



NHance, Inc.
A Delaware Corporation
5405 Data Ct.
Ann Arbor, MI 48108
(800) 841-6583
www.nhance.com

FRANCHISE DISCLOSURE DOCUMENT

The franchise offered is for the operation of an N-Hance Business which provides wood cleaning, coating, protection and other wood care and renewal products and services for wood flooring, cabinetry, trim and other wood furnishings to residential and commercial customers, plus additional services with additional training. The total investment necessary to begin operation of an N-Hance franchised business is \$72,568 to \$193,845. This includes \$63,995 to \$88,000 that must be paid to the franchisor or its affiliate(s). If you are an existing franchisee purchasing an additional territory, the total investment necessary to begin operation of an N-Hance franchised business is \$29,250 to \$185,845. This includes \$22,500 to \$83,000 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact your sales representative at 5405 Data Ct., Ann Arbor, MI 48108, (800) 841-6583.

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

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

Issuance Date: March 30, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Michigan. 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 Michigan than in your own state.
2. Mandatory Minimum Payment. You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

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

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is Nhance, Inc., a Delaware corporation incorporated on December 19, 2012. The franchisor is called “NHI,” “we,” “our” or “us” in this disclosure document. We will refer to the person who buys the franchise as “you” throughout the disclosure document. Our principal business address is 5405 Data Ct., Ann Arbor, MI 48108. We have an additional location at 595 S Riverwoods Parkway, Suite 250, Logan, UT 84321. We do business under our corporate name “N-Hance.” If we have an agent for service of process in your state, we disclose that agent in **Exhibit A**.

On July 10, 2019, BELFOR (USA) Group, Inc., a Colorado corporation incorporated on June 9, 1995 (“BELFOR”), acquired control of NHI and its affiliate, BFG Holdco, Inc. (“BFG Holdco”) from Baird Capital Partners (“BCP”). BFG Holdco was formerly known as HRI Holdings, Inc., until the corporation’s name was changed in 2022. BFG Holdco, its wholly owned subsidiary Chem-Dry, Inc. (“CDI”), formerly known as Harris Research, Inc., a Utah corporation incorporated on March 28, 1994, and NHI, all became wholly owned subsidiaries of BELFOR. BELFOR is a wholly owned subsidiary of BELFOR Holdings, Inc. (“BHI”) a Delaware corporation incorporated on May 24, 2006. BELFOR and BHI are located at 185 Oakland Ave, Suite 150, Birmingham, MI 48009. BELFOR offers property and electronic restoration, machinery refurbishment, data and document restoration, mold remediation, emergency and disaster rapid response. As of December 31, 2025, BELFOR owns and operates 154 company-owned locations.

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

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

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

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

Our Franchise. Under the Franchise Agreement, you must offer and perform all N-Hance Business services for your customers that we mandate. You may also offer and perform additional services that we first approve. We may require that you first successfully complete additional training and/or the purchase of additional equipment or products. The current list of additional approved services includes granite renewal, floor sanding, and cabinet door replacement services. We reserve the right to change the list of mandatory and approved additional services in our discretion.

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

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

Company	State/Type of Entity	Date of Formation	Principal Address	Number of U.S. Outlets as of December 31, 2025	Franchise Line of Business
CDI doing business under the names “Chem-Dry” and “Chem-Dry, Inc.”	Utah corporation	March 1994 Successor to a California corporation incorporated in Nov. 1977	5405 Data Ct. Ann Arbor, MI 48108 (800) 841-6583	901 in the US and 40 in Canada	Franchising Chem-Dry® carpet cleaning and upholstery cleaning since 1978. Offered N-Hance franchises in the U.S. and Canada from May 2003 until August 2017.
Devere International, Inc. (“DII”)	California corporation	Sept. 1987	5405 Data Ct. Ann Arbor, MI 48108 (800) 841-6583	17 Master Franchisees	Offers Chem-Dry master franchises outside of the United States and Canada

