training period for your staff), Royalty Fees, legal and accounting fees, additional advertising, health and workers' compensation insurance, bank charges, miscellaneous supplies and equipment, staff recruiting expenses, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. We relied on our experience in operating our affiliate location ~~in Pittsburgh, PA~~ and our franchisees' experience in opening their opening new locations in 2023 to formulate our estimates.

B. YOUR ESTIMATED INITIAL INVESTMENT – MULTIPLE BUSINESSES UNDER DEVELOPMENT AGREEMENT¹

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee ²	\$165,000 <u>\$110,000 –</u> <u>\$275,000</u>	Lump Sum	On signing Development Agreement	Franchisor
Initial Investment to Open Initial Franchise (minus Initial Franchise Fee) ³	\$95,100 – \$327,700 <u>\$80,300 –</u> <u>\$239,000</u>	See Chart 7(A) above in this Item		
TOTAL⁴	\$260,100 – \$492,700 <u>\$190,300 –</u> <u>\$514,000</u>			

Notes:

1. Generally. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate ~~three~~ between two (2) and five (5) Businesses, as well as the initial investment to open your first Business under your Development Schedule. The chart does NOT include estimates for the purchase of additional Equipment and Vehicles for any Business other than the initial Business in your Development Schedule.

2. Development Fee. The Development Fee is non-refundable. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and the Development Fee provided as an example in this Chart 7(B) is for the right to open and operate ~~a total of three (3)~~ between two (2) and five (5) Businesses (provided you comply with your development obligations under the Development Agreement). The minimum number of CRS Businesses you must develop is two (2) under the Development Agreement.

3. Estimated Initial Investment to Open One (1) Business. This figure represents the total estimated initial investment required to open the first Business under your Development Agreement. The range includes all the items outlined in Chart 7(A) of this Item, except for the Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Businesses you open under the Development Agreement).

4. Total. This is the Development Fee plus the estimated initial investment to open and commence operating your first Business within your Development Area. This range does not include any of the costs you will incur in opening any additional franchises that you are granted the right to open and operate under your Development Agreement.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have the right to require that all equipment, technology, inventory, supplies, vehicles, signs, furnishings, fixtures, décor items, retail merchandise, payment systems, and other products and services that you purchase for use or resale in the Business: (a) meet our specifications; or (b) be purchased from vendors that we have expressly approved; or (c) be purchased only from a single source (which may include us or our affiliates) at the then-current price. To the extent that we establish specifications, require approval of vendors, or designate specific vendors for an item, we will notify franchisees via the Manual or otherwise.

We may negotiate contracts with providers of goods and services to obtain favorable pricing for our franchisees and Company-Owned Outlets. The terms of purchase agreements may vary based on any number of factors and prices may change over time.

Other than as noted in this Item, we do not currently negotiate purchasing arrangements with vendors on behalf of our franchisees, but we reserve the right to do so, including pricing terms. Our ability to negotiate and maintain arrangements with vendors may depend on the participation of as many franchisees as possible. Accordingly, if we name a specific vendor for a product or service, you must obtain the product or service from that designated vendor. You must comply with the terms and conditions included in the contract with a specific vendor.

We and our affiliates may earn a profit on products and services we sell to you directly, and we and our affiliates may receive rebates, administrative fees, commissions, licensing fees, or other benefits from unaffiliated vendors and distributors from their sales of products or services to franchisees, whether the product or service is presently mentioned in this Item or not. Except as limited by applicable law, we and our affiliates have the right to retain any payments received from vendors. As of the date of this disclosure document, none of our officers owns an interest in any unaffiliated vendors that sell products or services to our franchisees.

~~In the 2022 fiscal year we and~~ Currently, neither we nor our affiliates ~~do not~~ derive revenue, rebates, or other materials based on the required ~~purchase-purchases~~ or leases, but we ~~may base on approved suppliers~~ reserve the right to do so at any time.

We or our affiliates may negotiate purchasing arrangements under which vendors agree to make goods or services available to Businesses on specific terms. You agree to participate in and abide by the terms of any vendor purchasing program we establish.

If we require you to use an approved vendor for a particular item, but you wish to purchase the item from a source that we have not approved, you may submit a written request for approval of the vendor, unless it is an item for which we have designated a specific vendor. To obtain approval, proposed vendors must demonstrate the ability to meet our standards and must possess adequate quality controls and capacity to supply your needs promptly and reliably. We will provide the relevant standards and specifications to franchisees and vendors that wish to become approved vendors, provided that the proposed vendor signs a confidentiality agreement; however, we may refuse to disclose product formulations or specifications that we deem to be extremely sensitive. At our request, you must submit samples and other information we require to examine, test, and determine whether the proposed vendor meets our specifications and quality standards. We may also require that the proposed vendor allow our representatives to inspect its facilities.

We have no obligation to approve any specific vendor or any minimum number of vendors for any item, and any proposed vendor relationship must not jeopardize the availability of any special pricing or other benefits offered by existing vendors based on system-wide purchases. We may require you to pay a fee to cover our costs of reviewing a proposed vendor. We generally will give you written notice of approval or disapproval of the proposed vendor within thirty (30) days after receiving your request. You may not sell or offer for sale any products or services from the proposed vendor until you receive our written approval.

We have the right to revoke a vendor's approved status for any in our sole and absolute discretion. On receipt of written notice of revocation, you must stop buying from the disapproved vendor. If we revoke our approval of the products because they fail to meet our standards, you may be prohibited from using your remaining inventory of those products.

We estimate that the proportion of your required purchases and leases from approved suppliers to all purchases and leases in establishing the Business is 10% to 20%. We estimate that the proportion of your required purchases and leases from approved suppliers to all purchases and leases in operating the Business is 10%-20%. These amounts are subject to change.

The following specific restrictions on your purchasing are in effect as of the issuance date of this Disclosure Document, but we can impose other restrictions at any time:

Items you must purchase from us or affiliates:

Neither we nor any affiliate is currently a supplier of any good or service that you must purchase. We reserve the right to designate ourselves or our affiliates as an approved vendor, or as the only approved vendor, for other products and services in the future. Your purchases from us will be at the prices and on the terms in effect at the time of your purchase.

None of our owners, officers, or managers owns any interest in any supplier, except where we or our affiliate are the Approved Supplier.

Items you must purchase from designated or approved third parties:

If you choose to purchase the Sonic Cleaning System, you must purchase from the supplier we designate.

[You must purchase your inventory of boxes from the supplier we designate. We will provide you with the supplier name and specifications for sizes and markings in our Manual.](#)

[We also designate certain Software \(as defined in Item 11\) that must be purchased and used in the Business. The Software includes an inventory system, two estimate systems, and an accounting program. We reserve the right to change the required Software at any time. We will provide you with the supplier name and specifications in our Manual.](#)

Items that must meet our specifications:

For some products and services, we have not designated a specific source or vendor that you must use, but you must follow our specifications and/or obtain our approval of the vendor. You must purchase supplies (e.g., boxes) for your Business in size and quantities which are in accordance with our written requirements as provided to you.

Insurance.

~~Insurance.~~ You must maintain the types and minimum amounts of insurance coverage and bonds we specify for the Businesses. The table below sets out our required and recommended insurance coverage as of the date of this disclosure document:

Type	Minimum Coverage
Comprehensive General Liability	\$1 million per incident / \$2 million aggregate
Commercial Umbrella Policy	\$1 million excess over all underlying liability coverages per occurrence and \$1 million in the aggregate
Type	Minimum Coverage
Property and Casualty Insurance	Full replacement value of your equipment, furniture, fixtures, inventory, and vehicles
Business Interruption	12 months loss of income, including coverage for our Royalty Fees with no co-insurance clause
Automobile Liability for non-owned vehicles	\$100,000 combined single limit per state for Medical/Personal Injury Protection and \$100,000 Uninsured/Underinsured Motorist
Product Liability	\$1 million policy limit
Workers' Compensation	As required by law in your area
Crime Insurance for Employee Dishonesty	\$50,000 combined single limit
Employer Liability	\$100,000 per incident
Bailee's Insurance	\$500,000

Your insurance policies must be written by a carrier with an industry rating acceptable to us, must name us, CRS Franchising, LLC, and our parents, subsidiaries, and affiliates, and their respective officers, directors, members, shareholders, and employees as additional insureds, and must not have deductibles, exclusions or co-insurance that are unacceptable to us. All public liability and property damage policies must be primary and non-contributory and must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors, and assigns.

Prior to opening your Business, you must provide us with certificates of insurance demonstrating that you have met the requirements. At least thirty (30) days before expiration of a policy, you must furnish evidence of renewal or replacement insurance. If you do not obtain the required coverage, we have the right (but not obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a reasonable fee for our services. We can increase the coverage requirements or require different or additional kinds of insurance.

Real Estate.

~~Real Estate.~~ Your business location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Attachment E to the Franchise Agreement. You must use a real estate vendor approved by us.

Point-of-sale software and hardware, and related software and hardware.

You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

Cooperatives:

There are no purchasing cooperatives or distribution cooperatives in our franchise system as of the date of this disclosure document. We do not provide material benefits to franchisees based on their purchase of products or services or use of particular vendors.

Revenue from franchisee purchases: Franchisee Purchases.

Neither we nor our affiliate earned any revenue from required franchisee purchases in the most recent fiscal year ending December 31, 2023.

[Remainder of page intentionally left blank. Item 9 begins next page.]

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Article/Section (§) in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA §4 DA §4	Item 11
b. Pre-opening purchases/leases	FA §4	Item 8
c. Site development and other pre-opening requirements	FA §4 DA §4.	Items 6, 7, and 11
d. Initial and ongoing training	FA §5, §6, §13.4	Items 6 and 11
e. Opening	FA §4.4, 5.2 DA §3.1, §4	Item 11
f. Fees	FA §3 DA §2	Items 5, 6, and 7
g. Compliance with standards and policies/ Manual	FA §1, §6	Items 8 and 11
h. Trademarks and proprietary information	FA §9 DA §7, §8	Items 13 and 14
i. Restrictions on products/services offered	FA §6.6	Items 8 and 16
j. Warranty and customer service requirements	FA §6, §10	Item 11
k. Territorial development and sales quotas	FA §4 DA §3, §4	Item 12
l. Ongoing product/service purchases	FA §6	Item 8
m. Maintenance, appearance, and remodeling requirements	FA §4	Item 11
n. Insurance	FA §6.2	Items 6 and 8
o. Advertising	FA §7	Items 6, 8, and 11
p. Indemnification	FA Article 11 DA §8	Item 6

<u>Obligation</u>	<u>Article/Section (§) in Agreement</u>	<u>Disclosure Document Item</u>
u. Renewal	FA §2.2	Item 17
v. Post-termination obligations	FA §9.6 DA §8	Item 17
w. Non-competition covenants	FA §12 DA §8	Item 17
x. Dispute resolution	FA §16 DA §8	Item 17
y. Other: Guaranty of franchisee obligations	FA §1.5, §12.4 DA Appendix B	Item 15

**ITEM 10
FINANCIN
G**

We do not offer direct or indirect financing to you. We do not guarantee your note, lease or obligation.

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

Pre-Opening Obligations. We have the following obligations to you before you open your Business:

- Your Site. We will review and advise you regarding potential locations that you submit to us. (Section 4.1). If you sign a Multi-Unit Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

We generally do not own your premises. If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Summary Page). We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require.

The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

The time limit for us to approve or disapprove your proposed site is 120 days after you submit all of our required documents and information. (Section 4.3). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default and we may terminate your franchise agreement and you will forfeit your Franchise Fee.

We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

You must secure a Site by signing a Site Lease or purchase agreement within one hundred twenty (120) days of the Effective Date, which may be extended with our approval.

- We will conduct an initial training program as described below. (Section 5.1)

confidential. (Section 6)

- We will provide you with any specifications that we develop for fixtures, furnishings, equipment, and signage, which may include the names of approved suppliers. However, we do not supply these items directly, nor do we assist with delivery or installation. (Section 4.4)
- We will work with you on creating a Grand Opening Marketing plan for the Business. (Section 5.2)
- We will provide opening support and assistance as we deem appropriate, at the time(s) and in the manner we determine. If you request opening support beyond what we customarily furnish to Franchised Businesses, and if we agree to furnish the additional support, then we will have the right to impose a fee, plus expenses, for providing the agreed additional support. (Section 5.2)

We estimate the typical franchisee will be ready to open their business ~~sixty (60) to ninety (90)~~ 210 days after executing a franchise agreement. Factors that could affect when a franchisee can begin operation include Site selection and set-up, financing, and local labor conditions.

Continuing Obligations. We have the following obligations to you during the operation of your business:

- We will develop and maintain the brand standards (Section 6.1).
- We will establish and operate social media accounts on behalf of your Business (Section 7.5).
- We will manage the Brand Fund, as described below in this Item, and make available to you any creative materials financed by the Brand Fund. You agree to pay or to reimburse us for any costs to reproduce the materials and/or to customize the materials for your use (Section 7.2).
- Developing products or services you will offer to your customers. Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the Franchise Agreement does not obligate us to do so (Background, Paragraph 2).
- Hiring and training employees. We will provide you with our suggested staffing levels, suggested guidelines for hiring employees (Section 6.2), and operational instructions in the Manual which you can use as part of training new employees. All hiring decisions and conditions of employment are your sole responsibility.
- Improving and developing your business; resolving operating problems you encounter. If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 3.8)
- Establishing prices. The System Standards are determined by the insurance carriers' estimating programs, ~~Xacitmate or Symbility~~ (depending on ~~franchisee's location~~), ~~insurance carriers requirements~~ which ~~has~~ have specific pricing for the market. (Section 6.4).

•inventory control (Section 8.1). We may make any such procedures part of required (and not merely recommended) procedures for our system.

• Website. We will maintain a website for the CRS brand, which will include your business information and telephone number (Section “Background”).

• We will establish, update, and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, those marketing media that you may use. We will respond to your request respecting the communication of our approval or disapproval of marketing media that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing media may be used in the marketing and promotion of your CRS Business (Section 7.6(A)).

In addition to the support described in this Item 8, we may choose to offer additional assistance in the form of additional training and in-person or remote consultation services as we deem appropriate in our sole and absolute discretion.

Advertising Assistance Brand Fund

Franchisor has established and administers a brand awareness fund (the “Brand Fund”) to promote and enhance the image, identity, and patronage of the System. The Brand Fund is operated under the parameters described in this section. We require you to contribute 1% of your Gross Revenue to the Brand Fund in addition to the amounts required for local/co-op advertising noted above. All franchisees will generally be required to contribute to the Brand Fund at the same rate, and Company-Owned Outlets are not required to contribute to the Brand Fund. The sums you and other franchisees contribute to the Brand Fund are deposited in our general operating account and segregated administratively in our books, but the funds are commingled with our general operating revenues. If we spend less than the total of all contributions to the Brand Fund during any fiscal year, we may accumulate such sums for use in later years.

We intend to spend an amount equal to the Brand Fund revenue received or allocated by us to prepare marketing materials either in-house or by a national agency for national, regional, or local advertising, public relations, and promotional campaigns, typically in media such as direct mail advertising, newspapers, radio, and cable and local television. A reasonable portion of this sum may also be spent for other items including conducting marketing studies; and the production and purchase of advertising art, commercials, musical jingles, print advertisements, point of sale materials, media advertising, outdoor advertising art, and direct mail pamphlets and literature, and may also be allocated to reimburse us or our affiliates for internal expenses of operating an advertising department and administration of our advertising program. We determine, in our discretion, all matters relating to such advertising, public relations and promotional campaigns, and we are not required to allocate or expend brand fund contributions for the benefit of any particular franchisee or group of franchisees on a pro-rata or proportional basis. We are not required to spend any amounts on advertising in your Territory. In our most recent fiscal year, no Brand Fund money was disbursed. No Brand Fund ~~contributions~~ Contributions are used solely for advertising to solicit new franchisees, however, the CRS website, public relations activities, community involvement activities, and other activities supported by the Brand Fund may contain information about franchising opportunities. During the ~~2022–2023~~ fiscal year the Brand Fund ~~spent 0% of its income on the production of advertisements and other promotional material, 0% for media placement, and 0% for general and administrative expenses.~~ collected \$27,997.35 from franchisee brand fund contributions but did not spend any of the Brand Fund Contributions.

In no event will we be deemed a fiduciary with respect to any contributions to the Brand Fund we receive or administer. We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited report certified by one of our officers showing the Brand Fund balance at the beginning of the year, the total amount contributed by franchisees and allocated by us on behalf of our company-owned businesses, and the amount actually spent for the year, and the remaining balance or

Social Media Management

We may establish and operate social media accounts for your Business. From time to time, we may require you to provide photographs and video for promotional use in connection with these accounts. We reserve the right at any time to take control over any social media accounts created by us or you for promotion of your Business.

Promotional Campaigns

We may periodically conduct promotional campaigns on a regional basis to promote our services or marketing themes. You must participate in all promotional campaigns we establish for the region in which your Business is located.

Local Area Marketing

In addition to required Brand Fund contributions, you must spend a minimum of 1% per month on advertising in your local market. You must only use marketing materials which we have approved in writing, which we will not unreasonably withhold.

We may allow you to use your own advertising materials so long as we approve of it in writing.

Cooperative Advertising

As of the date of this Disclosure Document, we have not established any local or regional advertising or brand awareness cooperatives (“Co-op”). If we do so in the future, you must participate in any cooperative advertising or brand awareness program for the region in which your Business is located. We may change, dissolve, or merge Co-ops in our sole discretion. You must contribute to the Co-op up to 2% of your Gross Revenue, as determined by the members of the Co-op. Any amount contributed to the Co-op will be credited against the minimum amount which you must spend on local advertising, as described above. Franchisor outlets may participate in Co-ops. If a franchisor-outlet is participating in a Co-op, it will have equal votes and contribute equally as voted on by Co-op members. If a franchisor-outlet has a controlling vote in a ~~Co-~~Co-op it may not increase the contribution above 2% of Gross Revenue. Governing documents will be made available for all Co-ops in the franchise system.

There is no advertising council at the present time.

Training Assistance

Training programs are offered periodically as needed to meet the demands of new franchisees. Your designated representative and management personnel must be approved by us in writing before participating in our training course, which must be completed at least 10 days before your Opening Deadline. There is no tuition fee for attendance by you or your manager or designated representative (up to three attendees) to attend this training course, but all expenses that you and your personnel incur while attending or obtaining the training course will be borne entirely by you. We may charge our then current training fees for any additional personnel attending the training course, or for any attendees who fail to complete the training course to our satisfaction and must repeat the training.

We may periodically offer additional training programs to you, your manager, and designated representative covering such subjects as new products or procedures, marketing, bookkeeping, accounting and general operating procedures and the establishment, development and improvement of computer systems. Attendance by you or your manager or designated representative may be mandatory or optional, in our discretion. There is no tuition fee for mandatory or optional training courses. All expenses that you and your personnel incur while attending or obtaining all training will be borne entirely by you. Your Business must at all times be under your on-site supervision or under the on-site supervision of a general

who has completed our training program. If you need to send a new general manager to our training program, we will charge a fee, which is currently \$250 per day. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

We will provide an experienced training staff, which will instruct on System operating procedures, steps to opening your Business, the market for Recovery Services, and marketing and sales. Our lead instructor, Ashley Taylor-Nock, has ~~16~~–18 years of industry experience including 3 years with our affiliate. Franchisor/corporate delegate trainers may have various lengths of experience depending on the individual delegate, but they would typically have minimally one year of experience, if not more, and have had successfully completed both their own training and facilitation of others’ training in the past; the delegate(s) would typically be in a management role at a corporate location or be a “senior,” tenured employee if not in a formal management position.

You must attend training, along with lead project manager. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your business. You will be required to pass a test which evaluates your understanding for the content and franchise operating content as covered in the training program, and will be required to complete our on-boarding checklist prior to opening your Business. Should you fail to pass the test or complete the initial training, we have the right to terminate the franchise agreement with no refund of the initial franchise fee.

Instruction materials include our Manual, digital training materials, and related workbooks. New operators and managers must be approved by us and complete training program before assuming active duty at your Business.