An affiliate of BFG Holdco is BELFOR Franchise Group, LLC, a Michigan Limited Liability Company formed on July 3, 2007 (“BFG”), which has a principal business address of 5405 Data Court, Ann Arbor, MI 48108. BELFOR or BFG owns the companies that offer franchises listed in the chart below. The franchising companies have offered franchises since their year of formation, only offer franchises in the Franchise Offering column in the chart, and have never offered franchises in any other line of business. All of the franchising companies in the chart below have the following principal business address: 5405 Data Court, Ann Arbor, MI 48108, except the Canadian companies have the following principal business address: 3300 Bridgeway Street, Vancouver, British Columbia V5K 1H9. Winmar's principal business address is 175 Stonach Crescent, London, ON N5V 3G5. The Canadian companies, including Winmar, offer franchises for sale in Canada.

Company	State/Type of Entity	Date of Formation	Number of U.S. Outlets as of December 31, 2025	Franchise Line of Business
BFG				
HOODZ International, LLC (“HOODZ”)	Delaware limited liability company	Oct. 3, 2008	135	Performing commercial kitchen exhaust system cleaning, inspection, maintenance and restoration services.
DUCTZ International, LLC (“DUCTZ”)	Michigan limited liability company	Mar. 30, 2004	63	HVAC system restoration, coil cleaning, and dryer vent services.
1 800 WATER DAMAGE International, LLC (“1 800 WD”)	Delaware limited liability company	Apr. 16, 2015	160	Water damage restoration services, mold remediation, odor removal, fire and smoke and related cleaning services.
PACKOUTZ International, LLC (“BLUE KANGAROO PACKOUTZ”)	Delaware limited liability company	August 29, 2019	134	Contents restoration, packing, cleaning, and permanent climate-controlled storage.
PLUMBERZ International, LLC (“Z PLUMBERZ”)	Delaware limited liability company	Mar. 25, 2019	46	Plumbing, sewer, and drain service to residential, commercial, and industrial buildings.
Patch Boys International, LLC (“THE PATCH BOYS”)	Delaware limited liability company	May 6, 2020	264	Performing light restoration and reconstruction services in residential homes and commercial businesses.
1-800 BOARDUP International, LLC*	Delaware LLC	July 8, 2022	49 LSP, 59 Company owned	Emergency Structural stabilization services.
Safer Home Services International, LLC (offering franchises as “CLEAR PEST PROS”)	Michigan limited liability company	September 29, 2022	5	Pest protection, termite control, rodent control, and other related services to residential and commercial markets
COOL BINZ International, LLC	Michigan limited liability company	September 29, 2022	9	Portable storage containers, devices and equipment, including, climate-controlled and non-climate-controlled storage containers, mobile offices, mobile refrigeration units and freezers
HOODZ Canada, Inc.	Federal	Oct. 4,	1	Performing commercial kitchen

Company	State/Type of Entity	Date of Formation	Number of U.S. Outlets as of December 31, 2025	Franchise Line of Business
	company (Canada)	2011		exhaust system cleaning, inspection, maintenance and restoration services.
DUCTZ Canada, Inc. (offers franchises as “DUCTBUSTERS”)	Federal company (Canada)	Jan. 12, 2018	0	HVAC system restoration, coil cleaning and dryer vent.
Patch Boys Canada, Inc. (offers franchises as “THE PATCH AUTHORITY”)	Federal company (Canada)	Jan. 12, 2018	0	Performing light restoration and reconstruction services in residential homes and commercial businesses
Redbox+ International, LLC (“Redbox+”)	Michigan LLC	May 28, 2021	253	Roll-off container/portable toilet combination using our patented technology
JunkCo+ International, LLC	Delaware LLC	January 25, 2024	0	Junk hauling and demolition services
Helpful Heroes International, LLC	Delaware LLC	April 24, 2025	1	Repair, maintenance, and improvement services, and other services to residential and commercial customers
BELFOR				
Winmar (Canada) International Ltd. (“Winmar”)	Federal company (Canada)	Dec. 7, 2018	85	Restoration services for residential and commercial properties across Canada that specialize in water damage, fire and smoke restoration services, mold inspection and removal as well as damage restoration and recovery.

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

Company	State/Type of Entity	Date of Formation	Principal Address	Number of Outlets as of December 31, 2025	Industry
1 800 WATER DAMAGE North America, LLC (“WDNA”)	Delaware LLC	Sept. 28, 2015	5405 Data Court, Ann Arbor, MI 48108	0	Water damage restoration services, carpet cleaning services, mold remediation, odor removal, fire and smoke and related cleaning services.

DUCTZ North America, LLC (“DZNA”)	Delaware LLC	July 24, 2007	5405 Data Court, Ann Arbor, MI 48108	0 (company-owned DUCTZ Businesses)	HVAC system restoration, coil cleaning and dryer vent services.
HOODZ North America, LLC (“HZNA”)	Delaware LLC	Nov. 12, 2009	5405 Data Court, Ann Arbor, MI 48108	7 (company-owned HOODZ Businesses)	Commercial exhaust hood system and oven cleaning, inspection, maintenance and restoration services.
PACKOUTZ North America, LLC (“BLUE KANGAROO PACKOUTZ NA”)	Michigan LLC	25-Mar-19	5405 Data Court, Ann Arbor, MI 48108	1	Contents restoration, packing, cleaning, and permanent climate-controlled storage.
PLUMBERZ North America, LLC (“Z PLUMBERZ NA”)	Michigan LLC	25-Mar-19	5405 Data Court, Ann Arbor, MI 48108	6	Plumbing, sewer, and drain service to residential, commercial, and industrial buildings.
SAFER HOME SERVICES North America, LLC (offering services as “Clear Pest Pros”)	Michigan, LLC	29-Oct-22	5405 Data Court, Ann Arbor, MI 48108	2	Pest protection, termite control, rodent control, and other related services to residential and commercial customers
COOL BINZ, North America, LLC (“CB NA”)	Michigan, LLC	29-Oct-22	5405 Data Court, Ann Arbor, MI 48108	1	Portable storage containers, devices and equipment, including, climate-controlled and non-climate-controlled storage containers, mobile offices, mobile refrigeration units and freezers
JUNKCO North America, LLC	Michigan LLC	December 5, 2023	5405 Data Court, Ann Arbor, MI 48108	0	Junk removal and demolition services.
Hidrent, LLC (offering services as “Helpful Heroes”)	Delaware	Jan 22, 2024	5405 Data Court, Ann Arbor, MI 48108	1	A pioneering technology platform that connects off-duty fire fighters with residential or commercial customers in need of safe, trustworthy, and reliable handyman-

					type services.
BHI Distribution, LLC ("BHI")	Delaware LLC	Feb. 19, 2008	5405 Data Court, Ann Arbor, MI 48108	1	Procurement and distribution of vehicles, equipment and supplies for BELFOR USA and its affiliates and subsidiaries.
DRIPLOC, LLC	Delaware LLC	12-May-10	5405 Data Court, Ann Arbor, MI 48108	1	Grease containment, may provide equipment and related services to franchisees.

* 1-800 BOARDUP International, LLC is a "fractional franchise" as it is defined in 16 CFR §436,2(d)(2007). In some states, 1-800 BOARDUP, International, LLC is not considered a franchise.

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

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

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

Item 2

BUSINESS EXPERIENCE

Following is a list of our directors, principal officers, and other key executives who will have management responsibility relating to the sale or operation of a N-Hance franchise. Some of these executives may serve leadership roles with BELFOR or across other BFG Brands.

President: Christopher Seman

Mr. Seman became our President in Ann Arbor, MI, in September 2025. He also serves as Vice President of Franchise Operations for our affiliate CDI since June 2025. Prior to his role with us and CDI, he was President and Chief Development Officer of Strategic Franchising in Blue Ash, Ohio from January 2012 until December 2024.

Director: Sheldon Yellen

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

President BELFOR Franchise Group, LLC: Rusty Amarante

Mr. Amarante became Executive Chairman and a Director of BFG Holdco on July 10, 2019. Mr. Amarante served as President of Redbox+ International, LLC, located in Ann Arbor, MI from September 2022 to January 2024. Mr. Amarante has served as Director of Operations for BELFOR USA Group, Inc., located in Birmingham, MI, since November 1999.