TRAINING PROGRAM

Subject*	Hours of Classroom Training	Hours of On-The-Job Training	Location
Getting Started with CRS Culture, History, and Basic Setup (Employee Handbook, Orientation Materials, etc.	3	0	Our headquarters in Coraopolis, PA or Your Location
Operations Basics	3	2	Our headquarters in Coraopolis, PA or Your Location
Pricing	1	0	Our headquarters in Coraopolis, PA or Your Location
New Client Interactions: (Setting Expectations) for New Clients	3	3	Our headquarters in Coraopolis, PA or Your Location
Client Interactions: Managing Relationships and Keeping People as Returning Customers	3	3	Our headquarters in Coraopolis, PA or Your Location

<u>Subject*</u>	<u>Hours of Classroom Training</u>	<u>Hours of On-The-Job Training</u>	<u>Location</u>
Client Satisfaction	2	0	Our headquarters in Coraopolis, PA or Your Location
Opening the Business Vehicle Preparation, Equipment, Location, Design and Set Up	1	3	Our headquarters in Coraopolis, PA or Your Location
Deep Clean and Maintenance	1	2	Our headquarters in Coraopolis, PA or Your Location

Subject*	Hours-of-Classroom-Training	Hours-of-On-The-Job-Training	Location
Equipment Maintenance	1	0	Our headquarters in Coraopolis, PA or Your Location
Weekly Duties	3	3	Our headquarters in Coraopolis, PA or Your Location
Other Procedure Reviews / Miscellaneous	1	0	Our headquarters in Coraopolis, PA or Your Location
Onboarding Graduation	1	0	Our headquarters in Coraopolis, PA or Your Location
TOTALS:	26 Hours	16 Hours	

**ADDITIONAL TRAINING PROGRAM FOR
FRANCHISEES
(OWNER/OPERATOR/MANAGER)**

Subject*	Hours of Classroom Training	Hours of On- The-Job Training	Location
Pre-opening Readiness: - Location and Truck Set Up Build- Out Checklist - Travel to corporate (franchisor) location - Technology Set Up	10	15	Our headquarters in Coraopolis, PA or Your Location

<u>Subject*</u>	<u>Hours of Classroom Training</u>	<u>Hours of On-The-Job Training</u>	<u>Location</u>
Operations Basics: - Maintenance of spreadsheets, documents, and forms - Manager and Group Tasks List - Managing the Procedure Checklist - Working with Insurance Companies - Billing	2	0	Our headquarters in Coraopolis, PA or Your Location
<u>Subject*</u>	<u>Hours of Classroom Training</u>	<u>Hours of On-The-Job Training</u>	<u>Location</u>
Human Resources Functions: - Interviewing, hiring, & firing - Coaching, providing feedback, and performance management	5	0	Our headquarters in Coraopolis, PA or Your Location
Advertising / Marketing: - Advertising Procedure & Strategy Calendar - Online Advertising - Offline/In-Person Partnerships - Organic promotion / signage - Additional pre-opening expectations - Press releases	5	0	Our headquarters in Coraopolis, PA or Your Location
Payroll: - Software set up & overview - Procedure & Checklist - Bonus / Incentives	3	0	Our headquarters in Coraopolis, PA or Your Location
Staff Scheduling: - Software set up & overview - Schedule Management Procedure	2	0	Our headquarters in Coraopolis, PA or Your Location
TOTALS:	30 hours	15 hours	

Scheduling. All training is scheduled by us throughout the year on an as-needed basis to reasonably accommodate franchisees.

Additional Management Training. Currently, the Additional Training for Owner/Operator/Manager is not required, but may be offered in the future as a required training or optional training.

Computer Systems

We require that you have access to mobile communications equipment that meet the following functionalities: mobile phone/tablet with internet access, text messaging and remote email capability; high-speed communications access, such as broadband or other high-speed capacity; a functioning e-mail address for your Business; software/applications for basic business accounting and bookkeeping,

We may designate from time to time regional or territory-specific usernames/handles that you must maintain. You must adhere to any social media policies, including those that may be included in the Manual, that we establish from time to time and must require all of your employees to do so as well.

ITEM 12 TERRITORY

Franchise Agreement

~~Your franchise is granted for a Site, which may be a home office, or a commercial office space as set forth in Item 7. If you wish to rent commercial space, it must be located within your Territory and you must request approval from us, which we may grant or refuse in our sole discretion and submit a copy of the proposed lease prior to signing it. You acknowledge that other franchisees may manage their Businesses from home offices located within your Territory; however, they will not have the right to provide services within your Territory. You may not relocate your Site without our prior written approval. If you ask to relocate, we will evaluate your request using the same standards that we apply to reviewing the proposed location of new Businesses. Unless otherwise agreed in writing, relocation does not change your Territory.~~

You will have a protected Territory during the term of your Franchise Agreement, provided you are in full compliance with the terms of the franchise agreement, including certain Minimum Performance Requirements (described below) and your obligation to primarily service customers in your Territory. Protected means that we will not operate a business under the Marks and the System in the Territory or authorize others to operate Businesses within the Territory, except as described below. This does not prohibit us from advertising or soliciting employees or independent contractors in your Territory.

A typical Territory will consist of a population of approximately 700,000 to 800,000 individuals (with a variance that may be granted by Franchisor in its discretion) and will be defined using postal zip codes present at the time the Territory is established. The population of the Territory may vary depending on a number of factors that we determine, including the geographic size of the Territory but it shall not be smaller than 250,000 individuals. You will be able to choose your Territory based on available pre-defined Territories. We will use the most recent population information available in the U.S. Census Data, or other population statistical sources of our choosing to determine populations. Once we have determined your Territory, it will be defined in Appendix A to your Franchise Agreement. We make no representation or guaranty about the accuracy of the data provided by the third-party providers and therefore the actual population may be different than the actual counts at the time of signing the Franchise Agreement.

In our sole discretion, we may allow you to add population to your existing Territory during the term of your Franchise Agreement. If we do so, you will be required to pay our then current additional population fee, currently ten cents (\$0.10) per person.

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.

Your franchise is granted for a Site, which must be a warehouse space as set forth in Item 7. Your Site must be located within your Territory and you must request approval from us, which we may grant or refuse in our sole discretion and submit a copy of the proposed lease prior to signing it. You may not relocate your Site without our prior written approval. If you ask to relocate, we will evaluate your request using the same standards that we apply to reviewing the proposed location of new Businesses. Unless otherwise agreed in writing, relocation does not change your Territory.

We and our affiliates retain all rights not expressly granted to you in the franchise agreement. Among other things, regardless of the proximity to or the effect on your Business, we and our affiliates can:

~~D.~~ any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside the Territory, under trademarks or service marks other than the Marks;

~~E.~~

E. develop, manufacture, have manufactured, advertise, market, sell and distribute, at retail or wholesale, and license others to manufacture, sell or distribute, goods or services that are identical or similar to and/or competitive with those provided at your Business, whether under the Marks or any other name or mark, through dissimilar channels of distribution, including but not limited to through the internet, mobile applications, telemarketing, retail stores, and wholesale clubs, or other distribution outlets (other than Businesses) both inside and outside the Territory;

F. establish and operate, and to grant others the right to operate, businesses offering dissimilar products and services both inside and outside the Territory under the Marks; and

G. to acquire, be acquired by, or merge with other brands or outlets, even if the concepts or outlets are similar to the business operated under the System, and even if they have locations in the Territory. We will also have the right, in our sole discretion, to convert one or more outlets of the acquired, acquiring or merged brand to a Business within the Territory.

We have no obligation to compensate you in connection with any of these activities.

Activities Outside of the Territory. You may not perform services or sell products related to the Business outside of the Territory without our prior written consent, which we may give and withdraw as we deem appropriate, and which we may condition on you obtaining a separate phone number or other requirements. You may not solicit or advertise to customers outside of the Territory without our permission. “Solicit” includes, but is not limited to, solicitation in person, by telephone, by mail, through the internet, social media, email or other electronic means, and by distribution of brochures, business cards, or other materials or any other advertising. If any solicitation of customers within the Territory is in media that will or may reach persons outside of the Territory, you are required to notify us in advance and obtain our consent. If you receive a request for services or products from outside the Territory, you are required to refer that request to the Business located in the applicable territory (or to us or our affiliate, if we have not assigned the applicable territory to a Business). However, under certain limited circumstances, you may process a request from outside of the Territory if the requested service is permitted under our policies or otherwise approved by us. If we permit you to advertise, solicit, service or sell in areas outside of the Territory that are not serviced by another Business or by us (or our affiliate), you will be required to comply with all of the conditions and other requirements that we may from time to time specify in the Manuals or otherwise in writing with respect to such activities. We may at any time condition your continued out-of-Territory sales and services on your agreement to purchase the franchise rights for the territory in which the sales and services are being performed. At any time upon our demand or upon notice from us that the territory in question has been assigned to another Business, you must immediately cease all activities in that territory and comply with our procedures for the transition of customer accounts for that territory. Under no circumstances will we be liable to you for violations by other Businesses of our policies on out-of-Territory sales and services.

Key Accounts. We may from time to time enter into agreements to provide services to customers as part of a national, regional, or key account program at locations within the Territory. You must accept and perform the terms of such agreements (including, without limitation, special pricing, payment terms, timing of services, and central invoicing) with respect of locations within the Territory. If you refuse to perform the required services or we determine that your Business is not qualified, interested, able or available to perform the services, you are required to allow either our employee(s) or another franchisee to enter the Territory to perform the required services. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the businesses performing the services.

Other Channels of Distribution. You may not offer products or services through any channel other than

those we have expressly approved. If you request approval of any other distribution channel or type of outlet, we will consider the factors we deem appropriate, which may include how long you have been operating the Business, your sales volume, whether you have met quality standards and other benchmarks, and other standards that we may determine. You may not sell products to any vendor who would in turn sell to consumers. We reserve the right to use alternative channels of distribution (such as the Internet, catalogues, telemarketing, and direct marketing) to make sales within your Territory using the Marks. We reserve the right to use alternative channels of distribution (such as the Internet, catalogues, telemarketing, and direct marketing) to make sales within your Territory using trademarks other than the principal Marks.

We do not have an obligation to reserve contiguous territories for you. You do not receive an option, right of first refusal or similar rights to acquire additional franchises within your Territory or contiguous territories.

Development Agreement

If you are granted the right to open multiple Businesses under our form of Development Agreement, then we will provide you with an exclusive Development Area upon execution of the Development Agreement. The size of your Development Area will substantially vary from other developers based on: (i) the number of Businesses we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and ~~man-~~man-made) or county lines, or otherwise delineated on a map that we may attach to Appendix A to your Development Agreement.

Each Business you timely open and commence operating under our then current form of franchise agreement will be operated: (i) from a distinct Site located within the Development Area; and (ii) within its own Territory that we will define once the Site for that Business has been approved. We will approve Territories for additional Businesses developed under your Development Agreement using our then current territory criteria.

We will not own or operate or license a third party the right to own or operate, a Business utilizing the Marks and System within the Development Area until the earlier of: (i) the date we define the Territory of the final Business you were granted the right to operate under the Development Agreement; or (ii) the expiration or termination of the Development Agreement for any reason. Your Development Area will be exclusive during this time period.

Upon the occurrence of any one of the events described in the preceding paragraph, your territorial rights within the Development Area will be terminated, except that each Business that you have opened and are continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Territories that were granted under the franchise agreement(s) you entered into for those Businesses.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under the Development Agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

Rights We Retain

Although we will grant you a Territory, we or our affiliates may (or may authorize a third party to) conduct any or all of the following activities, without compensation to you:

B. offer and sell (or authorize others to offer and sell) services other than related to the Business under any names and marks other than the Marks;

C. distribute or license the manufacture or distribution of goods and products, regardless of whether or not such products are authorized for offer and sale through the Business, within the Territory, under other trademarks licensed by us or otherwise held by us, or through any means of distribution (e.g., direct mail, retail outlets, internet, other alternate channels of distribution) not otherwise prohibited by the Franchise Agreement;

D. establish and operate and grant to others the right to establish and operate, a Business anywhere outside of the Territory, regardless of proximity to the Territory or to your Business;

E. purchase, merge, acquire (or be acquired by), affiliate with, or engage in any transaction with other businesses (whether competitive or not) having one or more locations, wherever located, including, but not limited to, transactions or arrangements involving competing outlets and/or brand conversions (to or from the CRS brand and System);

F. engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Franchise Agreement; and

G. develop, operate, and franchise similar or dissimilar systems under trademarks, service marks, and commercial symbols other than the Marks, without offering them to you.

Neither we nor our affiliates have any present plans to establish other related franchises or company-owned businesses selling the same or similar products or services under a different name or trademark, although we and our affiliates each reserve the right to do so. The territorial protection granted to you is not dependent on your achievement of a certain sales volume, market penetration, or other contingency. If you are in compliance with the Franchise Agreement and the protection of the Territory has been properly secured and maintained pursuant to the Franchise Agreement as described above, there are no circumstances under which the Territory granted to you may be altered before the expiration or the termination of the Franchise Agreement without your written consent. We reserve the right to use alternative channels of distribution (such as the Internet, catalogues, telemarketing, and direct marketing) to make sales within your Territory using the Marks. We reserve the right to use alternative channels of distribution (such as the Internet, catalogues, telemarketing, and direct marketing) to make sales within your Territory using trademarks other than the principal Marks.

We are not required to pay you if we exercise any of the rights specified above. We are not required to grant you any additional Territories (other than as set forth in an Area Development Agreement, in accordance with its terms), expand your Territory, or allow you to relocate your Territory or your Business.

ITEM 13 TRADEMARK S

Pursuant to the Franchise Agreement, you are granted a license to operate a Business using the marks CRS (logo) and other marks in connection with the Business (the “Marks”). The Marks listed below are the subjects of valid and subsisting U.S. Patent and Trademark Office registrations shown below.

We have applied for registration of the following Marks with the Principal Register of the USPTO and has filed all required affidavits with respect to each of the Marks:

Agreement, you must promptly notify us of the claim, suit or demand. We will then take whatever action [we](#).

~~we,~~—in our sole discretion, consider necessary or appropriate. We intend to take reasonable steps to preserve and protect our ownership of the patents and their validity. We are not obligated to protect any rights awarded to you to use the patents or protect you against claims of infringement or unfair competition regarding the patents. You may not settle or compromise any claim by a third party without our prior written consent. We may defend, compromise or settle any claim at our cost, using attorneys that we choose, and you must cooperate fully with us in defending the claim. If you learn of any infringing use, you must promptly notify us. We will decide in our discretion whether to prosecute any purported infringement of the patents and our decisions will be final.

Copyrights

We claim copyright protection for certain materials (the “Works”), which may include, but are not limited to, the Manual, our websites, software, mobile apps, advertisements, artwork, promotional materials, and signs. We have not registered the copyrights in any of the Works, but we may do so at any time. We will maintain common law copyright and/or copyright registrations for these works as published works. You can use the Works only for the purposes we establish from time to time in writing.

Proprietary Information

You must operate your Business in accordance with our standards, specifications, policies, and procedures as set forth in the Manual or otherwise communicated to you. You must treat the information contained in the Manual and any other manuals or supplemental material supplied by us as confidential. The Manual is our property, and you may not duplicate, copy, disclose or disseminate the contents of the Manuals at any time, without our prior written consent. We have the right to modify or supplement the Manuals upon notice or delivery to you. You must keep the Manuals current at all times, and upon the termination or non-renewal of your franchise return all copies of the Manual and any supplemental manuals to us.

You may not divulge or use any confidential information concerning our methods or procedures during or after the term of the Franchise Agreement. Information made available to you may not be divulged to any person other than your employees or financial advisors who reasonably need access to such information for purposes of fulfilling their employment or contractual responsibilities to you. All employees to whom the information, or any of it, is made available shall be informed of this obligation of confidentiality.

All data that you collect from customers and potential customers in connection with the Business during the term of the Franchise Agreement (“Customer Data”) is our proprietary information and property and you must provide the Customer Data to us at any time that we request. We reserve the right to require that you provide us with remote access to your computer systems and all data related to the Business stored therein, in a manner that meets our System standards and specifications. You have the right to use Customer Data while the Franchise Agreement or a renewal franchise agreement is in effect, but only in connection with operating the Business and only in accordance with the policies that we establish from time to time. You may not sell, transfer, or use Customer Data for any purpose other than operating and marketing the Business. If you transfer the Business, you cannot transfer the Customer Data to the buyer. At the expiration or termination of the Franchise Agreement for any reason, you will promptly turn over to us the Customer Data and make no further use of it for any purpose. Since your business relationship with customers is attributable solely to the Marks and the goodwill associated with the Marks, all such business relationships with all customers will revert to us and become our sole and exclusive property upon termination or expiration of the Franchise Agreement.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISE BUSINESS

You may hire a manager to assist you or to operate the Business on your behalf, but you must be on site at the location of the Business no less than part time (i.e., twenty hours per week). You must actively participate in the actual operation of the Business and devote as much of your time as is reasonably necessary for its efficient operation. We recommend that you actively participate in the operation and supervision of the Business on a full-time basis. You (if you are an individual) or your management must attend our training programs. Refer to Item 11 for details. You or your management must complete our initial training program to our sole, subjective satisfaction. We do not require your management to have an equity interest in the Business.

We may require every general partner and limited partner, if you are a partnership or limited partnership; or every member, if you are a limited liability company, or every stockholder or other holder of equity interest, if you are a corporation (collectively, “Owners”), to personally guaranty your obligations under the Franchise Agreement and also agree to be personally bound by, and jointly and severally liable for the breach of, any provision of the Franchise Agreement.

All owners, management personnel and employees who are provided access to the Manual or other confidential information must sign a Confidentiality Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer and sell all products and services that we designate as required items for Businesses. You may also offer for sale any optional products and services that we have approved for sale in the Business. You are prohibited from offering any unapproved products or services, and you must discontinue selling or offering for sale any products or services that we disapprove at any time.

We have the right to add products or services that you must offer. There are no limits on our right to do so. We will have the right to determine if services offered are appropriate for your Business.

You may not offer products or services through any channel other than those we have expressly approved. If you request approval of any other distribution channel or type of outlet, we will consider the factors we deem appropriate, which may include how long you have been operating the Business, your sales volume, whether you have met quality standards and other benchmarks, and other standards that we may determine. You do not receive the right to sell products to any vendor who would in turn sell to consumers.

In the marketing and operation of the Business, you must use only the customer contracts, waivers, and/or other forms we designate from time to time. We may provide templates or sample forms of such items, but it is your responsibility to have all items which are to be used with prospective or actual customers reviewed by an attorney licensed to practice law in the state(s) where the Business is operated, for compliance with all applicable state and local legal requirements. We do not represent that any contracts, waivers, or other forms or materials we supply are in compliance with the laws of any particular state or locality.

You must provide services for any Key Accounts with locations in your Territory (see Item 12). If you refuse to perform the required services, or if we determine that your Business is not qualified, interested, able or available to perform the services, you are required to allow us or another franchisee to service the Key Account.

You may be required to participate in programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic

d. Termination by you	14.3	<p>Subject to state law, you may terminate this Agreement only if: (i) we commit a material breach of this Agreement;</p> <p>(ii) you give us written notice of the breach; (iii) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within sixty (60) days after receipt of your notice; and (iv) you are in full compliance with your obligations under this Agreement. If we cannot reasonably correct the breach within this sixty (60) day period but provide you with reasonable evidence of our effort to correct the breach within a reasonable time period, then the cure period shall be the amount of time reasonably required to effect a cure. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to terminate this Agreement without complying with this paragraph (including by taking steps to de-identify the Business or otherwise cease</p>
-----------------------	------	--

Provision	Section (§) in Franchise Agreement	Summary
		<p><u>cure period shall be the amount of time reasonably required to effect a cure. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to terminate this Agreement without complying with this paragraph (including by taking steps to de-identify the Business or otherwise cease operations under this Agreement) will constitute an Event of Default by you.</u></p>
e. Termination by us without cause	N/A	N/A. We may not terminate any agreement with you without cause.
f. Termination by us with cause	§14	As defined in (g.) and (h.) below. In addition, your default under any other agreement that you or an affiliate has with us, or our affiliates, will constitute a default subject to any applicable provisions for notice and cure set forth in the other agreement. For clarity, if you default under a Development Agreement with us, you shall be considered to have defaulted under this agreement and we may terminate you if that is the remedy for the relevant default.