Chief Financial Officer: Janette Sims

Ms. Sims became Chief Financial Officer for CDI and NHI, in Ann Arbor, MI, in November, 2020. Previously she was the Controller of CDI and NHI from August 2014 until November 2020.

Chief Development Officer of BELFOR Franchise Group, LLC: Michael J. Reddy

Mr. Reddy became Chief Development Officer of BELFOR Franchise Group, LLC in Ann Arbor, MI in December 2025. Previously Mr. Reddy was the Brand President for Junkco+ International, LLC from November 2025 to his transition to Chief Development Office in December 2025. Mr. Reddy also served as Brand President of our affiliate, Cool Binz International, LLC in Ann Arbor from March 2025 until December 2025. Prior to joining BELFOR Franchise Group, LLC, in July 2024 as general manager, Mr. Reddy served as Deputy May and Chief of Staff in the city of Westland, Michigan from 2016 through November 2023.

Senior Vice President of Legal and Franchise Administration: Melanie Parker

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

Senior Vice President of Marketing: Abigail Baker

Ms. Baker became the Senior Vice President of Marketing for all brands owned by BELFOR Franchise Group, LLC in May 2023 after serving as Vice President of Marketing for NHI and CDI in Ann Arbor, MI beginning in February 2021. Previously, she joined CDI and NHI in July 2016 as the Director of Marketing in Ann Arbor, MI.

Item 3

LITIGATION

Pending Action:

None.

Prior Actions:

NHance, Inc. v. Amore Contract Services, Inc. dba N-Hance of South Nassau and James Berardi American Arbitration Association No. 01-25-0000-0221. NHance filed this breach of contract action against a franchisee and its guarantor for unpaid royalties and post-termination violations of their franchise agreement on January 3, 2025. NHance sought at least \$190,172.71 in damages, plus fees and costs. On May 1, 2025, the arbitrator awarded Nhance \$193,672.71.

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

NHance, Inc. and Chem-Dry, Inc. v. Finishline Cabinets, LLC, Hubsuite Marketing Agency, LLC, David Murphy, and Dan Kenning. On June 20, 2023, we filed a complaint for misappropriation of trade secrets, tortious interference with contract and business relations, Lanham Act violations, unfair competition, breach of contract against Defendants in S.D. Mississippi Northern Division, Civil Action No. 3:23-cv-395-KHJ-MTP. The complaint alleged that Defendants started a competing cabinet refinishing service and marketing service and used N-Hance trade secrets, proprietary information, and other property. A settlement was reached in July 2024, whereby the Defendants agreed to cease the infringing activity and pay Nhance the sum of \$2,000.

Other than these actions, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

You must pay NHI an initial fee (“Initial Fee”) ranging from \$22,500 to \$88,000 which includes an initial license fee (the “Initial License Fee”), additional territory (“Supplemental Territory Fee”), and, if applicable, an operating supplies, inventory and equipment package (“Initial Package”).

Package One: Traditional Franchise

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

- (1) An Initial License Fee of \$39,000 for an area of up to 250,000 persons located in the Franchised Area.
- (2) Initial supplies, equipment, and marketing resource packages (collectively, the “Initial Package”) totaling \$41,495 - \$49,000, plus applicable sales tax.

If you request a Franchised Area larger than 250,000 residents, then you will be required to pay us a lump sum Supplemental Territory Fee equal to \$170 for every 1,000 persons over 250,000.

You must execute the Equipment Sales and Security Agreement in **Exhibit F** to the Franchise Agreement (“Equipment Agreement”) to purchase the equipment in the Initial Package. The Initial Fee for Package One is due when you sign the Franchise Agreement, unless you request and we agree to finance the Initial License Fee portion thereof (see Item 10 for more details), and is not refundable.