<p>g. "Cause" defined – curable defaults</p>	<p>§14.1</p>	<p>If Franchisee fails to pay any financial obligation pursuant to this Agreement (a) within five (5) days of the date on which Franchisor gives notice of such delinquency, (b) immediately upon written notice if such payment has not been made within sixty (60) days after the date on which it is required to be paid, or (c) immediately upon written notice if Franchisee is determined to have under-reported its Gross Sales during any month by two percent (2%) or more of the actual Gross Sales during such month on two (2) or more occasions during the Term of this Agreement, whether or not Franchisee subsequently rectifies such deficiency; if Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by an appropriate authority to comply with any law or regulation applicable to the operation of the Business; if Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty, or certification herein or fails to operate the Business as specified by Franchisor in the Manual, fails to pay promptly any undisputed invoices from Franchisor or suppliers, and fails to cure such non-compliance or deficiency within thirty (30) days (or such longer term as granted by Franchisor) after Franchisor's written notice thereof; if Franchisee abandons or ceases to operate all or any part of the Business conducted under this Agreement for seventy<u>seventy-</u>two (72) hours or longer (except as otherwise provided herein) or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Business or the Site, fails to cure such abandonment or default and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third-party within any applicable cure period granted Franchisee by Franchisor or such third party. If you default under a Development Agreement with us, you shall be considered to have defaulted under this agreement</p>
--	--------------	---

Provision	Section (§) in Franchise Agreement	Summary
		<p><u>such third party.</u> <u>If you default under a Development Agreement with us, you shall be considered to have defaulted under this agreement</u> and we may terminate you if that is the remedy for the relevant default.</p>

j. Assignment of contract by us	§13.1	This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor, in whole or in part, without Franchisee's consent, in its sole <u>discretion, but only to a person or legal entity that agrees to assume Franchisor's obligations hereunder, and shall be binding</u>
---------------------------------	-------	---

Provision	Section (§) in Franchise Agreement	Summary
		<p>discretion, but only to a person or legal entity that agrees to assume Franchisor's obligations hereunder, and shall be binding—upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the equity of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder (in whole or in part), are assigned or transferred.</p>
k. "Transfer" by you – defined	§13.2	Directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest; (i) in this Agreement or any portion or aspect thereof, (ii) the Business, or (iii) any equity or voting interest in Franchisee that equals or exceeds twenty percent (20%) of the total equity or voting interests in Franchisee on a fully diluted basis, nor permit the Business to be operated, managed, directed or controlled, directly or indirectly, by any person other than Franchisee
l. Our approval of transfer by you	§13.3	Transfers require (i) our prior written consent, which will not be unreasonably withheld; and (ii) the satisfaction of certain conditions.
m. Conditions for our approval of transfer	§12.3	<p>The proposed transferee is a person or entity that meets the Franchisor's standards of qualification then applicable with respect to all new applicants for similar Franchisees; The proposed Transfer is on commercially reasonable terms;</p> <p>As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied;</p> <p>As of the effective date of the proposed Transfer, all obligations of the proposed transferee to the Franchisor under all other agreements of any kind between the proposed transferee and Franchisor are fully satisfied; and As of the effective date of the proposed Transfer, Franchisor shall have forwarded to Franchisee its approval, granted in its reasonable business judgment, of the proposed Transfer to the proposed transferee, in accordance with the following provisions of this Article 12.</p>
n. Our right of first refusal to acquire your business	§13.9	If you want to transfer your business (other than to your ee-co- owner or your spouse, sibling, or child), we have a right of first refusal.
o. Our option to purchase your business	§13	Upon expiration or termination of the Franchise Agreement, we may purchase your business.

p. Your death or disability	§13.8	Same requirements as for transfer in (m.) above
Provision	Section (§) in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	§12.1	Franchisee agrees: To use its best efforts in operating the Business and in recommending, promoting and encouraging patronage of all CRS businesses; Not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity in any Competing Business (as defined in the Franchise Agreement) at or within a twenty five (50) mile radius of the Site or the protected territory of any other System franchisees in operation.

<u>Provision</u>	<u>Section (§) in Franchise Agreement</u>	<u>Summary</u>
		<u>defined in the Franchise Agreement) at or within a twenty-five (50)- mile radius of the Site or the _____ protected territory of any other System franchisees in operation.</u>
r. Non-competition covenants after the franchise is terminated or expires	§12.2	For a period of two (2) years after such termination, expiration, non-renewal, transfer, or assignment, not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity, in any Competing Business at or within a fifty (50)-mile radius of the Site or the protected territory of any other System franchisees in operation at the time of such termination, expiration, non-renewal, transfer or assignment.
s. Modification of the agreement	§17.2	The Manual is subject to change. Modifications become effective upon delivery of written notice to you unless the notice specifies a longer period. No modification unless by mutual written agreement.
t. Integration/merger clause	§17.1	All agreements between the parties are in the Franchise Agreement and its exhibits. Subject to applicable state law, only the terms of the Franchise Agreement are binding. Any representations or promises made outside this disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration	§16.1	Mandatory mediation and arbitration in Pittsburgh, Pennsylvania. We may seek injunctive relief without submitting to mandatory mediation or arbitration. Subject to applicable state law.
v. Choice of forum	§16.2	Except for certain claims, all disputes must be arbitrated in Pittsburgh, Pennsylvania. Subject to applicable state law.
w. Choice of law	§16.3	Pennsylvania law applies. Subject to applicable state law.

B. DEVELOPMENT AGREEMENT

Provision	Section (§) in Development Agreement	Summary
a. Length of the franchise term	§5	The term expires upon the deadline to develop the Businesses specified in the Development Schedule or upon the development of all Businesses.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable

t. Integration/merger clause	§9	<p>Only the terms of the Development Agreement and any Franchise Agreements are binding (subject to state law). Any promises outside the Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.</p>
------------------------------	----	---

		Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	§8	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law)
v. Choice of forum	§8	The choice of forum provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law)
w. Choice of law	§8	The choice of law provision of the Franchise Agreement applies to the Development Agreement (subject to state law)

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in the Exhibit I: State Specific Addenda to this Disclosure Document.

The provision in the Franchise Agreement, which provides for termination upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 U.S.C., et seq.).

**ITEM 18
PUBLIC
FIGURES**

We do not use any public figure to promote the Business but may do so in the future.

**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.

The financial performance representation is ~~historic~~-based upon our existing Company-Owned Outlet and our Franchised Outlets. It includes historical financial results from our existing Company-Owned Outlet whose business was in operation for the ~~full-year-entire fiscal years~~ of 2021 ~~and 2022, 2022, and 2023~~, and the Franchised Outlets whose business was in operation for a minimum of 6 months during the ~~2023 fiscal year. This is the~~ The only criteria that was used to select the financial performance information that is included in Item 19 is operation for a minimum of 6 months during the fiscal year from January 1 to December 31, 2023. As of December 31, ~~2022~~2023, we had 1 ~~Company-Owned Outlet~~ Company-Owned Outlet and 5 Franchised Outlets in operation. We excluded from this representation, 1 Franchised Outlet because it had not operated for more than 6 months during the 2023 fiscal year. We have a reasonable basis ~~and written substantiation~~ for the financial performance information disclosed in Item 19. [Written substantiation for the financial performance representation will be made available upon reasonable request.](#) The Company-Owned Outlet operates in a manner that is substantially similar to franchised units.

Table 1 of this Item 19 details the Gross Revenue generated by the Company-Owned Outlet during a period comprising fiscal ~~year 2021 and fiscal year 2022~~ years 2021, 2022, and 2023 (the “Measurement Period”), along with (a) the costs and expenses associated with operating the Company-Owned Outlet
CRS Franchising, LLC
~~2023-2024~~ FDD

the Measurement Period.

~~The Company-Owned Outlet fiscal year follows the calendar year beginning January 1 and ending December 31. The Company-Owned Outlet disclosed in this Item 19 is the only outlet currently in operation. Because there were no franchised outlets in operation at any time during the Measurement Period, we have not included any information in this Item 19 regarding performance of franchised outlets.~~

Except for the Estimated Fees that are (a) estimated and calculated based on the Gross Revenue figures reported by the Company-Owned Outlet, and (b) required to disclose herein under applicable pre-sale disclosure laws, the data and information provided in Table 1 of this Item below is based on the historical and actual performance of the Company-Owned Outlet over the Measurement Period(s) detailed above. Neither we nor a certified public accountant have independently audited or verified the information.

~~Written substantiation for the financial performance representation will be made available upon reasonable request.~~

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

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

Table 1: Company-Owned Outlet Statement of Income and Certain Expenses FY 2021 ~~and FY 2022~~¹, FY 2022, FY 2023¹

Category	FY 2021	FY 2022	<u>FY 2023</u>
Gross Revenue²	<u>\$879,821</u>	<u>\$1,324,796</u>	<u>\$1,674,085</u>
Gross Revenue	\$ 8 7 9 5 8 2 0 7 4	\$1,3 24,7 95.8 0	
Cost of Sales³			
Payroll Salaries (Field) \$125,132.79	<u>\$125,133</u>	\$218,376.	<u>\$373,828</u>
Payroll Tax (Field)		90	
Subcontractors		\$76,711.1	
Materials		6 \$50,486.7 4 \$37,838.0 4	
		<u>\$218,377</u>	
<u>Payroll Tax (Field)</u>	<u>\$39,751</u>	<u>\$76,711</u>	<u>\$106,082</u>
<u>Subcontractors</u>	<u>\$58,903</u>	<u>\$50,487</u>	<u>\$14,578</u>
<u>Materials</u>	<u>\$39,142</u>	<u>\$37,838</u>	<u>\$32,690</u>

Gross Profit	<u>\$616,892</u>	<u>\$941,383</u>	<u>\$1,146,907</u>
	\$616,892.22	\$94 1,38 2.96	
Operating Expenses⁴			
Insurance ³ⁱ	\$10,738.6 <u>\$10,739</u>	\$11,233. 39	<u>\$19,359</u>
Rent ³ⁱⁱ	\$106,325. 31	\$141,821. 13 3	<u>\$144,000</u>
Salaries and Wages ³ⁱⁱⁱ	\$80,208. 06	\$105,096.9 <u>\$105,097</u>	<u>\$158,747</u>
Utilities ^{3iv}	\$22,456. 02	\$23,212. 03	<u>\$24,542</u>
Program Fees	\$13,414. 44 4	\$42,904.68 <u>\$42,905</u>	<u>\$65,510</u>
Vehicle Lease <u>Purchase and Maintenance</u>	\$10,662. 35 5	\$24,000. 00	<u>\$1,603</u>
Fuel	\$1,135.78 <u>\$1,136</u>	\$8,110. 43	<u>\$9,636</u>
Other Operating Expenses ^{3v}	\$3,953.94 <u>\$3,9534</u>	\$31,268.49 <u>\$31,269</u>	<u>\$18,407</u>
Estimated Fees⁵			
Royalty Fee ⁵ⁱ	\$61,587.45 <u>\$61,588</u>	\$92,735.71 <u>\$92,736</u>	<u>\$117,186</u>
Review Consulting Fee ⁵ⁱⁱ	\$26,394.62 <u>\$26,395</u>	\$39,748.87 <u>\$39,749</u>	<u>\$50,223</u>
Marketing Fund Contribution ⁵ⁱⁱⁱ	\$8,798. 21	\$13,247.96 <u>\$13,248</u>	<u>\$16,741</u>
Technology Fee ^{5iv}	\$4,800. 00	\$4,800	<u>\$4,800</u>
EBITDA (if franchised)⁶	\$266,417. 42 42	\$403,208.31 1	<u>\$516,155</u>
EBITDA Margin Percentage (if franchised)⁶	30.28 <u>30.3</u> %	30.44 <u>30.4</u> %	<u>30.8%</u>

Notes:

1. The figures in the tables above use the historical information that our Company-Owned Outlet provided. Upon your reasonable request, we will provide written substantiation for this financial performance representation.
2. “Gross Revenue” means all revenues derived from all services sold and all services conducted at the Company-Owned Outlet *less* sales tax, discounts, allowances, and returns.
3. “Cost of Sales” means the cost of payroll salaries, payroll taxes, subcontractors, and materials.
4. “Operating Expenses” means other expenses attributable to the operation of the Company-Owned Outlet, including supplies, office supplies, merchant fees and banking charges, business licenses & permits, office expenses, marketing expenses, local/co-op marketing expenses, charitable contributions, postage and delivery, and other miscellaneous expenses. (i) “Insurance” means the expenses paid for insurance for; (ii) “Rent” means expenses paid for rent. The facilities expenses for your Business may vary based upon the property size, location, amenities provided in your lease, prevailing costs of vendor services in your market, the building type and layout, and other factors; (iii) “Salaries and Wages” means wages, bonuses, payroll taxes, and payroll processing expenses for Business employees. Table 1 does not include salary or wages for the owner/operator. If you intend to hire a general manager to oversee the operations of your franchise outlet, we estimate the average starting salary costs to be approximately \$40,000 to \$70,000 based on our owners’ experience in operating the Company-Owned Outlet. If you choose to take a salary as the owner/operator, your labor expense will be higher; (iv) “Utilities” means the expenses paid for utilities. These numbers are based on our experience operating in the Pittsburgh, Pennsylvania area and may vary significantly based upon the location of your Business, prevailing wage rates, the strength of the labor market, and other factors, and (v) “Other Operating Expenses” includes all other expenses categorized as operating expenses which a franchisee could reasonably expect to incur.
5. “Estimated Fees” are calculated based on the rate set in Item 6 above. (i) Royalty Fees are 7% of Gross ~~Revenues~~Revenue; (ii) Review Consulting Fees are 3% of Gross ~~Revenues~~Revenue; (iii) Marketing Fund Contributions are 1% of Gross ~~Revenues~~Revenue; and (iv) Technology Fees are \$400 per month. To calculate the estimated fees under (i) and (ii), the total Gross Revenue was multiplied by the applicable percentage. To calculate (iii), the \$400 per month Technology Fee was multiplied by twelve months.
6. “EBITDA (if franchised)” means Gross Revenue *minus* Disclosed Operating Costs, and Estimated Fees. EBITDA does not include interest paid on debt, taxes, depreciation, or amortization expenses. EBITDA Margin Percentage (if franchised) means EBITDA expressed as a percentage of Gross Revenue.

Table 2: Franchised Outlet Gross Revenue and Net Profit that Operated a minimum of 6 months during the 2023 Measurement Period

<u>Gross Revenue</u>	<u>Net Profit</u>	<u>Margin</u>
<u>\$1,377,922</u>	<u>\$246,209</u>	<u>17.9%</u>

1. The above table includes data from our four (4) outlets that operated at least 6-months during the Measurement Period. The franchised outlets are located in Cleveland, OH, Indianapolis, IN, Southwest Florida, and Louisville, KY. The above table excludes our franchised outlet in Tulsa because it opened in November 2023 and was not operating for a minimum of 6 months.

information or projections of your future income, you should report it to the franchisor's management by contacting Ashley Taylor-Nock, 195 Montour Run Road, Suite ~~101~~105, Coraopolis, Pennsylvania 15108, by email at ~~Franchise@CRSPackout.com~~Support@crspackout.com, or by phone at 833- 525-7277, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS ~~2020 TO 2022~~2021 TO 2023**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE (+ or -)
Franchised	2020 <u>2021</u>	0	0	-
	2021	0	0	-
Company Owned	2020 <u>2021</u>	0	2	+2
	2021 <u>2022</u>	0	5	+5
	2022 <u>2023</u>	1	4	-3
Total Outlets	2020 <u>2021</u>	1	1	-
	2021 <u>2022</u>	1	1	-
	2022 <u>2023</u>	1	4	+3

**TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS ~~2020 TO 2022~~2021 TO 2023**

STATE	YEAR	NUMBER OF TRANSFERS
All States	2020 <u>2021</u>	0
	2021	0
	2022 <u>2023</u>	0
Total Outlets	2020 <u>2021</u>	0
	2021	0
	2022 <u>2023</u>	0

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS ~~2020 TO 2022~~2021 TO 2023**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS LS RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF YEAR
	2020	0	0	0	0	0	0	0
OH FL	2021	0	0	0	0	0	0	0
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022 <u>2023</u>	0	1	0	0	0	0	1
	2020	0	0	0	0	0	0	0
IN	2021	0	0	0	0	0	0	0
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2022 <u>2023</u>	0 <u>1</u>	0 <u>1</u>	0	0	0	0	1

Total	2020	0	2021	0						
		KY								
	<u>2022</u>	0	0	0	0	0	0	0	0	0
	<u>2023</u>	0	1	0	0	0	0	0	1	0
OH	<u>2021</u>	0	0	0	0	0	0	0	0	0
	<u>2022</u>	0	1	0	0	0	0	0	1	0
	<u>2023</u>	1	0	0	0	0	0	0	1	0
OK	<u>2021</u>	0	0	0	0	0	0	0	0	0
	<u>2022</u>	0	0	0	0	0	0	0	0	0
	<u>2023</u>	0	1	0	0	0	0	0	1	0
Total Outlets	<u>2021</u>	0	0	0	0	0	0	0	0	0
	<u>2022</u>	0	2	0	0	0	0	0	2	0
	<u>2023</u>	2	3	0	0	0	0	0	5	0

TABLE NO.4
STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2020 TO 2022~~ 2021 TO 2023

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
PA	2020	0	1	0	0	0	1
	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
PA	<u>2021</u>	1	0	0	0	0	1
	<u>2022</u>	1	0	0	0	0	1
	<u>2023</u>	1	0	0	0	0	1
Total Outlets	<u>2021</u>	1	0	0	0	0	1
	<u>2022</u>	1	0	0	0	0	1
	<u>2023</u>	1	0	0	0	0	1

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, ~~2022~~ 2023

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR
FL	15	16	0
KYSC	2	10	0
TX	1	2	0
NC	1	1	0
PA	1	0	0
OKNJ	1	10	0
TOTAL	31	39	0

Our fiscal year ends on December 31 of each year. We have presented the foregoing numbers as CRS Franchising, LLC
~~2023-2024~~ FDD

of December 31, ~~2022~~2023.

Exhibit C lists the names of all current and former franchisees and the addresses and telephone numbers of their outlets as of ~~December 31, 2022~~the issuance date.

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no independent franchisee organizations associated with the franchise System.

**ITEM 21
FINANCIAL
STATEMENTS**

Attached as Exhibit A to this disclosure document is our audited financial ~~statement as of December 31, 2022 and our unaudited balance sheet and statement of accounts statements~~ as of December 31, 2023. ~~Our fiscal year ends on~~, and December 31, 2022. ~~The franchisor has~~ Because we began operations in March 2022, we have not been in business for three years or more and cannot include all the financial statements required by the ~~Rule~~ FTC for ~~its~~ the last three ~~years~~. ~~Our fiscal years~~ year ends on December 31.

**ITEM 22
CONTRACT
S**

The following agreements are attached as exhibits to this Disclosure Document:

Document/Contract	Location in FDD
Franchise Agreement (FA) with Attachments	Exhibit E
Franchisee Compliance Questionnaire	FA Exhibit E
Development Agreement (DA) with Attachments	Exhibit F
General Release	Exhibit G
Noncompete and Confidentiality Agreement	Exhibit H
State Specific Addenda Riders	Exhibit I
Receipts	Last two pages

**ITEM 23
RECEIPT
S**

The last two pages are detachable documents acknowledging your receipt of this disclosure document. You must sign each Receipt, keeping one for your records. You must return the other Receipt to us. If you have any questions or concerns with the Receipt, please contact Ashley Taylor-Nock at 195 Montour Run Road., Suite ~~101~~ 105, Coraopolis, PA 15108 and 833-525-7277.

EXHIBIT A
FINANCIAL STATEMENTS

~~(Attached)~~

CRS Franchising, LLC

FDD Exhibit A ~~FDD~~

~~2023~~

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

~~CR~~
~~S~~
~~Fr~~

an
chi
sin
g
LL
C

Balance-
Sheet
As of
December
31,
2023

TOTAL

ASSETS

Current Assets**Bank Accounts**

100 CRS FRANCHISING LLC (6726) -1	126,887.29
101 Brand Fund Account	28,018.35

Total Bank Accounts **\$154,905.64**

Accounts Receivable

120 Accounts Receivable (A/R)	65,166.03
-------------------------------	-----------

Total Accounts Receivable **\$65,166.03**

Other Current Assets

125 Payments to deposit	11,142.02
130 Prepaid Consulting Charge—Current	10,000.00
140 Prepaid Consulting Charge—Long Term	86,583.00

Total Other Current Assets **\$107,725.02**

Total Current Assets **\$327,796.69**

Other Assets

130 Startup & organizational costs	0.00
------------------------------------	------

Total Other Assets **\$0.00**

TOTAL ASSETS **\$327,796.69**

LIABILITIES AND EQUITY**Liabilities****Current Liabilities****Other Current Liabilities**

200 Due to CRS	123,850.25
220 Deferred Revenue—Current	16,500.00
221 Deferred Revenue—Long Term	142,542.00

Total Other Current Liabilities **\$282,901.25**

Total Current Liabilities **\$282,901.25**

Total Liabilities **\$282,901.25**

Equity

301 Retained Earnings	-110,371.42
-----------------------	-------------

Shareholders' equity

300 Contributions	30,000.00
-------------------	-----------

Total Shareholders' equity **30,000.00**

Net Income	125,266.86
------------	------------

Total Equity **\$44,896.44**

TOTAL LIABILITIES AND EQUITY **\$327,796.69**

CRS Franchising LLC**Profit and Loss**

January—December 2023

TOTAL

Income

400 Services	609,250.84
--------------	------------

535 Uncategorized Income	500.00
Total Income	\$609,750.84
GROSS PROFIT	\$609,750.84
Expenses	
500 Advertising & marketing	23,532.83
Listing fees	3,500.00
Total 500 Advertising & marketing	27,032.83
501 Commissions & fees	171,339.46
503 Meals	5,922.94
515 Travel meals	945.70
Total 503 Meals	6,868.64
505 Professional Fees	3,243.75
507 Travel	23,436.38
508 Airfare	6,861.88
509 Hotels	12,734.93
510 Taxis or shared rides	1,572.70
Total 507 Travel	44,605.89
519 Insurance	4,025.00
523 Legal & accounting services	34,341.13
506 Accounting fees	14,804.58
513 Legal Fees	1,475.00
Total 523 Legal & accounting services	50,620.71
526 QuickBooks Payments Fees	343.53
529 Payroll expenses	126.00
525 Salaries & wages	89,951.30
Total 529 Payroll expenses	90,077.30
531 Office expenses	5,697.89
504 Software & apps	14,639.24
532 Shipping & postage	26.75
Printing & photocopying	649.25
Total 531 Office expenses	21,013.13
General business expenses	
518 Uniforms	9,608.22
536 Memberships & subscriptions	7,782.00
537 Bank fees & service charges	985.11
Total General business expenses	18,375.33
Supplies	
533 Supplies & materials	1,894.05
Total Supplies	1,894.05

CRS Franchising LLC

Profit and Loss

January – December 2023

TOTAL

Taxes paid	
530 Payroll taxes	44,970.68
Total Taxes paid	44,970.68
Total Expenses	\$484,410.30
NET OPERATING INCOME	\$125,340.54

Other Expenses-	
Vehicle expenses	
514 Vehicle-gas & fuel	73.68
Total Vehicle expenses	73.68
Total Other Expenses	\$73.68
NET OTHER INCOME	\$-73.68
NET INCOME	\$125,266.86



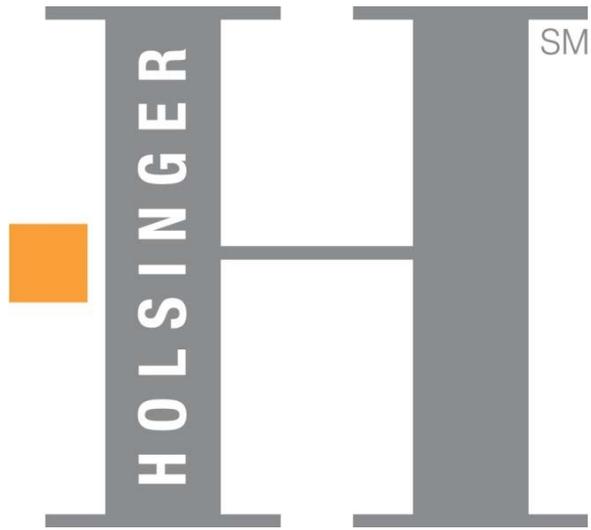
Outside the box. Within the lines.™

Financial Statements

CRS FRANCHISING, LLC

DECEMBER 31, 2023 AND 2022



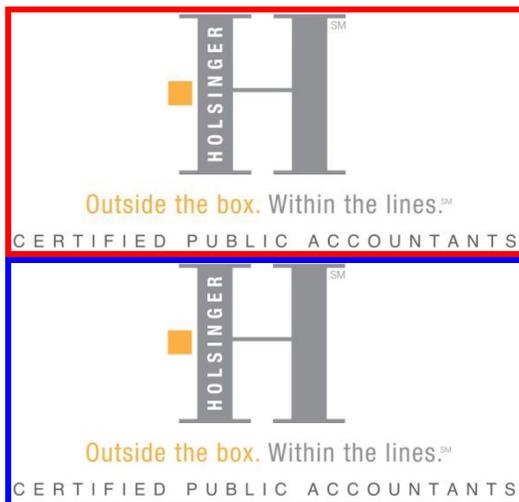


Outside the box. Within the lines.



Contents

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet <u>Sheets</u>	<u>3</u>
Statement <u>Statements</u> of Operations and Member's Equity (Deficit)	4
Statement <u>Statements</u> of Cash Flows	5
Notes to Financial Statements	6



INDEPENDENT AUDITORS' REPORT

To the Member of
CRS Franchising, LLC
Pittsburgh, Pennsylvania

Opinion

We have audited the accompanying financial statements of CRS Franchising, LLC (a Pennsylvania limited liability company), which comprise the balance ~~sheet~~ sheets as of December 31, 2023 and 2022, and the related ~~statement~~ statements of operations and member's equity (deficit), and cash flows for the year ended December 31, 2023, and the period March 14, 2022 (inception) ~~through to~~ December 31, 2022 ~~then ended~~, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CRS Franchising, LLC (the "Company") as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and the period March 14, 2022 (inception) ~~through to~~ December 31, 2022 ~~then ended~~ in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for

-1-

Holsinger.cpa

117 VIP Drive, Suite 220, Wexford, PA 15090 ■ 724.934.4880 ■ Fax 724.934.3990

MSI Global Alliance Independent Member Firm



1-

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit 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 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Wexford, Pennsylvania
March ~~622, 2023~~ 2024

CRS FRANCHISING, LLC
BALANCE ~~SHEET~~SHEETS

AS OF DECEMBER 31, 2022

ASSETS

As of December 31,
2023 2022

Current Assets:

~~Cash~~ ~~\$ 37,678~~

~~Prepaid consulting expense~~ 10,000

~~Total Current Assets~~ ~~47,678~~

~~Prepaid consulting expense~~ 86,583

~~\$ 134,261~~

<u>Cash</u>	<u>\$ 154,884</u>	<u>\$ 37,678</u>
<u>Accounts receivable</u>	<u>122,072</u>	<u>=</u>
<u>Consulting expense asset</u>	<u>35,000</u>	<u>10,000</u>
 <u>Total Current Assets</u>	 <u>311,956</u>	 <u>47,678</u>
 <u>Consulting Expense Asset</u>	 <u>291,166</u>	 <u>86,583</u>
 <u>Total Assets</u>	 <u>\$ 603,122</u>	 <u>\$ 134,261</u>

LIABILITIES AND MEMBER'S EQUITY (DEFICIT)

Current Liabilities:

<u>Accounts payable</u>	<u>\$ 70,000</u>	<u>\$ -</u>
<u>Accrued payroll</u>	<u>16,354</u>	<u>=</u>
Due to related party	<u>123,859</u>	<u>\$55,591</u>
Deferred franchise fee revenue	<u>66,000</u>	<u>16,500</u>

The accompanying notes are an integral part of this financial statement.

Total Current Liabilities	<u>276,213</u>	72,091
Deferred franchise fee revenue <u>Franchise Fee Revenue</u>	<u>550,917</u>	<u>142,542</u>
<u>Total Liabilities</u>	<u>827,130</u>	<u>214,633</u>
Member's Equity (Deficit)	<u>(224,008)</u>	<u>(80,372)</u>
<u>Total Liabilities and Member's Equity</u>	<u>\$ 603,122</u>	<u>\$ 134,261</u>

The accompanying notes are an integral part of this financial statement.

CRS FRANCHISING, LLC
~~STATEMENT~~ STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE PERIOD MARCH 14, 2022 (INCEPTION)
~~THROUGH TO~~ DECEMBER 31, 2022

	<u>Year Ended</u> <u>December 31,</u> <u>2023</u>	<u>Period Ended</u> <u>December 31,</u> <u>2022</u>
Revenues:		
Franchise fees	\$ 5,958	
<u>Brand fund fees</u>	<u>\$ 127,429</u>	<u>\$ -</u>
<u>Royalty fees</u>	<u>47,786</u>	<u>=</u>
<u>Franchise fees</u>	<u>37,125</u>	<u>5,958</u>
<u>Technology fees</u>	<u>14,800</u>	<u>=</u>
<u>Other income</u>	<u>500</u>	<u>-</u>
Total Revenues	<u>227,640</u>	5,958
General and Administrative Expenses	<u>371,276</u>	<u>116,330</u>
Net Income (Loss)	<u>(143,636)</u>	<u>(110,372)</u>
Member's Equity at inception (March 14, 2022 <u>Deficit), Beginning</u>	<u>(80,372)</u>	-
Contributions	<u>-</u>	<u>30,000</u>
Member's Equity (Deficit), Ending	<u>\$ (224,008)</u>	<u>\$ (80,372)</u>

The accompanying notes are an integral part of this financial statement.

CRS FRANCHISING, LLC
STATEMENT OF CASH FLOWS
INCREASES (DECREASES) IN CASH
FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE PERIOD MARCH 14, 2022 (INCEPTION)
~~THROUGH TO~~ DECEMBER 31, 2022

~~Operating Activities: Net Income (Loss)~~

~~Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:~~

~~Changes in assets and liabilities:~~

The accompanying notes are an integral part of this financial statement.

~~\$(110,372)~~

	<u>Year Ended</u> <u>December 31,</u> <u>2023</u>	<u>Period Ended</u> <u>December 31,</u> <u>2022</u>
<u>Operating Activities:</u>		
<u>Net Income (Loss)</u>	<u>\$ (143,636)</u>	<u>\$ (110,372)</u>
<u>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</u>		
<u>Changes in assets and liabilities:</u>		
<u>Accounts receivable</u>	<u>(122,072)</u>	<u>=</u>
Prepaid consulting expense	<u>(229,583)</u>	<u>(96,583)</u>
<u>Accounts payable</u>	<u>70,000</u>	<u>=</u>
<u>Accrued payroll</u>	<u>16,354</u>	<u>=</u>
Due to related party	<u>68,268</u>	<u>55,591</u>
Deferred franchise fee revenue	<u>457,875</u>	<u>-159,042</u>
Net Cash Provided by (Used in) Operating Activities	<u>117,206</u>	<u>7,678</u>
<u>Financing Activities:</u>		
Member contributions	<u>=</u>	<u>-30,000</u>
Net Cash Provided by (Used in) Financing Activities	<u>=</u>	<u>30,000</u>
Increase (Decrease) in Cash	<u>117,206</u>	<u>37,678</u>
Cash - Beginning of Period	<u>37,678</u>	<u>=</u>
Cash - End of Period	<u>\$ 154,884</u>	<u>\$ 37,678</u>

The accompanying notes are an integral part of this financial statement.

CRS FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 1 -- Nature of Operations

Nature of Operations -- CRS Franchising, LLC (the "Company") is a single member limited liability company headquartered in Pittsburgh, Pennsylvania. The Company provides franchisee opportunities for content restoration services related to fire, flood, smoke, soot, and other damaged property throughout the United States of America. The Company was formed ~~August 19, 2021, and provides franchise opportunities to content recovery specialists throughout the Pittsburgh region.~~ Operations in April 2021 and operations commenced March 14, 2022.

Note 2 -- Summary of Significant Accounting Policies

Basis of Accounting -- The Company uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recorded as incurred.

Cash ~~All liquid investments with a maturity of three months or less when purchased are considered cash equivalents.~~ -- The Company maintains cash at a bank which is fully insured by the Federal Deposit Insurance Corporation ("FDIC"). From time-to-time, the Company has credit risk for cash when the cash balance at a single bank exceeds the federally insured amount of \$250,000.

Accounts Receivable – Accounts receivable are presented at fair value, less an allowance for credit losses when management determines credit losses exist. The Company assesses the allowance for credit losses based on specific customer analysis, historical loss information, and forecasted economic conditions. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. The Company believes that historical loss information is a reasonable base on which to determine expected credit losses for trade receivables at the reporting date because the composition of trade receivables at the reporting date is consistent with that used in developing historical credit-loss percentages (similar risk characteristics of its customers and no significant changes to lending practices). As of December 31, 2023 and 2022, the allowance for credit losses was estimated to be \$0, and credit loss expense was \$0 for the year ended December 31, 2023 and the period March 14, 2022 to December 31, 2022, respectively.

~~Prepaid Consulting Expense – Asset –~~ The Company has ~~an agreement~~ agreements with a consulting ~~company~~ companies that ~~charges a charge a referral~~ fee based upon the number of franchisees it refers to the Company. The Company ~~pays the fee in full and~~ recognizes an asset for these fees when the corresponding franchise agreement is executed, and amortizes the expense on the straight-line method over the initial term of the corresponding ~~initial~~ franchise agreement.

Deferred Franchise Fee Revenue -- The Company receives ~~the an~~ initial franchise fee in-full upon execution of the franchise agreement, and recognizes the fee on the straight-line method over the initial term of the agreement.

Revenue Recognition -- Revenue is measured based on consideration specified in contracts with franchisees and excludes incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a ~~franchisees~~ franchisee.

CRS FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 2 – Summary of Significant Accounting Policies – Continued

The following describes principal activities, separated by major product service, from which the Company generates its revenues:

Franchise Revenues

Franchise revenues consist of 1) initial franchise fee, 2) franchise royalties, 3) brand fund contribution, 4) technology fee, 5) review / consulting fee, and 56) other non-recurring fees.

The initial franchise fee, \$55,000, is paid in consideration of the rights granted in the franchise agreement and is a non-refundable. The fee is recognized on a straight-line basis over the term of the initial franchise agreement, which is ten years.

Franchise royalties are based on 8a range of 7% to 10% of gross revenue (as defined in the franchise agreement) for the first six months of operations. Beginning in the seventh month, the Company charges the greater of 8% of gross revenue, or \$1,000. The Company recognizes royalties as franchisees conduct business. Franchise royalties are recognized by the Company in the month the franchisee incurs the expense.

~~CRS FRANCHISING, LLC~~
~~NOTES TO FINANCIAL STATEMENTS~~
~~(CONTINUED) DECEMBER 31, 2022~~

Note 2 – Summary of Significant Accounting Policies – Continued

Brand fund contribution revenues are based on 3% of franchisees' gross revenue (as defined in the franchise agreement) and are recognized as sales occur.

Technology fee revenues are charged to franchisees at a rate of \$400 per month for access to the Company's intranet, systems, mobile applications, website, and other products and services and are recognized when charged.

Review / consulting fees are based on 3% of franchisees gross revenue (as defined in the franchise agreement) and are recognized as sales occur.

Franchisees are required to spend a minimum of 1% of gross revenues per month on local advertising. The Company, in their sole discretion, reserves the right to collect this expenditure. Local advertising revenues are recognized in the month corresponding revenues are earned.

The Company also reserves the right to charge franchisees for the following non-recurring services: non-compliance fee, special inspection fee, special support fee, reimbursement fee, and a transfer fee. These non-recurring services are recognized when the service is charged.

The Company ~~has~~ adopted the franchisor practical expedient for FASB ASC 606, which allows the Company to treat preopening services as distinct from one another. Pre-opening services are either incurred by the franchisee or the franchisor as no additional cost, except for certain training fees. Training fees are recognized when the service is provided.

Income Taxes ~~—~~ The Company's taxable status, as determined by management, is a pass-through entity and the Company has no recorded liability for uncertain tax positions. Therefore, no provision for income

tax is included in the financial statements. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Fair Value of Financial Instruments – The recorded amounts for accounts receivable, accounts payable, and accrued payroll approximate fair value due to the short-term nature of the financial instruments.

CRS FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

Note 2 – Summary of Significant Accounting Policies – Continued

Use of Estimates — The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

New Accounting Standard – In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. Topic 326 aims to replace the incurred loss impairment methodology with current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Topic 326 was subsequently amended by ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*; ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*; 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)*; and ASU 2019-05, *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief*. The Company adopted the credit loss standards effective January 1, 2023. As of January 1, 2023, adoption of Topic 326 did not result in any material adjustments to balance sheet accounts, net income, or member's equity.

Note 3 – Franchising

The Company grants franchise licenses to prospective franchisees. The initial term of each license begins on the effective date of the franchise agreement and ends on the tenth anniversary thereof. Upon expiration of the initial term, and subject to certain requisites, the franchisee has the option to obtain two additional consecutive successor terms of five years each.

There were nine and three franchises sold during the year ended December 31, ~~2022~~2023 and the period March 13, 2022 (inception) to December 31, 2022, respectively. ~~None of the franchisees have commenced principal operations, and none~~ of the franchisees closed, as of December 31, 2023 and 2022.

Note 4 – Related Party Transactions

The member of the Company controls various other companies that occasionally advance the Company funds for operational cash flow purposes with no specific repayment terms and no collateral requirements. ~~As of December 31, 2022, the~~ The amount due to related parties (Content Recovery Specialists, LLC) was \$123,859 and \$55,591 as of December 31, 2023 and 2022, respectively.

~~\$55,591.~~

CRS FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
(CONTINUED) DECEMBER 31, 2022

Note 5 – Subsequent Events

Management has evaluated all subsequent events through March ~~6~~22, 2023 2024, the date the financial

List of State Regulatory Administrators

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

LIST OF STATE ADMINISTRATORS	
<u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	<u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
<u>HAWAII</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<u>INDIANA</u> Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48933 (517) 373-7117	<u>MINNESOTA</u> Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
<u>NEW YORK</u> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222	<u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
<u>OREGON</u> Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387	<u>RHODE ISLAND</u> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
<u>WASHINGTON</u>	<u>WISCONSIN</u>

EXHIBIT C

LIST OF CURRENT AND FORMER FRANCHISEES

CURRENT FRANCHISEES

Open and Operating as of the Issuance Date

State	City	<u>Business Address</u>	Telephone<u>Email</u>	Name
OH	Cleveland	1240 Valley Belt Road Brooklyn Heights, OH 44131	440-550- 4750 cleveland@crspackout.com	Tony Harley
IN	Indianapolis	1397 S 10st Noblesville, IN 46060	317-222- 1904 indianapolis@crspackout.com	Marty Gurry

Franchisees That Have Signed but Not Opened as of the Issuance Date

<u>State</u>	<u>City</u>	<u>Business Address</u>	<u>Email</u>	<u>Name</u>
FL	Fort Meyers	15790/15820 Chief Ct. Fort Meyers, FL 33912	239-744- 2055 southwestfl@crspackout.com	Steven Bonney
OK	Tulsa	2640 N Darlington Ave Tulsa, OK 74115	949-636- 5272 tulsa@crspackout.com	Tim Odell
KY	Louisville	2405 Tuckaho Road Louisville, KY 40207	502-408- 3828 louisville@crspackout.com	Charlie Caravello

FORMER FRANCHISEES

NONE.



EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS



Manual Section	Number of Pages
Preface & Introduction	25
Introduction to the Franchise System	10
Pre-Opening Procedures	75
Employee Management	10
Financial Operations	13
Marketing	20
Daily Operating Procedures	25
Total Number of Pages	178

*The Operations Manual is still under development; therefore, these numbers are estimates based on what has currently been developed and are subject to change.

EXHIBIT E

FRANCHISE AGREEMENT WITH
ATTACHMENTS



[CRS Franchising, LLC](#)
[FDD Exhibit E](#)



FRANCHISE AGREEMENT

between

CRS FRANCHISING, LLC

and

Date: _____

FRANCHISEE

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
Article 1	RIGHTS GRANTED	2
Article 2	INITIAL TERM AND SUCCESSOR TERM	3
Article 3	FEES	34
Article 4	SITE SELECTION, DEVELOPMENT, AND OPENING OF BUSINESS	6
Article 5	TRAINING AND ASSISTANCE	7
Article 6	BUSINESS OPERATION AND SYSTEM STANDARDS	8
Article 7	MARKETING	13
Article 8	RECORDS, REPORTS, AUDITS, AND INSPECTIONS	15
Article 9	INTELLECTUAL PROPERTY	16
Article 10	PROPRIETARY INFORMATION	17
Article 11	INDEMNIFICATION	18
Article 12	COVENANT NOT TO COMPETE	19
Article 13	TRANSFER AND ASSIGNMENT	20
Article 14	TERMINATION AND DEFAULT	24
Article 15	YOUR OBLIGATIONS UPON EXPIRATION OR TERMINATION	27
Article 16	DISPUTE RESOLUTION AND GOVERNING LAW	29
Article 17	MISCELLANEOUS	30 <u>31</u>
Article 18	YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS	32

ATTACHMENTS

- ~~A. Franchisee Specific Terms~~
- ~~B. Personal Guarantee of Owner/Shareholder~~
- ~~C. Forms of General Release~~
- ~~D. Electronic Funds Transfer Form~~
- ~~E. Lease Rider~~
- ~~F. Form of Confidentiality and Non-Compete~~
- ~~G. Franchisee Compliance Questionnaire~~
- A. FRANCHISEE-SPECIFIC TERMS
- B. PERSONAL GUARANTEE OF OWNER/SHAREHOLDER
- C. FORMS OF GENERAL RELEASE
- D. ELECTRONIC FUNDS TRANSFER FORM
- E. LEASE RIDER
- F. FORM OF CONFIDENTIALITY AND NON-COMPETE
- G. FRANCHISEE COMPLIANCE QUESTIONNAIRE

CRS FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into as of the date set forth on Attachment A of this Agreement (the “Effective Date”) (Attachment A and all other attachments to this Agreement are hereby incorporated by this reference) between CRS Franchising, LLC, a Pennsylvania limited liability company with its principal place of business at 195 Montour Run Road, Suite ~~101~~105, Coraopolis, Pennsylvania 15108 (“CRS Franchising”), and the person or entity identified on Attachment A as the franchisee (“Franchisee”) with its principal place of business as set forth on Attachment A. In this Agreement, “we,” “us,” and “our” refers to CRS Franchising, LLC. “You” and “your” refers to Franchisee.