Package Two: Traditional Franchise—Additional License

If you are a current N-Hance franchisee, in good standing (no default under any Franchise Agreement with us or an affiliate), NHI may, at its discretion, permit you to acquire an additional franchise for which you pay us the Initial License Fee only (no Initial Package required). The Initial Fee for Package Two is \$34,000 for an area of up to 250,000 persons. If you request a Franchised Area larger than 250,000 residents, then you will be required to pay us a lump sum Supplemental Territory Fee equal to \$170 for every 1,000 persons over 250,000. The Initial Fee for Package Two is due when you sign the Franchise Agreement, unless you request and we agree to finance the Initial License Fee portion thereof (see Item 10 for more details), and is non-refundable.

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

Package Three: Small Market Franchise

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

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

- (1) An Initial License Fee of \$22,500.
- (2) Initial product, equipment, and marketing resource packages (collectively referred to as the “Initial Package”) totaling \$41,495 - \$49,000, plus applicable sales tax.

You must execute the Equipment Agreement in **Exhibit F** to the Franchise Agreement for the equipment acquired in the Initial Package.

The Initial Fee for Package Three is due when you sign the Franchise Agreement, unless you request and we agree to finance the Initial License Fee portion thereof (see Item 10 for more details), and is non-refundable.

Package Four: Small Market Franchise—Additional License

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

The Initial Fee for Package Four is due when you sign the Franchise Agreement, unless you request and we agree to finance the Initial License Fee portion thereof (see Item 10 for more details), and is non-refundable. If you are an existing N-Hance franchisee, you will be required to execute a release as a condition to acquiring an additional franchise (See **Exhibit D** to the Franchise Agreement). If the Franchised Area for the additional franchise you are acquiring is not adjacent to one of your current Franchised Areas, NHI may require you to purchase the additional franchise using Package Three, including the Initial Package.

Related Franchisee Package

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

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

- (1) An Initial License Fee that is reduced by a discount of twenty-five percent (25%) off the standard Initial License Fee for the Package you purchase; and
- (2) Initial product, equipment, and marketing resource packages (collectively referred to as the “Initial Package”) totaling \$41,495 - \$49,000 plus applicable sales tax.

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

Franchise Agreement, unless you request and we agree to finance the Initial License Fee portion thereof (see Item 10 for more details), and is non-refundable.

Each of the Initial Packages includes a \$850 convention allowance (the “Convention Allowance”) for N-Hance convention (the “Convention”). The Convention Allowance covers the registration fee for one person to attend the next N-Hance Convention that is scheduled following your successful completion of our initial training programs. The Convention Allowance cannot be used to offset any other expenses or requirements associated with your N-Hance Business, and if you do not attend the convention, we will not provide you with the Convention Allowance.

Discounts

From time to time, in our sole discretion and where permitted by applicable law, we may offer incentives or other inducements in connection with the grant of a franchise, which may include, without limitation, reduced or negotiated initial fees, extended or modified payment terms, cash grants or credits, equipment, products, services, marketing support, or other items of value. The availability, nature, and terms of any such incentives or inducements may vary by market, timing, transaction type, or franchisee (such as in connection with mergers, conversions or existing qualified franchisees of our affiliates in good standing), are not required to be offered uniformly, and may be modified, withdrawn, or discontinued at any time, with or without notice.

We are a member of the International Franchise Association (“IFA”) and participate in the IFA’s Vet Fran Program, which provides a discount on the Initial License Fee for veterans and spouses of current active duty personnel of the U.S. Armed Forces who meet the requirements of the VetFran Program. We also offer a discount on the Initial License Fee to “First Responders” which include sworn police officers, paid firefighters, and paid emergency medical technicians and paramedics actively serving in an emergency medical service. The discount offered to veterans and first responders is as follows and applies to the first franchise acquisition only:

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

The discount will be deducted from the Initial License Fee and applied to the down payment.