BACKGROUND

We and our affiliates have accumulated knowledge and experience in the restoration services industry on the basis of which we have developed and will continue to develop a distinctive business format and set of specifications and operating procedures (collectively, the “System”) for the operation of franchised outlets (each franchised unit shall be referred to herein as a “Business”) that operate under the CRS mark and offer such services to the public.

The distinguishing characteristics of the System include, but are not limited to, our Business designs, layouts, and identification schemes (collectively, the “Trade Dress”), our specifications for equipment, inventory, and accessories; our website or series of websites for the Business (the “System Website”); our relationships with vendors; our software and computer programs; our billing system; the accumulated experience reflected in our operating procedures, customer service standards methods, and marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements (“System Standards”) set out in our operations manual (“Manual”) and otherwise in writing. We may change, improve, add to, and further develop the elements of the System from time to time.

We identify the Businesses operating under the System by means of the CRS mark and certain other trademarks, service marks, trade names, signs, associated designs, artwork, and logos set forth on Attachment B (collectively, the “Marks”). We may designate for your use other trade names, service marks, and trademarks as Marks from time to time. These marks which will also be included in the term the “Marks.”

We may have engaged an area representative to provide certain services to you under this Agreement pursuant to an Area Representative Agreement. If an area representative will be providing you with services as of the Effective Date, the area representative will be listed on Attachment A (the “Area Representative”). We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

If you are a corporation, limited liability company, partnership, or other entity (collectively, an “Entity”), all of your owners of a legal and/or beneficial interest in the Entity (the “Owners”) are listed on Attachment

A. If you are an Entity, the individual owner who you must appoint to have authority over all business decisions related to your business and to have the power to bind you in all dealings with us will be referred to as your “Principal Executive.”

You desire to open and operate a CRS Business using the Marks and the System, and we are willing to grant to you a license to open and operate a Business on the terms and conditions of this Agreement.

In consideration of the foregoing promises and the covenants and agreements contained herein, and for
CRS Franchising, LLC
~~2023-2024~~ Franchise

Article 3 FEES

3.1. Franchise Fee. You must pay us an initial franchise fee as set forth on Attachment A (the “Franchise Fee”) upon execution of this Agreement. The initial Franchise Fee is paid in consideration of the rights granted in Article 1 (Rights Granted) and will be deemed fully earned at the time paid. You acknowledge that we have no obligation to refund the Franchise Fee, in whole or in part, for any reason.

3.2. Royalty Fee.

- A. Gross Revenue. “Gross Revenue” means all revenue that you receive or otherwise derive from operating the Business, whether from cash, check, insurance payments, credit or debit card, gift card or gift certificate, or other credit transactions, and regardless of collection or when you actually provide the products or services in exchange for the revenue. If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the Business, there shall be added to Gross Revenue an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds. Gross Revenue includes promotional allowances or rebates paid to you in connection with your purchase of products or supplies or your referral of customers. Gross Revenue does not include (i) any bona fide returns and credits that are actually provided to customers and (ii) any sales or other taxes that you collect from customers and pay directly to the appropriate taxing authority. You may not deduct payment provider fees (i.e., bank or credit card company fees and gift card vendor fees) from your Gross Revenue calculation.
- B. Amount of Royalty Fee. You must pay us a monthly royalty fee (the “Royalty Fee”) equal to seven percent (7%) of your Gross Revenue for the previous month, payable within five (5) days of your receipt of payment for all services rendered. The Royalty Fee is non-refundable and is paid in consideration of the ongoing right to use the Marks and the System in accordance with this Agreement and not in exchange for services rendered by us. Beginning in the seventh month after you open your Business, you must make a minimum Royalty Fee payment of the greater of 10% of your Gross Revenues or \$1,000 per month.
- C. Review/Consulting Fee. You must pay us a monthly review/consulting fee (“Review/Consulting Fee”) equal to three percent (3%) of your Gross Revenue for the previous month, payable within five (5) days of your receipt of payment for all services rendered. This fee covers the cost of our provision of support to you in reviewing ~~bids~~estimates and invoices, costs, and strategy related to your Business.

3.3. Brand Fund Contribution. You must contribute one percent (1%) of your Gross Revenues to a fund we have established to promote the CRS brand as described in this Agreement (“Brand Fund Contribution”). We reserve the right to change the amounts of the Brand Fund Contribution and minimum Contribution up to a maximum of 3% of your Gross Revenue on sixty (60) days’ advance written notice.

3.4. Local Advertising Expenditure. You must contribute one percent (1%) of your Gross Revenues to advertising in your local market via vendors, media outlets, etc. We reserve the right to increase your Local Advertising Expenditure to 4% of your Gross Revenue upon sixty (60) days’ advance written notice.

3.5. Technology Fee. You agree to pay us a fee for the cost of your access to and usage of our system, intranet, mobile applications, websites and other products and services we designate for use in the Business (“Technology Fee”). Currently, the Technology Fee is \$400 per month. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. We may increase the Technology Fee at any time by providing sixty (60) days notice to you. There is no cap on the amount the Technology Fee may be increased.

obligation hereunder. We may include in the Non-Compliance Fee reasonable compensation and all costs and expenses we incur in performing follow-up inspections to evaluate your compliance.

3.7

3.7 Special Inspection Fee. Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification. Currently \$600 per occurrence, plus our out-of-pocket costs.

3.8 Special Support Fee. If we provide in-person support to you in response to your request, we may charge our then current fee, currently \$600 per day, plus all of our out-of-pocket expenses.

3.9 Reimbursement Fee. If we pay any amount that you owe or are required to pay to a third party, you must reimburse us for the amount that we spend on your behalf, plus an administrative fee of 10% of such costs.

3.10 Transfer Fee. If you Transfer (as defined in this Agreement) your Business or this Agreement, you must pay us a Transfer Fee equal to \$10,000.00 plus any broker fees, referral fees, and/or other out-of-pocket costs we incur, and which are payable by you (“Transfer Fee”).

3.11 Payments of Fees. Your Royalty Fees, Brand Fund Contribution, and other regular fees (the “Operating Fees”) are due to us and must be reported to us at the times and in the manner that we specify from time to time in the Manual or otherwise. Currently, you must pay us your Operating Fees monthly on or before the tenth day of each month, based on your Gross Revenue for the preceding month. All other fees and payments due to us must be paid to us within ten days of the event that triggers the fee or your receipt of an invoice from us.

3.12 Methods of Payment. You must make all payments to us by the method or methods that we specify from time to time in the Manual, which may include payment via wire transfer or electronic debit to your bank account. You must furnish us and your bank with all authorizations necessary to effect payment by the methods we specify. We currently require you to make payment by electronic debit from your specified checking or savings account, and you must complete and sign an Authorization Agreement for Preauthorized Payments for this purpose. You must deliver a copy of the Authorization to us within five business days of our request. You must maintain sufficient funds in your account to permit us to withdraw the Operating Fees due from time to time. You may not, under any circumstances, set off, deduct or otherwise withhold any Operating Fees, interest charges, or any other monies payable under this Agreement on grounds of our alleged non-performance of any obligations or for any other reason. We may require you to purchase merchant processing services from us, our affiliates, or a vendor that we have approved or designated, each of whom may charge a reasonable monthly fee and reasonable per transaction fee. The payment processor may process all credit card payments related to your Business, and remit payment to you of all monies owed, after withholding any Operating Fees payable to us and any payment processing fees payable to such processor. If you fail to timely report your Gross Revenue, or we are otherwise unable to access your Gross Revenue, we may estimate the amount of fees due and make a corresponding withdrawal from your bank account based on our estimate, plus 20% of our estimate. If we underestimate any fees due, you will remain obligated to pay the total amount of fees due, which, if we institute an automatic debit program, we may debit from your account automatically. If we overestimate any fees due, we will credit the fees paid (without interest) against fees due in the next payment period after we receive accurate records regarding your Gross Revenue.

3.13 Interest; Late Fee. If any payment due to us is not received in full by the due date, you agree to pay us daily interest on the amount owed, calculated from the due date until paid, at the rate of 18% per annum (or the maximum rate permitted by law, if less. You also agree to pay us a late fee in the amount of \$100 for each week that a payment is paid after the applicable due date. This late fee is subject to increase upon sixty (60) days’ prior written notice but will not be increased more than once in any 12-month period. You acknowledge that this paragraph is not our agreement to accept any payments after they are due and that any late payments are a default under this Agreement.

3.14 Taxes. You are responsible for all taxes, assessments, and government charges levied or assessed on you in connection with your business activities under this Agreement. In addition, as part of the Royalty Fee, Brand Fund Contribution, Technology Fee, or any other fees that we charge, you will pay to us the amount of any taxes imposed on us or our affiliates (and any taxes imposed on us or our affiliates as a result of such imposition) by federal, state, or local taxing authorities as a result of our receipt of any such fees, not including any tax measured on our income.

Article 4 SITE SELECTION, DEVELOPMENT, AND OPENING OF BUSINESS

4.1. Site Selection. You must secure ~~an office, a~~ storage warehouse, or other space suitable for the operation of the Business and satisfactory to us within the Territory. Before entering into any lease or purchase agreement for the site, you must submit a site proposal package describing details about the proposed site and provide any other information that we reasonably require. We will review each site that we or you identify and determine whether to accept it using our criteria. You acknowledge that we may refuse to accept a proposed site for any reason. If we accept the proposed site and you obtain it, we will insert a description of the specific location on Schedule 1 to Attachment A. ~~YOU ACKNOWLEDGE AND AGREE THAT OUR ACCEPTANCE OR PROPOSAL OF A PROPOSED SITE IS NOT A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF YOUR OUTLET. WHILE WE MAY PROVIDE ASSISTANCE AND GUIDANCE, IT IS SOLELY YOUR RESPONSIBILITY TO SELECT A SUITABLE SITE FOR THE BUSINESS.~~The address listed on Schedule 1, if completed and signed by us, will be the “Site” referred to in this Agreement. A site is not accepted until you have received our acceptance in writing, as indicated by our delivery of the completed and signed Schedule 1.

4.2. Definition of the Territory. The Site must be located in your Territory as defined in Attachment A. We define territories based on the factors that we deem relevant, in our sole discretion, which might include number of residential contractors operating in the surrounding area, demographics, the character and location of the Site, and nearby businesses and residences.

4.3. Site Acquisition.

- A. Consent. Before you make a binding commitment to acquire a site location, we must accept the location and approve in writing any letter of intent, lease, or purchase agreement proposed between you and another party. We will provide approval or disapproval of your Site within thirty (30) days of your submission of all documentation reasonably requested by us. You are required to use a preferred realtor approved by us in selecting your Site.
- B. Deadline. You must secure a Site by signing a Site Lease or purchase agreement within one hundred twenty (120) days of the Effective Date (the “Site Acquisition Deadline”). We may extend the Site Acquisition Deadline in our discretion. We may require you to execute a release as a condition of the extension. If we have accepted a site for your Business and you are unable or unwilling to acquire it or an alternative site that we accept by the Site Acquisition Deadline, we may terminate the Franchise Agreement. You must deliver to us the completely executed purchase agreement or Site Lease and Lease Addendum within ten (10) days of the execution of the Site Lease or purchase agreement, and you may not amend, terminate, or renew any Site Lease without our written consent. You must comply with the terms and conditions of your Site Lease. We are not obligated to execute your lease or guarantee a lease for you.

4.4. Opening Deadline. You must complete construction of and open your Business no later than ~~ninety(90) days after possession of the Site is delivered to you~~ two hundred and ten (210) days after the Effective Date of this Agreement (the “Opening Deadline”), unless we grant you an extension in writing. We will provide you with any specifications that we develop for fixtures, furnishings, equipment, and signage, which may include the names of approved suppliers. We do not supply these items directly, nor

Business within ten (10) days of the date we give our written approval. Time is of the essence in opening the Business.

4.5. ~~4.5.~~ Relocation. You may not relocate the Business without our prior written consent. Such approval will not be unreasonably withheld, provided that (i) the new location for the Business premises is satisfactory to us and you comply with our then-current real estate project management requirements, (ii) your lease, if any, for the new location complies with our then-current requirements and you and your landlord execute the Lease Rider, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Revenue of any other Business, (v) you have fully performed and complied with each provision of this Agreement in the three years prior to the relocation (the “Relocation Request Date”), (vi) no Event of Default (as herein defined), or event which with the giving of notice and/or passage of time would constitute an Event of Default, exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If your Site Lease expires or is otherwise terminated, you must secure our approval of another site and enter into a Site Lease for the new approved site within 90 days. We reserve the right to terminate this Agreement if you fail to secure a new approved site within 90 days after you lose the Site Lease.

Article 5 TRAINING AND ASSISTANCE

5.1. Initial Training. Prior to opening the Business, you (or your Principal Executive) and any key employees you designate to assist in supervising the day-to-day operations of the Business (collectively, “Required Trainees”) must personally attend and satisfactorily complete our initial training program (“Initial Training”). We will provide Initial Training as soon as practicable after the execution and delivery of this Agreement at our offices, currently in Coraopolis, Pennsylvania, online, or at any other location that we designate, including on-site at your location. Currently, Initial Training includes (i) 26 hours of Classroom Training; (ii) 16 hours of on-the-job training. We reserve the right to modify the length and location of Initial Training. We may waive a portion of Initial Training or alter the training schedule if we determine that your Required Trainees have sufficient prior experience or training or have previously been trained at one of our Business. Each subsequent Principal Executive must attend our Initial Training unless we otherwise agree in writing, but we may permit them to attend Initial Training remotely via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine.

- A. Cost. We will provide instructors, facilities, and materials for up to two Required Trainees at no cost, provided that all of your trainees are trained during the same training session. You are solely responsible for any costs of travel, expenses, and wages associated with attendance at Initial Training. If space is available, you may bring more than two representatives to Initial Training. We reserve the right to charge a training fee of \$500 per trainee, which we may increase upon sixty (60) days’ written notice to you, for (i) each person in excess of two trainees, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent Principal Executive or employee who attends the course. As used in this Agreement, “Training Fee” means any fee imposed in accordance with this Article.
- B. Completion of Initial Training. If your Required Trainees are unable to successfully complete, in our sole discretion, Initial Training for any reason, your Required Trainees must repeat Initial Training, or you must send replacement Required Trainees to complete Initial Training. Your Required Trainees must successfully complete Initial Training at least ten (10) days before the Opening Deadline. If you and your personnel satisfactorily complete our Initial Training and you do not expressly inform us at the end of Initial Training that you feel that you or they have not been adequately trained, then you and they will be deemed to have been trained sufficiently to operate a Business.

revised mandatory System Standards within 30 days after we transmit the updates, unless otherwise specified.

- B. Use of the Manual. You agree to keep your copy of the Manual current. If there is any dispute as to the current contents of the Manual, the terms of the master copy maintained at our headquarters will control. You acknowledge that we own the copyright in the Manual and that your copy of the Manual remains our property and will be returned to us immediately upon expiration or termination of this Agreement. You will treat the Manual, and the information contained therein, as confidential and will maintain the confidentiality of such information. You will not, without our prior written consent, copy, duplicate, record, use, or otherwise reproduce in any way the Manual, in whole or in part, or otherwise make their contents available to any unauthorized person.

6.2. Management and Personnel.

- A. Business Management. Unless otherwise specified in the Manual, at all times that your Business is open for business, it must be under the personal, on-premises supervision of either you, your Principal Executive, or a trained manager. You may not permit your Business to be operated, managed, directed, or controlled by any other person or entity without our prior written consent. If at any time during the Term no Owner, Principal Executive, or employee who has completed our Initial Training to our satisfaction is able to operate the Business, we may elect to do so on your behalf. You will pay us all costs and expenses we incur while operating your Business.
- B. Employment Decisions and Policies. You are solely responsible for all labor and employment-related matters and decisions related to your Business, including hiring, firing, promoting, demoting, and compensating (including through wages, bonuses, or benefits) your employees. You must ensure that your employees are qualified to perform their duties in accordance with our System Standards and successfully pass a background check. We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Business.

6.3. Operation of the Business. You will not use the Site for any purpose other than the operation of the Business in compliance with the System and the Manual. You will not lease, sublease, or assign the Site Lease for all or any portion of the Site, without our prior written consent.

- A. Operating Hours. You must keep the Business open for business to the public at least during the hours we prescribe from time to time in the Manual or otherwise approve, unless prohibited by applicable law or by the Site Lease (if any) for the Business premises.
- B. Notice of Independent Contractor. During the Term, you agree to hold yourself out to the public as an independent contractor operating your Business under license from us, and you must display in a conspicuous location in or upon the Business, or in a manner that we specify, a sign containing the following notice or an alternative notice that we specify: "This business is owned and operated independently by [name of franchisee] who is an authorized licensed user of the CRS trademark, which is owned by CRS Franchising, LLC." You must include this notice or other similar language that we specify on all forms, advertising, promotional materials, business cards, receipts, letterhead, contracts, stationary, and other written materials we designate.

6.4. Pricing. We may provide you with recommended or mandatory prices for products and services based upon the insurance carriers ~~estimating programs, Xactimate or Symbility (depending on your location), which has~~ requirements, which have specific pricing for the market/exact prices that

6.5. Products, Supplies, Operating Assets, and Services.

- A. Purchases. We have the right to require that products, supplies, equipment, goods, and services that you purchase for resale or purchase or lease for use in your Business (“Operating Assets”): (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates). To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manual.
- B. Products and Services You May Offer. You may offer in the Business only the products, services, and classes that we have approved in writing. In addition, you must offer the specific services that we require in the Manual or otherwise in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You must offer all services that we designate as mandatory. You may sell services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required products to meet the reasonably anticipated customer demand for your services, if we have not prescribed specific standards. You may submit a request to us to provide additional services outside of what we have approved. In the event that you request and we agree to allow you to provide services that were not previously authorized by us, any revenue generated by such services will be subject to the same payment obligations, including without limitation all duties to pay Royalty Fees, Marketing Fees, or any other fees set forth hereunder.
- C. Revenue from Purchases. You acknowledge and agree that we and our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts, and other payments made to us by suppliers and distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees’ actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. If you derive any revenue based on payments or promotional allowances received from suppliers or distributors, you must report to us the details of the arrangement and such revenue shall be included as part of your Gross Revenue.
- D. Approval Process. If you would like to offer products, services, or use any Operating Assets or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier’s facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. We may require the proposed supplier or service provider to visit our headquarters, currently in Coraopolis, Pennsylvania, to evaluate the proposed supplier or service provider in person. You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within ninety (90) days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. You acknowledge that the products and services that we

6.8. Business Management and Technology System.

- A. Acquisition and Updates. You must obtain, maintain, and use the hardware, software, other equipment, and network connections that we specify periodically in the Manual necessary to operate our point-of-sale system, our billing system, and other technology systems that we designate (collectively, the “Business Management and Technology System”). You must use the Business Management and Technology System to (i) enter and track purchase orders and receipts, attendance, and customer information, (ii) update inventory, (iii) enter and manage your customers’ contact information, (iv) generate sales reports and analysis relating to the Business, and (v) provide other services relating to the operation of the Business. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require. You must replace, upgrade, or update at your expense the Business Management and Technology System as we may require periodically without limitation. We will establish reasonable deadlines for implementation of any changes to our Business Management and Technology System requirements.
- B. Use of the Business Management and Technology System. You agree: (i) that your Business Management and Technology System will be dedicated to uses relating to the operation of the Business; (ii) to use the Business Management and Technology System in accordance with our policies and operational procedures; (iii) to transmit financial and operating data to us as required by the Manual; (iv) to do all things necessary to give us unrestricted access to the Business Management and Technology System at all times (including users IDs and passwords, if necessary) so that we may independently download and transfer data via a modem or other connection that we specify; (v) to maintain the Business Management and Technology System in good working order at your own expense; (vi) to ensure that your employees are adequately trained in the use of the Business Management and Technology System and our related policies and procedures; and (vii) not to load or permit any unauthorized programs or games on any hardware included in the Business Management and Technology System. You also must comply with all laws and payment card provider standards relating to the security of the Business Management and Technology System, including, without limitation, the Payment Card Industry Data Security Standards. You are responsible for any and all consequences that may arise if the system is not properly operated, maintained and upgraded or if the Business Management and Technology System (or any of its components) fails to operate on a continuous basis or as we or you expect. [You further agree that Franchisor shall at all times maintain access to the software used in your Business Management and Technology System.](#)

6.9. Compliance with Laws and Good Business Practices. You must comply with all applicable laws. You will obtain and maintain in good standing any and all licenses, permits, and consents necessary for you to lawfully operate the Business. You have sole responsibility for such compliance despite any information or advice that we or our Area Representatives may provide. In all dealings with customers, prospective customers, suppliers, us, and the public, you must adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Businesses.

6.10. Notice of Proceedings. You will notify us in writing within five days after the commencement of any action, suit, or proceeding, or of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality in connection with the operation or financial condition of the Business, including without limitation any criminal action or proceeding brought by you against any employee, customer, or other person, but excluding civil proceedings against customers to collect monies owed.

~~we periodically specify in the Manual for all similarly situated Businesses. All of your insurance carriers~~

~~must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically~~~~6.13.~~

6.11. Insurance. During the Term, you must maintain in force at your sole expense insurance coverage for the Business in the amounts, covering the risks, and containing only the exceptions and exclusions that

we periodically specify in the Manual for all similarly situated Businesses. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an “occurrence” basis, except for the employment practices liability insurance coverage, which is on a “claims made” basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. All general liability and workers’ compensation coverage must provide for waiver of subrogation in favor of us and our affiliates. We may, upon at least sixty (60) days’ notice to you, periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name us, our Area Representative, and any affiliates we designate as an additional insured and provide for thirty (30) days’ prior written notice to us of a policy’s material modification or cancellation. You agree periodically to send us a valid certificate of insurance or duplicate insurance policy evidencing that you have maintained the required coverage and paid the applicable premiums from time to time upon our request, and in any case prior to opening your Business. If you fail to obtain or maintain (or to prove that you have obtained or maintained) the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance and pay us a reasonable fee for such service.

6.12. Taxes. You will pay when due all taxes, assessments, and governmental charges upon or against you or your real or personal properties, income, and revenue; provided that no such tax, assessment, or governmental charge need be paid so long as the validity, applicability, or amount thereof is being contested in good faith by appropriate proceedings and appropriate reserves are maintained to pay the disputed amount, if necessary.

Article 7 MARKETING

7.1. Our Advertising Materials. We may periodically formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective. We may make available for purchase approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared. We or our affiliates will retain all copyrights relating to such advertising materials.

~~the Program, we will use all remaining Program assets for Brand Awareness related costs. You must pay the Brand Fund Contribution each month. Beginning in the fourth month after you open for Business, you~~7.3.

7.2. Brand Fund. If we establish a brand awareness program (the “Program,” or “Brand Fund”) for national, regional, and local advertising, public relations and marketing programs and market research (“Brand Awareness”), we will direct and have sole and absolute discretion over the Brand Awareness and the Program and its expenditures, including concepts, materials and media used therein. All Brand Fund Contributions will be part of the Program. Neither you nor any of our other franchisees will be deemed a third-party beneficiary with respect to the Program or have any right to enforce any obligation to contribute thereto. Franchisee understands and acknowledges that Company-Owned Outlets may not be required to contribute to the Program. Franchisee understands and acknowledges that the Program is intended to benefit the System as a whole and that Franchisor and its designee undertake no obligation in administering the Program to ensure that any particular franchisee benefits directly or pro rata from the Brand Awareness. If this Agreement is terminated or expires, you will not be entitled to a refund of any Brand Fund Contributions paid. We may, in our sole discretion, advance monies to the Program and charge the Program interest on such advances and may authorize repayment of such advances from the Program, all in accordance with such terms as we deem necessary or appropriate. You agree that the Program may otherwise be used to meet any and all costs incident to such Brand Awareness, including joint or collective advertising and brand awareness campaigns of our

the Program, we will use all remaining Program assets for Brand Awareness-related costs. You must pay the Brand Fund Contribution each month. Beginning in the fourth month after you open for Business, you must pay the minimum Brand Fund Contribution. We may change the amounts of the minimum and total Contribution on sixty (60) days' prior written notice to you.

7.3. Handling of Contributions. All payments to the Program may be deposited in our general operating account; may be segregated on a solely administrative basis while being commingled with our funds; and may be deemed our asset, subject to our obligation to use the funds in the Program and in accordance with the terms of this Agreement. We will furnish you with Program financial statements certified to be correct by one of our officers annually on request within 120 days of the end of the fiscal year. We may, in our sole discretion, elect to accumulate monies in the Program for such periods of time as we deem necessary or appropriate, with no obligation to expend monies received in any fiscal year during such fiscal year. We intend and you acknowledge that the Program is not a trust.

7.4. Local Marketing.

- A. Monthly Expenditure. You must spend a minimum of 1% of your Gross Revenues per month on local advertising ("Local Advertising Expenditure") consistent with the advertising policies set forth in the System Standards. We may, in our sole discretion, require you to pay the Local Advertising Expenditure to us or otherwise direct its use.
- B. Approval of Advertising Materials. You must obtain our advance written approval prior to using or producing any advertising or marketing materials using any of the Marks, in whole or in part. You agree to conduct all advertising in a dignified manner and to conform to the standards and requirements we specify in the Manual. We will have the final decision on all creative development of advertising and promotional messages. If our written approval is not received within fourteen (14) days of the date we received the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials.
- C. Advertising Cooperatives. You agree to join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or approve for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Businesses ("Advertising Cooperatives") and to abide by the bylaws, rules, and regulations duly required by the Advertising Cooperative, which we have the right to mandate or approve. If you join an Advertising Cooperative, the Advertising Cooperative may require you to spend additional funds on marketing programs conducted by the Advertising Cooperative, which may be in addition to your Brand Fund Contribution. Amounts you contribute to any Advertising Cooperative will be credited against your Local Advertising Expenditure. We shall have the right to approve any marketing materials or marketing programs developed by any Advertising Cooperative in the manner specified in this Agreement or the System Standards.

7.5. Digital Marketing.

~~content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, B.~~

- A. Restrictions. We or our affiliates may, in our sole discretion, may establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "Digital Marketing") that are intended to promote the Marks, your Business,

content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit you or your employees to conduct any Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

- B. System Website. As part of our Digital Marketing, we or one of our designees will operate and maintain a System Website, which may include basic information related to each Business and the ability for customers to purchase services from your Business. You must promptly provide us with any information that we request regarding your Business for inclusion on the System Website.

Article 8 RECORDS, REPORTS, AUDITS, AND INSPECTIONS

8.1. Bookkeeping and Records. You agree to keep complete and accurate books, records, and accounts of all business conducted under this Agreement in accordance with generally accepted accounting principles. You must preserve all of your books and records in hard copy or in a format from which hard copies can be readily generated for at least five (5) years from the date of preparation or such longer period as may be required by law. You must maintain such information and records on the Business Management and Technology System as we may require from time to time in the Manual and you acknowledge and agree that we will have access to that data remotely via a network connection that we will specify. At our request, you must retain and use, at your expense, the services of an accountant or accounting firm that we approve.

8.2. Reports and Financial Statements. You agree to submit financial and operational reports and records to us at the times and in the manner specified in the Manual. Upon our written request, by April 15 of each year, you must submit your balance sheet and income statement for the previous calendar year. With respect to your year-end income statement and balance sheet, you or the Principal Executive must certify that the income statement and balance sheet are correct and complete and that they have been prepared in accordance with generally accepted accounting principles. We have the right to demand audited financial statements if an Event of Default has occurred within the last calendar year. In addition, you must provide us within 15 days after our request, exact copies of federal and state income and other tax returns and any other forms, records, books, reports, and other information that we periodically require relating to the Business or you.

8.3. Additional Information. You shall respond promptly to requests from us for clarification and/or additional information regarding any matter entrusted to you under this Agreement. We may from time to time require information about your financial condition, earnings, sales, profits, costs, expenses, and performance to provide a basis for providing our prospective franchisees with information concerning actual or potential earnings or to comply with applicable law. You will provide such information promptly on our request, and will certify that such information is true and complete in all material respects.

~~promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, not to exceed thirty (30) days, we have the right to correct such deficiencies and charge you a reasonable fee plus 8.5.~~

8.4. Inspection. We have the right, through our employees, an Area Representative, and any agents we designate, at any time during business hours and without prior notice to you to: (i) inspect the Site and Business for compliance with the Manual, (ii) videotape, photograph or otherwise record the operation of the Business, (iii) interview your employees, landlord, and customers, (iv) examine the records, invoices, payroll records, check stubs, sales tax records and returns, and other supporting records and documents of the Business, and (v) examine your income tax records and any other information, records or properties

promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, not to exceed thirty (30) days, we have the right to correct such deficiencies and charge you a reasonable fee plus our costs and expenses incurred in such inspection. Any inspections will be made at our expense, unless the inspection is necessitated by your repeated or continuing failure to comply with any provision of this Agreement, in which case we may charge you the costs of making such inspection, including without limitation the wages and cost of travel and living expenses for our representatives.

8.5. Auditing. Without limiting the foregoing, we may audit or cause to be audited any statement you are required to submit to us and we may review, or cause to be reviewed, the records maintained by any bank or other financial institution used by you in connection with the Business. If any such audit or review discloses an understatement of the Gross Revenue for any period or periods, you will pay to us, within ten

(10) days after demand for payment is made, all additional Royalty Fees, Marketing Fees, or other amounts required to be paid based upon the results of such audit or review. In addition, if such understatement for any period or periods is two percent (2%) or more of the Gross Revenue for such period or periods, you will reimburse us for the cost of such audit or review, including without limitation the charges of any independent accountant and any related attorneys' fees and the cost of travel and living expenses and wages for such accountants, employees, or other agents. You will pay to us, on demand, interest at the rate of 18% per annum or the maximum rate allowed by law, whichever is less, interest calculated from the date when the fees should have been paid to the date of actual payment. These remedies are in addition to and cumulative with our other remedies and rights under this Agreement and at law or equity.

Article 9 **INTELLECTUAL PROPERTY**

9.1. Marks and Trade Dress.

- A. Acknowledgements. You acknowledge that we or our affiliates are the owner of the Marks and the Trade Dress, that you have no interest in the Marks and the Trade Dress beyond the nonexclusive License granted herein, and that, as between we and you, we have the exclusive right and interest in and to the Marks and the Trade Dress and the goodwill associated with and symbolized by them. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement.

- B. Rights. Your right to use the Marks and the Trade Dress applies only to the Business operated at the Site as expressly provided in this Agreement, including advertising related to the Business. You may only use in your Business the Marks and the Trade Dress we designate, and only in compliance with written rules that we prescribe from time to time. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing. You may not use any material bearing the Marks or the Trade Dress without our prior written approval, which may be revoked at any time on reasonable notice to you. You must display the Marks in a manner that we specify on signage at the Business and on all written materials, forms, advertising, promotional materials, supplies, employee uniforms, business cards, receipts, letterhead, contracts, stationary, and other materials we designate.

9.2. Copyrights. You acknowledge that as between you and us, any and all present or future copyrights relating to the System or the CRS concept, including, but not limited to, the Manual and marketing materials, (collectively, the "Copyrights") belong solely and exclusively to us. You have no interest in the Copyrights beyond the non-exclusive License granted in this Agreement.

~~Trade Dress, (iii) the Copyrights, or (iv) any trade secrets, methods, or procedures that are part of the System~~~~9.4.~~

9.3. No Contesting Our Rights. During and after the Term, you agree not to directly or indirectly contest our ownership, title, right or interest in or to, or our license to use, or the validity of, (i) the Marks, (ii) the

Trade Dress, (iii) the Copyrights, or (iv) any trade secrets, methods, or procedures that are part of the System (collectively, the “Intellectual Property”), or contest our sole right to register, use, or license others to use the Intellectual Property.

9.4. Changes to the Intellectual Property. We have the right, on reasonable notice, to change, discontinue, or substitute for any of the Intellectual Property and to adopt entirely different or new Intellectual Property for use with the System without any liability to you, in our sole discretion. You agree to implement any such change at your own expense within the time we reasonably specify.

9.5. Third-Party Challenges. You agree to notify us promptly of any unauthorized use of the Intellectual Property of which you have knowledge. You also agree to inform us promptly of any challenge by any person or Entity to the validity of our ownership of or our right to license others to use any of the Intellectual Property. We have the right, but no obligation, to initiate, direct, and control any litigation or administrative proceeding relating to the Intellectual Property, including, but not limited to, any settlement. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys’ fees, recovered or owed to us or our affiliates in connection with any such action. You agree to execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Intellectual Property.

9.6. Post-Termination or Expiration. Your License to use the Marks will terminate and any right you have to use the Intellectual Property will revert to us without cost and without the execution or delivery of any document on expiration or termination of this Agreement. You will execute all documents that we require to confirm such reversion on our request.

9.7. Innovations. All ideas, concepts, techniques, or materials relating to a Business or the System (collectively, “Innovations”), whether or not protectable intellectual property and whether created by or for you or your Owners, employees, or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and the Intellectual Property, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Article you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your Owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Business or otherwise without our prior approval.

Article 10 PROPRIETARY INFORMATION

10.1. Receipt of Proprietary Information. You acknowledge that prior to and during the Term, we may disclose to you, orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our classes, or the construction, management, operation, or promotion of the Business (collectively, “Proprietary Information”), including (i) site selection criteria and methodologies; (ii) methods, formats, systems, System Standards, sales and marketing techniques, knowledge and experience used in developing and operating Businesses, including information in the Manual; (iii) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Businesses; (iv) knowledge of specifications for and suppliers of, and methods of ordering, certain items that Businesses use and/or sell; (v) knowledge of the operating results and financial performance of other Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; and (vii) any other information we reasonably designate from time to time as confidential or proprietary. “Proprietary Information” does not include (i) information that is part of the public domain or becomes part of the public domain other than by the wrongful conduct of you or a third party, (ii) information disclosed to you by a third party having legitimate and unrestricted possession of such

information, or (iii) information that you can demonstrate by clear and convincing evidence was within your legitimate and unrestricted possession when the parties began discussing the sale of the franchise.

~~10.2.~~

10.2. Nondisclosure of Proprietary Information. We and our affiliates own all right, title, and interest in and to the Proprietary Information. You will not, nor will you permit any person to, use or disclose any Proprietary Information (including without limitation all or any portion of the Manual) to any other person, except to the extent necessary for your professional advisors and your employees to perform their functions in the operation of the Business. You acknowledge that your use of the Proprietary Information in any other business would constitute an unfair method of competition with us and our franchisees. You will be liable to us for any unauthorized use or disclosure of Proprietary Information by any employee or other person to whom you disclose Proprietary Information. You will take reasonable precautions to protect the Proprietary Information from unauthorized use or disclosure and will implement any systems, procedures, or training programs that we require. At our request, you will require anyone who may have access to the Proprietary Information to execute non-disclosure agreements in a form satisfactory to us that identifies us as a third-party beneficiary of such covenants with the independent right to enforce the agreement.

10.3. Customer Information.

- A. Protection of Customer Information. You must comply with our System Standards, other directions from us, and all applicable laws regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Information on your Business Management and Technology System or otherwise in your possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Information. “Customer Information” means names, contact information, financial information and other personal information of or relating to the Business’s customers and prospective customers. If there is a suspected or actual breach of security or unauthorized access involving your Customer Information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Information was compromised or disclosed. You are responsible for any financial losses you incur or remedial actions that you must take as a result of a breach of security or unauthorized access to Customer Information in your control or possession.
- B. Use of Customer Information. You have the right to use Customer Information while this Agreement or a successor franchise agreement is in effect, but only to market CRS products and services to customers in accordance with the policies that we establish periodically and applicable law. You may not sell, transfer, or use Customer Information for any purpose other than marketing CRS products and services.

Article 11 INDEMNIFICATION

11.1. Indemnification. You agree to indemnify, defend (at our election), and hold us, our Area Representative, and our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors, and assignees (the “Indemnified Parties”) harmless from and against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (i) the Business’s operation; (ii) the business you conduct under this Agreement; (iii) your performance or breach of this Agreement; or (iv) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Business’s construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. “Losses” means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable costs or expenses that an Indemnified Party incurs, including accountants’, arbitrators’, mediators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or

~~us harmless against any claims, action, losses, demands, suits, or any other losses as a result of your~~
~~G.~~

- F. Encroach upon the territory of any other CRS franchisees by soliciting or offering services outside of your Territory. In the event that you breach this Section 12.1(f), you hereby indemnify and hold

us harmless against any claims, action, losses, demands, suits, or any other losses as a result of your breach of this provision, and you will immediately cease such territory encroachment and all activities associated therewith upon notice from us, and will be responsible for compensating the franchisee(s) affected by your encroachment in the amount of ten percent (10%) of the gross revenue of all jobs completed in the franchisee's territory during your period of encroachment.

12.2. After Termination, Expiration, or Transfer. For two years after the expiration or termination of this Agreement or an approved Transfer to a new franchisee, you and your Owners may not, without our prior written consent, (i) directly or indirectly own, manage, engage in, be employed in a managerial position by, advise, make loans to, or have any other interest in any Competitive Business that is (or is intended to be) located within a fifty-mile (50-mile) radius of your former Business or any other Business that is operating or under development at the time of such expiration, termination, or Transfer, or (ii) solicit for employment any person who at any time within the immediate past twelve (12) months has been employed by us, or our affiliates, or by any of our franchisees. With respect to the Owners, the time period in this Article will run from the expiration, termination, or Transfer of this Agreement or from the termination of the Owner's relationship with you, whichever occurs first.

12.3. Publicly Traded Corporations. Ownership of less than five percent (5%) of the outstanding voting stock of any class of stock of a publicly traded corporation will not, by itself, violate this Article.

12.4. Covenants of Owners and Employees. The Owners personally bind themselves to this Article by signing this Agreement or the attached Guarantee. We may, in our sole discretion, require you to obtain from your officers, directors, managers, Owners' spouses, and other individuals that we may designate executed agreements containing nondisclosure and noncompete covenants similar in substance to those contained in this Article as we prescribe in the Manual and otherwise. The agreements must be in a form acceptable to us and grant us an independent right to enforce their terms.

12.5. Enforcement of Covenants. You acknowledge and agree that (i) the time, territory, and scope of the covenants provided in this Article are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants;

(iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Article is determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible provided such determination is made by a court of competent jurisdiction in a final, unappealable ruling. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Article. You acknowledge that any breach or threatened breach of this Article will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of an injunction prohibiting any conduct violating the terms of this Article. Such injunctive relief will be in addition to and cumulative with any other remedies that we may have.

Article 13 TRANSFER AND ASSIGNMENT

13.1. Transfer by Us. We may assign this Agreement and all of our rights, duties, and obligations under this Agreement to any person or Entity that we choose in our sole discretion, but only to a person or legal entity who agrees to assume all of our obligations hereunder. Upon any such assignment, we will be released from all of our duties and obligations hereunder, and you will look solely to our assignee for the performance of such duties and obligations.

~~13.3. the assets of the Business, or in the ownership of the franchisee (if you are an Entity). "Transfer" as a~~

~~noun~~

13.2. Definition of Transfer. For purposes of this Agreement, “Transfer” as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, the Business, substantially all

the assets of the Business, or in the ownership of the franchisee (if you are an Entity). “Transfer” as a noun means any such sale, assignment, gift, transfer, pledge, mortgage, or encumbrance. A “Control Transfer” means any Transfer of (i) this Agreement or any interest in this Agreement; (ii) the Business or all or substantially all of the Business’s assets; or (iii) any Controlling Ownership Interest (defined below) in you (if you are an Entity), whether directly or indirectly through a transfer of legal or beneficial ownership interests in any Owner that is an Entity, and whether in one transaction or a series of related transactions, regardless of the time period over which these transactions take place. References to a “Controlling Ownership Interest” in you mean either (i) 20% or more of your direct or indirect legal or beneficial ownership interests in your Entity or (ii) an interest the acquisition of which grants the power (whether directly or indirectly) to direct or cause the direction of management and policies of you or the Business to any individual or Entity, or group of individuals or Entities, that did not have that power before that acquisition.

13.3. No Transfer Without Our Consent. This Agreement and the License are personal to you, and we have granted the License in reliance on your (and, if you are an Entity, your Owners’) business skill, financial capacity, and personal character. Accordingly, neither you nor any of the Owners or any successors to any part of your interest in this Agreement or the License may make any Transfer or permit any Transfer to occur without obtaining our prior written consent, except as provided in this Agreement. If you or any of your Owners desire to make a Transfer, you must promptly provide us with written notice. Any purported Transfer without our prior written consent will be void and will constitute an Event of Default (as herein defined), for which we may terminate this Agreement without opportunity to cure. We have sole and absolute discretion to withhold our consent, except as otherwise provided in this Agreement. We have the right to communicate with both you, your counsel, and the proposed transferee on any aspect of a proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require. No Transfer that requires our consent may be completed until at least sixty (60) days after we receive written notice of the proposed Transfer. Our consent to a Transfer does not constitute a waiver of any claims that we have against the transferor, nor is it a waiver of our right to demand exact compliance with the terms of this Agreement. If your Business is not open and operating, we will not consent to your Transfer of this Agreement, and we are under no obligation to do so.

13.4. Control Transfer. The conditions of this Article will apply to any proposed Control Transfer.

- A. When you provide written notice of the proposed Transfer, you must pay to us a non-refundable deposit of \$10,000, plus our out-of-pocket costs, to cover our administrative costs incurred in reviewing the proposal. The deposit will be applied towards your Transfer Fee in the event that the Transfer is completed.
- B. You or your transferee must pay to us the Transfer Fee. You must make such payment by wire transfer from the proceeds of the sale at the closing if we so request.
- C. You must satisfy all of your accrued monetary obligations to us and must be in compliance with all obligations to us under this Agreement and any other agreement that you have with us and our affiliates as of the date of the request for our approval of the Transfer or you must make arrangements satisfactorily to us to come into compliance by the date of the Transfer.
- D. You and your Owners must execute a general release, in a form that we prescribe, in favor of us, our Area Representatives, our affiliates, and our and their affiliates’ past, present, and future officers, directors, managers, members, equity holders, agents, and employees, releasing them from all claims, including claims arising under federal, state, and local laws, rules, and regulations.
- E. You and your Owners must agree to remain liable for all of the obligations to us in connection

party.



(b) Non-Curable Defaults

(i) You become insolvent or make a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if you file a petition in bankruptcy or one is filed against and consented to by you or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed.

(ii) A final judgment in excess of Five Thousand Dollars (\$5,000) against you relating to the Business remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction).

(iii) You fail to commence operation of the Business as required by this Agreement.

(iv) You make, or have made, any materially false statement or report in connection with this Agreement or application therefore.

(v) Any transfer and assignment provision contained in Article 13 of this Agreement is violated.

(vi) You receive from three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period.

(vii) You or your Principal Executive fail to complete to Franchisor's reasonable satisfaction any of our required Initial Training.

(viii) You or any of your Owners violate any covenant of confidentiality or non-disclosure contained in this Agreement or otherwise disclose, use, permit the use of, copy, duplicate, record, transmit or otherwise reproduce any manual, material, good, or information created or used by us and designated for confidential use in the System.

(ix) You or any person controlling, controlled by or under common control with you, or any principal officer or employee of you or any such person, owning an interest in the Business is convicted of a felony, or any other crime or offense that is reasonably likely, in our sole subjective opinion, to affect adversely the System, the Marks, or the goodwill associated therewith.

(x) You or any guarantor(s) default on any other agreement with us or any of our affiliates, and such default is not cured in accordance with the terms of such other agreement.

(xi) You fail to perform or breach any covenant, obligation, term, condition, warranty, or certification in this Agreement related to the Marks, including misuse of the Marks.

14.2. Our Remedies on Default.

(a) Right to Terminate. If an Event of Default occurs, we may, at our sole election and without notice or demand of any kind, terminate this Agreement and any and all other rights granted under it with immediate effect. You will not be relieved of any of your obligations, debts, or liabilities under this Agreement by such termination.

(b) Other Remedies. If an Event of Default occurs, we may, at our sole election and on delivery of written notice to you, take any or all of the following actions without terminating this Agreement:

(e)

(i) temporarily or permanently reduce the size of the Territory, in which event any restrictions on us and our affiliates will not apply in the geographic area that was removed from the Territory;

(ii) ~~(ii)~~ temporarily remove information concerning the Business from the System Website or stop your or the Business's participation in any other programs or benefits offered on or through the System Website;

(iii) ~~(iii)~~ suspend your right to participate in one or more programs or benefits that the Brand Fund provides;

(iv) ~~(iv)~~ suspend any other services that we or our affiliate provides to you under this Agreement or any other agreement, including any services relating to the Business Management and Technology System;

(v) ~~(v)~~ suspend or terminate any temporary or permanent fee reductions to which we might have agreed whether as a policy, in an amendment to this Agreement, or otherwise;

(vi) ~~(vi)~~ suspend our performance of, or compliance with, any of our obligations to you under this Agreement or other agreements;

(vii) ~~(vii)~~ undertake or perform on your behalf any obligation or duty that you are required to, but fail to, perform under this Agreement. You will reimburse us on demand for all costs and expenses that we reasonably incur in performing any such obligation or duty; or

(viii) ~~(viii)~~ enter the Business's premises and assume the management of the Business ourselves or appoint a third party (who may be our affiliate) to manage the Business. All funds from the operation of the Business while we or our appointee assumes its management will be kept in a separate account, and all of the expenses of the Business will be charged to that account. We or our appointee may charge you (in addition to the amounts due under this Agreement) a management fee equal to five (5%) percent of the Business's Gross Revenue during the period of management ("Management Fee"), plus any direct out-of-pocket costs and expenses. We or our appointee has a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses, or obligations the Business incurs, or to any of your creditors for any products or services the Business purchases, while managing it. You shall not take or fail to take any action the commission or non-commission of which would interfere with our or our appointee's exclusive right to manage the Business and may, in our sole discretion, be prohibited from visiting the Business so as to not interfere with its operations. Our (or our appointee's) management of the Business will continue for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one year), and we will during each interval periodically evaluate whether you are capable of resuming operation of the Business and periodically discuss the Business's status with you.

(c) ~~(d)~~ Exercise of Other Remedies. Our exercise of our rights to assume management of your Business or appoint an agent to do the same will not (i) be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement following our exercise of any of these rights. If we exercise any such right, we may thereafter terminate this Agreement without providing you any additional corrective or cure period.

14.3. Termination By You. Subject to state law, you may terminate this Agreement only if: (i) we commit a material breach of this Agreement; (ii) you give us written notice of the breach; (iii) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within sixty (60) days after receipt of your notice; and (iv) you are in full compliance with your obligations under this Agreement. If we cannot reasonably correct the breach within this sixty (60) day period but provide you with reasonable evidence of our effort to correct the breach within a reasonable time period, then the cure period shall be

the amount of time reasonably required to effect a cure. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to

~~time reasonably required to effect a cure. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to~~ terminate this Agreement without complying with this paragraph (including by taking steps to de-identify the Business or otherwise cease operations under this Agreement) will constitute an Event of Default by you.

Article 15 YOUR OBLIGATIONS UPON EXPIRATION OR TERMINATION

15.1. Covenant. In addition to any other provision of this Agreement which by its terms or nature is intended to survive the expiration or termination of this Agreement, you agree to comply with the terms of this Article on expiration or termination of the Agreement for any reason.

15.2. Payment of Costs and Amounts Due. You will pay all sums owed to us and our affiliates. If this Agreement is terminated due to an Event of Default, you will promptly pay all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of your default. These payment obligations will give rise to and remain, until paid in full, a lien in favor of us against the Business premises and any and all of the personal property, fixtures, equipment, and inventory that you own at the time of the occurrence of the Event of Default separate and additional to any other lien or interest we may have under this Agreement. We are hereby authorized at any time after the Effective Date to make any filings and to execute such documents on your behalf reasonably related to perfecting the lien created hereby. You also will pay to us all damages, costs, and expenses, including reasonable attorneys' fees, that we incur after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Agreement.

15.3. Discontinue Use of the System and the Intellectual Property. You must immediately cease using, in advertising or in any other manner, (i) the Intellectual Property (including, without limitation, the Marks and the Trade Dress), (ii) the System and all other elements associated with the System, and (iii) any colorable imitation of any of the Intellectual Property or any trademark, service mark, trade dress, or commercial symbol that is confusingly similar to any of the Marks or the Trade Dress.

15.4. Return of Proprietary Information. You must immediately return to us, at your expense, all copies of the Manual, all of your Customer Information that you are permitted by law to transfer to us, and all other Proprietary Information (and all copies thereof). You may not use any Proprietary Information or sell, trade or otherwise profit in any way from any Proprietary Information at any time following the expiration or termination of this Agreement.

15.5. Cease Identification with Us. You must immediately take all action required (i) to cancel all assumed name or equivalent registrations relating to your use of the Marks and (ii) to cancel or transfer to us or our designee all authorized and unauthorized domain names, social media accounts, telephone numbers, post office boxes, and classified and other directory listings relating to, or used in connection with, the Business or the Marks (collectively, "Identifiers"). You acknowledge that as between you and us, we have the sole rights to and interest in all Identifiers. If you fail to comply with this paragraph, you hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider and all listing agencies to transfer such Identifiers to us. The telephone company, the postal service, registrars, Internet Service Providers and each listing agency may accept such direction by us pursuant to this Agreement as conclusive evidence of our exclusive rights in such Identifiers and our authority to direct their transfer.

15.6. Our Right to Purchase Business Assets.

- A. Exercise of Option. Upon termination of this Agreement for any reason or expiration of this Agreement without a fully executed successor franchise agreement, we may, by written notice within fifteen (15) days of the date of termination or expiration (the "Exercise Notice"),

purchase the Operating Assets, and other assets used in the operation of the Business that we designate (the “Purchased Assets”). We have the unrestricted right to exclude any assets we specify relating to the Business from the Purchased Assets and not acquire them. You agree to provide us the financial

~~“Purchased Assets”). We have the unrestricted right to exclude any assets we specify relating to the Business from the Purchased Assets and not acquire them. You agree to provide us the financial~~ statements and other information we reasonably require, and to allow us to inspect the Business and its assets, to determine whether to exercise our option under this paragraph. If you or one of your affiliates owns the Site, we may elect to include a fee simple interest in the Site as part of the Purchased Assets or, at our option, lease the Site from you or that affiliate for an initial five-year term with one renewal term of five years (at our option) on commercially reasonable terms. You (and your Owners) agree to cause your affiliate to comply with these requirements. If you lease the Site from an unaffiliated lessor, you agree (at our option) to assign the Lease to us or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

- B. Operations Pending Purchase. While we are deciding whether to exercise our option under this Article, and, if we do exercise that option, during the period beginning with our delivery of the Exercise Notice and continuing through the closing of our purchase or our decision not to complete the purchase, you must continue to operate the Business in accordance with or on the same terms as this Agreement. However, we may, at any time during that period, assume the management of the Business ourselves or appoint a third party (who may be our affiliate or our Area Representative) to manage the Business.
- C. Purchase Price. The purchase price for the Purchased Assets will be their fair market value for use in the operation of a Competitive Business (but not a CRS business). However, the purchase price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, any Proprietary Information or our other intellectual property rights, or participation in the network of Businesses. For purposes of determining the fair market value of all equipment (including the Business Management and Technology System) used in operating the Business, the equipment’s useful life shall be determined to be no more than three years. If we and you cannot agree on fair market value for the Purchased Assets, we will select an independent appraiser after consultation with you, and his or her determination of fair market value will be the final and binding purchase price.
- D. Closing. We will pay the purchase price at the closing, which will take place no more than sixty (60) days after the purchase price is determined, although we may decide after the purchase price is determined not to complete the purchase. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of and title to, assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events and conditions that existed or occurred in connection with the Business or your business prior to the closing of our purchase. At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the Purchased Assets, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Business’s licenses and permits which may be assigned or transferred. If you cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your Owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us, our Area Representatives, and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

15.7. De-identification of the Site. If we do not exercise our option to acquire the Site Lease or the Site, you will make such modifications or alterations to the Site immediately upon termination or expiration of this Agreement that we deem necessary to distinguish the appearance of the Site from a CRS business, including, but not limited to, removing the signs, the Marks, and any Trade Dress that could

indicate to the public an association with the CRS brand. If you do not comply with the requirements of this Article, we may enter the Business without being guilty of trespass or any other tort, for the purpose of making or

~~may enter the Business without being guilty of trespass or any other tort, for the purpose of making or~~ causing to be made any required changes. You agree to reimburse us on demand for our expenses in making such changes.

15.8. Promote Separate Identity. You will not, directly or indirectly, in any manner, identify yourself, or any individual connected with you, as a former CRS franchisee or as otherwise having been associated with us, or use in any manner or for any purpose any of the Marks.

15.9. Surviving Provisions. You and your Owners must comply with the provisions of this Agreement which by their nature or by their terms survive the expiration or termination of this Agreement.

15.10. Injunctive and Other Relief. You acknowledge that your failure to abide by the provisions of this Article will result in irreparable harm to us, and that our remedy at law for damages will be inadequate. Accordingly, you agree that if you breach any provisions of this Article, we are entitled to injunctive relief (including the remedy of specific performance) in addition to any other remedies available at law or in equity.

Article 16 DISPUTE RESOLUTION AND GOVERNING LAW

16.1. Mandatory Pre-Litigation Mediation. Except as otherwise provided in this Article, prior to filing any proceeding to resolve any dispute based upon, arising out of, or in any way connected with this Agreement, a party must submit the dispute for mediation. The mediation will be held before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the American Arbitration Association (“AAA”). All parties must attend and participate in the mediation. The mediation shall not last more than one day and shall be held in Coraopolis, Pennsylvania, unless we no longer have an office there, in which case it will be held in the metropolitan area of our then-current principal place of business. If we and you do not resolve our dispute, then thereafter any party may file for litigation, as applicable in accordance with the terms of this Agreement. The mediation shall be governed by the rules of the AAA. It is the intent of the parties that mediation shall be held not later than fourteen

(14) days after a written request for mediation shall have been served on the other parties. The obligation to mediate shall not be binding upon either party with respect to claims relating to the Marks, the non-payment or underpayment of any monies due under this Agreement, the noncompetition covenants, or requests by either party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief provided such equitable relief is deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute.

Class Action Waiver. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES AGREE THAT ANY CLAIMS WILL BE ADJUDICATED ON AN INDIVIDUAL BASIS, AND EACH WAIVES THE RIGHT TO PARTICIPATE IN A CLASS, COLLECTIVE, OR OTHER JOINT ACTION WITH RESPECT TO THE CLAIMS.

16.2. Forum for Litigation. You and the Owners must file any suit against us, and we may file any suit against you, in any federal court located in Pittsburgh, Pennsylvania, or a state court located in Pittsburgh, Pennsylvania, unless we no longer have an office there, in which case, you must file any suit against us, and we may file against you, in federal or state courts located in the metropolitan area of our then-current principal place of business. The parties waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

16.3. Governing Law. This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Pennsylvania without regard to any principles of conflict of laws.

16.4. Mutual Waiver of Jury Trial. You and we each irrevocably waive trial by jury in any litigation.

~~17.10.~~ 17.10. Independent Contractor Relationship. This Agreement does not create, nor does any conduct by us create, a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to create any obligation, express or implied, on our behalf. You are, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Business and its business, including any personal property, Operating Assets, or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Business. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees and you have no relationship with our employees.

17.11. Notices. All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; (iii) by overnight delivery service; or (iv) by facsimile (if the sender receives machine confirmation of successful transmission). Notices to you will be sent to the address set forth on Attachment A. Notices to us must be sent to:

CRS Franchising, LLC
195 Montour Run Road, Suite ~~101~~105
Coraopolis, Pennsylvania 15108

Either party may change its mailing address or facsimile number by giving notice to the other party. Notices will be deemed received the same day when delivered personally, upon attempted delivery when sent by registered or certified mail or overnight delivery service, or the next business day when sent by facsimile.

17.12. Execution. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which will constitute one and the same instrument.

17.13. Successors and Assigns. Except as expressly otherwise provided herein, this Agreement is binding upon and will inure to the benefit of the parties and their respective heirs, executors, legal representatives, successors, and permitted assigns.

17.14. No Third-Party Beneficiaries. Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement.

17.15. Additional Terms; Inconsistent Terms. The parties may provide additional terms by including the terms on Attachment A. To the extent that any provisions of Attachment A are in direct conflict with the provisions of this Agreement, the provisions of Attachment A shall control.

17.16. Delegation. We may delegate the performance of any or all of our obligations under this Agreement to an affiliate, agent, independent contractor, or other third party.

~~Article 18~~ YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

~~18.1. Covenant. You (on behalf of yourself and your Owners) hereby make the representations, warranties, and acknowledgments contained in this Article.~~

~~18.2. Truth of Information. The information (including without limitation all personal and financial information) that you and your Owners have furnished or will furnish to us relating to the subject of this~~

~~Agreement is true and correct in all material respects and includes all material facts necessary to make such information not misleading in light of the circumstances when made.~~

~~18.3. Due Authority. This Agreement has been duly authorized and executed by you or on your behalf and constitutes your valid and binding obligation, enforceable in accordance with its terms, subject to~~

~~18.4.—~~

~~applicable bankruptcy, moratorium, insolvency, receivership, and other similar laws affecting the rights of creditors generally.~~

~~18.5. Terrorist Acts. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the “Order”), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you: (i) do not, and hereafter will not, engage in any terrorist activity; (ii) are not affiliated with and do not support any individual or Entity engaged in, contemplating, or supporting terrorist activity; and~~

~~(iii) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or Entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.~~

[SIGNATURE PAGE FOLLOWS]

ATTACHMENT B

PERSONAL GUARANTEE OF
OWNER/SHAREHOLDER

This Personal Guarantee and Assumption of Obligations (this “Guarantee”) is given this [DD MONTH YYYY], by [INDIVIDUAL OWNER NAME].

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (“Franchise Agreement”) by CRS Franchising, LLC (“Franchisor”), a Pennsylvania limited liability company, and [FRANCHISEE ENTITY], a [STATE AND FRANCHISEE ENTITY TYPE] (“Franchisee”), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the “Franchise Documents”); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

- acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- protest and notice of default to any party with respect to the indebtedness of ~~non-~~non- performance of any obligations hereby guaranteed;
- any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- the undersigned’s direct and immediate liability under this Guarantee shall be joint and several with all signatories to this and similar guaranties of Franchisee’s obligations;
- the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
- this Guarantee shall apply to any claims Franchisor may have due to return of any

ATTACHMENT C

FORMS OF GENERAL RELEASE

This GENERAL RELEASE (“**Release**”) effective as dated below by _____ (“**Releasor**”), with reference to the following facts:

The undersigned Releasor is the Franchisee under, and signatory to, that certain Franchise Agreement dated _____ (“**Franchise Agreement**”) by and between CRS Franchising, LLC a Pennsylvania limited liability company (“**Franchisor**”) and Releasor granting Releasor the right to use the System and Marks to operate the Business subject to the terms provided thereunder.

Releasor agrees that all capitalized terms in this Release will have the meaning that are ascribed to them in the Franchise Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, RELEASOR AGREES AS FOLLOWS:

1. *General Release.* In consideration of, and as an inducement to, Franchisor’s agreement to renew or consent to a transfer of the Franchise Agreement, as applicable, Releasor, for itself and on behalf of its current and former parents, subsidiaries, affiliates and related entities, and its and their respective current and former shareholders, owners, officers, directors, members, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns, all persons acting on its or their behalf or claiming under it or them and all entities in which it or they has(ve) or had an ownership interest (individually, collectively, and in any combination, the “**Releasor Parties**”), hereby (i) releases and forever discharges Franchisor, their current and former parents, subsidiaries, affiliates and related entities, and its and their current and former shareholders, members, officers, directors, owners, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns (individually, collectively, and in any combination, the “**Released Parties**”), from any and all claims, debts, rights, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, of every nature, character or description whatsoever, at law or in equity, whether known or unknown, vested or contingent, suspected or unsuspected or anticipated or unanticipated which any or all of the Releasor Parties now own or have, have ever had, or may ever have, against any or all of the Released Parties arising prior to or as of the date of this Release, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against the Released Parties relating to any claim or demand released under this Article 1; provided, however, that this release and covenant not to sue will not apply to any claims that arise under any applicable federal or state franchise laws, except to the extent that such claims may by law be released by this Release. Releasor will take whatever actions are necessary or appropriate to carry out the terms of this Release and covenant not to sue upon Franchisor’s request. This Article 1 will survive the expiration or termination of this Release.

2. *Waiver of Rights.* This release is intended by Releasor to be a full and unconditional general release, as that phrase is used and commonly interpreted, and to constitute a full, unconditional and final accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor (for itself and all other Releasor Parties) against the Released Parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Releasor, for itself and the other Releasor Parties, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which they would be entitled, now or at any time hereafter under the statutory or common law of the state where the Business is located, whether now or hereinafter existing under the laws of the state where the Business is located, or any other applicable federal and

state law with jurisdiction over the parties relationship. Releasor, on its own behalf and on behalf of the other Releasor Parties, expressly waive the

~~Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship. Releasor, on its own behalf and on behalf of the other Releasor Parties, expressly waive the~~ provisions of Section 1542 of the Civil Code of the State of California (as well as under any other statutes or common law principles of similar effect whether now or hereinafter existing), which provides:

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

In making this voluntary express waiver, Releasor acknowledges that claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts.

3. *Release Not Admission.* Releasor understands and agrees that the giving or acceptance of this Release and the agreements contained herein will not constitute or be construed as an admission of any liability by Franchisor, or an admission of the validity of any claims made by or against Franchisor.
4. *Authority of Parties.* Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.
5. *No Prior Assignments.* Releasor represents and warrants that Releasor has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all such Claims being released.
6. *Incorporation by Reference.* The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.
7. *Controlling Law.* This Release will be governed, construed, and interpreted in accordance with the substantive laws of the state where the Business is located.

IN WITNESS WHEREOF, Releasor has executed this Release on the date shown below.

Releasor:

By: _____

Name: _____

Title: _____

Date: _____

**GENERAL RELEASE
FOR RENEWAL OR TRANSFER
(for Owner)**

This GENERAL RELEASE (“**Release**”) effective as dated below by _____ (“**Releasor**”), with reference to the following facts:

The undersigned Releasor is the Franchisee under, and signatory to, that certain Franchise Agreement dated _____ (“**Franchise Agreement**”) by and between CRS Franchising, LLC, a Pennsylvania limited liability company (“**Franchisor**”) and Releasor granting Releasor the right to use the System and Marks to operate the Business subject to the terms provided thereunder.

Releasor agrees that all capitalized terms in this Release will have the meaning that are ascribed to them in the Franchise Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, RELEASOR AGREES AS FOLLOWS:

1. *General Release.* In consideration of, and as an inducement to, Franchisor’s agreement to renew or consent to a transfer of the Franchise Agreement, as applicable, Releasor, for itself and on behalf of its current and former parents, subsidiaries, affiliates and related entities, and its and their respective current and former shareholders, owners, officers, directors, members, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns, all persons acting on its or their behalf or claiming under it or them and all entities in which it or they has(ve) or had an ownership interest (individually, collectively, and in any combination, the “**Releasor Parties**”), hereby (i) releases and forever discharges Franchisor, their current and former parents, subsidiaries, affiliates and related entities, and its and their current and former shareholders, members, officers, directors, owners, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns (individually, collectively, and in any combination, the “**Released Parties**”), from any and all claims, debts, rights, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, of every nature, character or description whatsoever, at law or in equity, whether known or unknown, vested or contingent, suspected or unsuspected or anticipated or unanticipated which any or all of the Releasor Parties now own or have, have ever had, or may ever have, against any or all of the Released Parties arising prior to or as of the date of this Release, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against the Released Parties relating to any claim or demand released under this Article 1; provided, however, that this release and covenant not to sue will not apply to any claims that arise under any applicable federal or state franchise laws, except to the extent that such claims may by law be released by this Release. Releasor will take whatever actions are necessary or appropriate to carry out the terms of this Release and covenant not to sue upon Franchisor’s request. This Article 1 will survive the expiration or termination of this Release.

2. *Waiver of Rights.* This release is intended by Releasor to be a full and unconditional general release, as that phrase is used and commonly interpreted, and to constitute a full, unconditional and final accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor (for itself and all other Releasor Parties) against the Released Parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Releasor, for itself and the other Releasor Parties, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which they would be entitled, now or at any time hereafter under the statutory or common law of the state where the Business is located, whether now or hereinafter existing under the laws of the state where the Business is located, or any other applicable federal and

state law with jurisdiction over the parties relationship. Releasor, on its own behalf and on behalf of the other Releasor Parties, expressly waive the

~~where the Business is located, whether now or hereinafter existing under the laws of the state where the Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship. Releasor, on its own behalf and on behalf of the other Releasor Parties, expressly waive the provisions of Section 1542 of the Civil Code of the State of California (as well as under any other statutes or common law principles of similar effect whether now or hereinafter existing), which provides:~~

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

In making this voluntary express waiver, Releasor acknowledges that claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts.

3. *Release Not Admission.* Releasor understands and agrees that the giving or acceptance of this Release and the agreements contained herein will not constitute or be construed as an admission of any liability by Franchisor, or an admission of the validity of any claims made by or against Franchisor.

4. *Authority of Parties.* Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

5. *No Prior Assignments.* Releasor represents and warrants that Releasor has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all such Claims being released.

6. *Incorporation by Reference.* The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

7. *Controlling Law.* This Release will be governed, construed, and interpreted in accordance with the substantive laws of the state where the Business is located.

IN WITNESS WHEREOF, Releasor has executed this Release on the date shown below.

Releasor:

By: _____

Name: _____

Title: _____

Date: _____

AREA DEVELOPMENT AGREEMENT WITH
ATTACHMENTS



CRS Franchising, LLC
FDD Exhibit F



DEVELOPMENT AGREEMENT

between

CRS FRANCHISING, LLC

and

[FRANCHISEE](#)

Developer: _____

Development Area: _____

TABLE OF CONTENTS

<u>Section</u>	Page
1. Grant of Development Rights and Development Area.....	1
2. Fees.....	1
3. Development Schedule and Deadlines.....	1 <u>2</u>
4. Development Area.....	2
4.1 Development Area.....	2
4.2 No Other Restriction On Us.....	2
5. Term.....	3
6. Termination.....	3
6.1 Events of Default.....	3
6.2 Our Remedies.....	3
7. Assignment; Our Right of First Refusal.....	3 <u>4</u>
7.1 Rights Personal to You.....	4
7.2 Our Right of First Refusal.....	4
7.3 Our Rights to Assign Unrestricted.....	4
8. Incorporation of Other Terms.....	4
9. Miscellaneous.....	4

Appendices

ATTACHMENTS

~~Appendix~~ Attachment A – Franchisee-Specific
Terms ~~Appendix~~ Attachment B – Payment and
Performance Guarantee

FRANCHISING, LLC AREA

DEVELOPMENT AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into as of the date set forth on ~~Appendix Attachment A~~ to this Agreement (the “Effective Date”) (~~Appendix Attachment A~~ and all appendices and/or schedules attached to this Agreement are hereby incorporated by this reference) between CRS Franchising LLC, a Pennsylvania limited liability company doing business as Content Recovery Specialists or CRS (“Franchisor,” “we,” “us,” or “our”) and the person or entity identified in ~~Appendix Attachment A~~ as the franchisee (“Franchisee” or “you”) with its principal place of business as set forth in ~~Appendix Attachment A~~.

RECITALS

- A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the “Initial Franchise Agreement”), in which we have granted you the right to establish and operate one CRS business within the protected territory set forth in the Initial Franchise Agreement (a “Business”).
- B. We desire to grant to you the exclusive right to establish and operate a specified number of Businesses within a specified geographical area in accordance with a development schedule.
- C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an “Entity”), all owners of a legal and/or beneficial interest in the Entity (the “Owners”) are listed in ~~Appendix Attachment A~~ to this Agreement.
- D. You desire to establish and operate additional Businesses upon the terms and conditions contained in our then-current standard franchise agreements (a “Franchise Agreement”).

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Development Rights and Development Area

Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated in ~~Appendix Attachment A~~ to this Agreement (the “Development Area”) the number of Businesses specified in the development schedule in ~~Appendix Attachment A~~ (the “Development Schedule”). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. Fees

Upon execution of this Agreement, you must pay us a development fee in the amount specified in ~~Appendix Attachment A~~ (the “Development Fee”), which is based on the initial franchise fee you must pay for each Business that you develop (the “Franchise Fee”, which is also specified in ~~Appendix Attachment A~~). The Development Fee will be credited towards 100% of the Franchise Fee due under the Franchise Agreement for each Business that you develop pursuant to this Agreement, including the Initial Franchise Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Development Schedule.

~~In addition, all development fees and initial payments by area developers shall be deferred until the~~



first franchise under the development agreement opens.



through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area;

(e)

(c) Advertise, or authorize others to advertise anywhere, using the Marks;

(e)

(d) (f) Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or CRS Businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the CRS name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name; and

(e) (g) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

5. Term

This Agreement expires at midnight on the last Opening Deadline date listed on the Development Schedule unless this Agreement is terminated sooner as provided in other sections of this Agreement.

6. Termination

6.1 Events of Default. Any one or more of the following constitutes an “Event of Default” under this Agreement:

(a) You fail to have open and operating the minimum number of Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

(b) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

(c) You breach or otherwise fail to comply fully with any other provision contained in this Agreement.

6.2 Our Remedies.

If any Event of Default occurs under Section 6.1, we may, at our sole election: (i) declare this Agreement and any and all other rights granted to you under this Agreement to be immediately terminated and of no further force or effect; (ii) terminate any exclusive or territorial rights that you may have within the Development Area or otherwise under this Agreement; and/or (iii) exercise any other remedy we may have in law or equity as a result of an Event of Default hereunder. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. Notwithstanding anything to the contrary herein, a termination of this Agreement resulting from your failure to open and thereafter operate Businesses in accordance with the Development Schedule will not, in itself, constitute cause for us to terminate any previously executed Franchise Agreement in effect at the time of such termination.



7. **Assignment; Our Right of First Refusal**

8.

7.1 ~~8.1~~ **Rights Personal to You.** This Agreement and the rights granted to you under this Agreement are personal to you and neither this Agreement, nor any of the rights granted to you hereunder nor any controlling equity interest in you may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason.

7.2 ~~8.2~~ **Our Right of First Refusal.**

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

(b) Closing on the purchase must occur within sixty (60) days from the date of notice by us to you of our election to purchase. If we elect not to accept the offer within the thirty (30) day period, you shall have a period not to exceed sixty (60) days to complete the transfer subject to our approval of the third-party transferee of your rights, which may be withheld in our sole discretion. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

(c) Our failure or refusal to exercise the option afforded by this Section 7 shall not constitute a waiver of any other provision of this Agreement.

(d) If the offer from a third-party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly-traded securities, including its own, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by us, and such appraiser's determination shall be binding.

7.3 ~~8.3~~ **Our Rights to Assign Unrestricted.** We may assign this Agreement or any ownership interests in us without restriction.

8. ~~9.~~ **Incorporation of Other Terms**

All Articles, and in particular Article 11 (Covenants), Article 14 (Post Term Obligations), Article 17 (Indemnification and Independent Contractor), Article 18 (Written Approval, Waivers, Forms of Agreement and Amendment), Article 19 (Enforcement), Article 20 (Notices), Article 21 (Governing Law and Dispute Resolution), Article 22 (Severability and Construction), Article 23 (Confidentiality), and Article 24 (Acknowledgements) of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

9. ~~10.~~ **Miscellaneous**

Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement. This Agreement, together with the Initial Franchise Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating



Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document that we delivered to you or your representatives. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

[SIGNATURE PAGE FOLLOWS]

{Signature page follows}



Signature Page to Area Development Agreement

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

<p>FRANCHISOR</p> <p><i>CRS FRANCHISING LLC</i></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>FRANCHISEE (IF ENTITY):</p> <p>[Name]</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>(IF INDIVIDUALS):</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Date: _____</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Date: _____</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Date: _____</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Date: _____</p>
--	---

FRANCHISOR:
CRS FRANCHISING LLC

By:



Name:

Title:

Date:

FRANCHISEE:
[FRANCHISEE]

By:

Name:

Title:

Date:



~~Appendix Attachment A~~ to the Area Development Agreement

FRANCHISEE SPECIFIC TERMS

1. **Effective Date** ~~(First Paragraph):~~
2. **Franchisee's Name:**
3. **Franchisee's State of Organization** *(if applicable):*
4. **Development Area** ~~(Section 1):~~ *[provide list of counties or zip codes which make up the Development Area] [attach map if necessary]*
5. **Total Development Fee** ~~(Section 2):~~ \$:

~~6. Franchise Fee for each Business enter developed pursuant to this Development Agreement (Section 2): \$~~

6. ~~7.~~ **Development Schedule** ~~(Section 3):~~ You agree to establish and operate a total of _____ Businesses within the Development Area during the term of this Agreement. The Businesses must be open and operating in accordance with the following Development Schedule:

<u>MINIMUM NUMBER OF BUSINESSES</u> The minimum number of Businesses open and operating by each Opening Deadline	<u>OPENING DEADLINE</u> Deadline for having the minimum number of Businesses open and operating (Month Date, Year)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
	_____ (the Expiration Date of the Agreement)

7. **8.** **Ownership of Franchisee (Recital C):** If the franchisee is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

<u>Name</u>	<u>Percentage Ownership</u>
_____	_____ %
_____	_____ %
	_____ %

8. ~~10.~~ Other Terms:

[SIGNATURE PAGE FOLLOWS]

{Signature page follows}

**Signature Page to ~~Appendix~~ Attachment A – Franchisee
Specific Terms**

FRANCHISOR <i>CRS FRANCHISING LLC</i> By: _____ Name: _____ Title: _____ Date: _____	FRANCHISEE (IF ENTITY): _____ [Name] By: _____ Name: _____ Title: _____ Date: _____ (IF INDIVIDUALS): Signature: _____ Print Name: _____ Date: _____ Signature: _____ Print Name: _____ Date: _____ Signature: _____ Print Name: _____ Date: _____ Signature: _____ Print Name: _____ Date: _____
--	--

As Agreed:

FRANCHISOR:
CRS FRANCHISING LLC

By:

Name:

CRS Franchising, LLC
Development

Title:

Date:

FRANCHISEE:
[FRANCHISEE]

By:

Name:

Title:

Date:

Appendix Attachment B to the Area Development Agreement

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

~~This Personal Guaranty and Assumption of Obligations (this “Guaranty”) is given this~~
~~This Personal Guaranty and Assumption of Obligations (this “Guaranty”) is given this day of~~
_____, by _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith (“**Agreement**”) by CRS Franchising LLC (“**Franchisor**”), a Pennsylvania limited liability company, and _____, a _____ (“**Franchisee**”), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Agreement and, including any renewal thereof, as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Agreement (collectively, the “**Franchise Documents**”); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guarantied;
3. protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guarantied;
4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability;
5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled;

The undersigned consents and agrees that:

1. the undersigned’s direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee’s obligations;
2. the undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any ~~legal proceeding~~ legal proceeding;
4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or

Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Area Development Agreement or Franchise Agreement.

This Guaranty shall be governed, construed and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

GUARANTOR(S)

Signature: _____

By:

Name:

Date:

Signature: _____

By:

Name:

Date:

EXHIBIT G

FORMS OF GENERAL RELEASE

GENERAL RELEASE FOR RENEWAL OR

TRANSFER

This GENERAL RELEASE (“**Release**”) effective as dated below by _____ (“**Releasor**”), with reference to the following facts:

The undersigned Releasor is the Franchisee under, and signatory to, that certain Franchise Agreement dated - ~~5-20~~ (“**Franchise Agreement**”) by and between CRS Franchising, LLC a Pennsylvania limited liability company (“**Franchisor**”) and Releasor granting Releasor the right to use the System and Marks to operate the Business subject to the terms provided thereunder.

Releasor agrees that all capitalized terms in this Release will have the meaning that are ascribed to them in the Franchise Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, RELEASOR AGREES AS FOLLOWS:

1. *General Release.* In consideration of, and as an inducement to, Franchisor’s agreement to renew or consent to a transfer of the Franchise Agreement, as applicable, Releasor, for itself and on behalf of its current and former parents, subsidiaries, affiliates and related entities, and its and their respective current and former shareholders, owners, officers, directors, members, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns, all persons acting on its or their behalf or claiming under it or them and all entities in which it or they has(ve) or had an ownership interest (individually, collectively, and in any combination, the “**Releasor Parties**”), hereby (i) releases and forever discharges Franchisor, their current and former parents, subsidiaries, affiliates and related entities, and its and their current and former shareholders, members, officers, directors, owners, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns (individually, collectively, and in any combination, the “**Released Parties**”), from any and all claims, debts, rights, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, of every nature, character or description whatsoever, at law or in equity, whether known or unknown, vested or contingent, suspected or unsuspected or anticipated or unanticipated which any or all of the Releasor Parties now own or have, have ever had, or may ever have, against any or all of the Released Parties arising prior to or as of the date of this Release, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against the Released Parties relating to any claim or demand released under this Article 1; provided, however, that this release and covenant not to sue will not apply to any claims that arise under any applicable federal or state franchise laws, except to the extent that such claims may by law be released by this Release. Releasor will take whatever actions are necessary or appropriate to carry out the terms of this Release and covenant not to sue upon Franchisor’s request. This Article 1 will survive the expiration or termination of this Release.

2. *Waiver of Rights.* This release is intended by Releasor to be a full and unconditional general release, as that phrase is used and commonly interpreted, and to constitute a full, unconditional and final accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor (for itself and all other Releasor Parties) against the Released Parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Releasor, for itself and the other Releasor Parties, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which they would be entitled, now or at any time hereafter under CRS Franchising, LLC

~~Development~~

EXHIBIT H

FORM OF CONFIDENTIALITY AND NON-COMPETE AGREEMENT

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

(for trained employees, officers, directors, general partners, members, Controlling Person(s) and any other management personnel of Franchisee)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from CRS Franchising, LLC (the "Company") to: (i) establish and operate an CRS franchised business (the "Business"); and (ii) use in the operation of the Business the Company's trade names, trademarks and service marks (collectively, the "Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of an CRS business (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized _____ and _____ approved _____ location: _____ (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Business and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Business (collectively, the "Manual"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Business and other CRS businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Business; and any techniques, methods and know-how related to the operation of an CRS business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Business during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which provides or offers professional recovery services (collectively, a "Competing Business"). I also agree that I will not undertake any action to divert business from the Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Controlling Person of Business or Manager/Officers/Directors of Franchisee.* In the event I am a manager of the Business, or an officer/director/manager/partner of Franchisee that has not already executed a personal guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of one year after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 10-mile radius of the Premises; or (ii) within a 5-mile radius of any other CRS business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this one-year period following the termination or expiration of my employment with the Franchisee.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees, and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

~~12.~~

~~11.~~ ~~13.~~ I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

~~12.~~ ~~14.~~ Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

ILLINOIS

Illinois law governs the Disclosure Document ~~and~~, Franchise Agreement(s), and Development Agreement(s).

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.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois 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.

A Surety Bond has been obtained by the Franchisor to assure its financial capability to its franchisees; 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 the Franchisor's financial condition.

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.

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687(4) and 687(5) be satisfied.

4. 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.

5. The following is added to the end of the "Summary" section of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of Law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

~~9.~~

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for CRS Franchising, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17:

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 grounds for default or termination stated in the Franchise Agreement do 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.

Additional ~~Diselosure~~Disclosures:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

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 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.

EXHIBIT J

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
California	October 6, 2023
Hawaii	Not Registered
Illinois	Application Pending February 26, 2024
Indiana	July 2, 2023
Maryland	Application Pending
Michigan	August 25, 2023
Minnesota	February 26, 2024
New York	January 22, 2024
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	October 19, 2023
Washington	Not Registered
Wisconsin	August 10, 2023

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

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 CRS Franchising, LLC 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 requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If CRS Franchising, LLC 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 any applicable state agency (which are listed in Exhibit ~~B~~).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Ashley Taylor-Nock	195 Montour Run Road, Coraopolis, PA 15108	(833) 525-7277

Issuance Date: April ~~13²²~~, ~~2023~~ 2024

I received a Disclosure Document that included the following Exhibits:

- A. FINANCIAL STATEMENTS
- B. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- C. LIST OF FRANCHISEES
- D. OPERATIONS MANUAL TABLE OF CONTENTS
- E. FRANCHISE AGREEMENT WITH ATTACHMENTS
- F. AREA DEVELOPMENT AGREEMENT WITH ATTACHMENTS
- G. FORMS OF GENERAL RELEASE
- H. FORM OF CONFIDENTIALITY AND NONCOMPETE AGREEMENT
- I. STATE SPECIFIC ADDENDA
- J. STATE EFFECTIVE DATES RECEIPTS

Signature: _____

Print Name: _____

Date Received: _____

Please sign and keep this copy for your records.

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 CRS Franchising, LLC 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 requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If CRS Franchising, LLC 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 any applicable state agency (which are listed in Exhibit ~~B~~).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Ashley Taylor-Nock	195 Montour Run Road, Coraopolis, PA 15108	(833) 525-7277

Issuance Date: April ~~13~~²², ~~2023~~ ²⁰²⁴

I received a Disclosure Document that included the following Exhibits:

- A. FINANCIAL STATEMENTS
- B. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- C. LIST OF FRANCHISEES
- D. OPERATIONS MANUAL TABLE OF CONTENTS
- E. FRANCHISE AGREEMENT WITH ATTACHMENTS
- F. AREA DEVELOPMENT AGREEMENT WITH ATTACHMENTS
- G. FORMS OF GENERAL RELEASE
- H. FORM OF CONFIDENTIALITY AND NONCOMPETE AGREEMENT
- I. STATE SPECIFIC ADDENDA
- J. STATE EFFECTIVE DATES
RECEIPTS

Signature: _____

Print Name: _____

Date Received: _____

Return This Copy To Us: CRS Franchising, LLC
195 Montour Run Road., Suite ~~101~~, ¹⁰⁵
Coraopolis, PA 15108