Referral Fee

We will pay you a referral fee for each prospective N-Hance franchisee that you refer to us that purchases a franchise, so long as the prospective franchisee is not already an active or existing candidate or franchisee of, or otherwise known to, us or any of our parents or affiliates. You must provide us with the name, address, email address and phone number of the prospective franchisee, and if the prospective franchisee purchases a N-Hance franchise (i.e., signs a binding franchise agreement and pays all initial fees due in connection therewith in full), you will receive a referral fee of \$5,000. The referral fee is not applicable if the prospective franchisee purchases an existing N-Hance franchise. If you reside or operate in the State of Washington, if the prospective franchisee resides or intends to operate in the State of Washington, and/or payment in connection with the referral would otherwise be prohibited or regulated in any manner by applicable law, then you will be ineligible to participate in our referral program.

Item 6

OTHER FEES

NAME OF FEE¹	AMOUNT	DUE DATE	REMARKS
Royalty	The greater of (1) 6% of your Gross Revenue ² or (2) the Minimum Monthly Royalty ²	This fee is due by automatic debit on the 10 th day of each month for Gross Revenue generated during the preceding month	See Notes 1 through 5.
Yearly Minimum Purchase Amount	\$4,430	As incurred	You must purchase a minimum of \$4,430 (subject to an annual CPI increase; updated amount published in Manual) of proprietary products from NHI or CDI each calendar year for each Business you own.
Customer Relationship Management Software Fee ⁸	Our then-current fee which is presently \$349 per month	As incurred	You are required to use our web-based customer management system in the operation of the Business. This fee may be modified during the Term of the Franchise Agreement. Such increases will vary but will be based on the actual cost charged by any third party vendor, plus up to a 15% administration fee.
Non-Reporting Fee	\$300	As incurred	Payable each month you do not provide the required reports in the manner prescribed by NHI; repeatedly not providing the required reports could result in further action. We may change the amount of this fee by up to 10% each year of the term, in the Manual

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Brand Marketing Fund (“BMF”) Contribution	2% of your Gross Revenue ² for months 1-3 and the greater of (1) 2% of your Gross Revenue or (2) the Minimum Monthly BMF Contribution of \$150 per territory for months 4 – 9, and \$300 per territory per month thereafter	Deducted monthly, due at the same time as the Royalty or on a date of our choosing	Your contributions to the BMF will be due beginning the same month your first Franchise Royalty payment is due. See Item 11 for additional details.
National Accounts Program Handling & Processing Fee ³	Currently 5% of invoice total	As incurred	NHI or CDI remits to you all the payments received from completed national accounts jobs minus this handling & processing fee. This Fee can vary between National Accounts.
Sub-Site (websites) ⁴	\$35 per month per site	Deducted monthly, due at the same time as the Royalty or on a date of our choosing	Development, hosting and maintenance fees for one franchisee local site. Does not include web marketing services. The first six months’ fees of one sub-site is included in the Initial Package. This fee may be modified during the Term of the Franchise Agreement. Such increases will vary but will be based on the actual cost charged by any third party vendor, plus up to a 15% administration fee.
Fine for Improper Advertising	\$2,000, per violation, or termination of the franchise agreement	As incurred	Payable if you use any advertising, promotional or marketing materials not prepared or approved by NHI or inconsistent with NHI’s current marketing and advertising guidelines. Failing to correct issues involving improper advertising could result in the termination of your franchise agreement. We may change the amount of this fee by up to 10% each year of the term, in the Manual.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Fine for use and/or possession of unapproved equipment or products	\$5,000, per occurrence	As incurred	Payable if you use or possess any equipment or product not approved by NHI. Failing to correct issues involving possession of unapproved equipment or products could result in the termination of your franchise agreement. We may change the amount of this fee by up to 10% each year of the term, in the Manual.
Fine for setting an appointment, providing a written estimate, or accepting or performing a job outside of your Franchised Area ⁶	\$5,000 or up to 100% of the total job ticket/invoice amount, whichever is greater, per violation	As incurred	Payable if you set an appointment, provide a written estimate, or accept or perform a job outside of your Franchised Area without NHI's prior written approval. Multiple violations could result in the termination of your franchise agreement. We may change the amount of this fee by up to 10% each year of the term, in the Manual.
Fine for Failure to Comply with Annual Training Requirements and/or Attend the Convention ⁷	\$500 per year	As incurred	Payable if you do not attend at least one (1) in-person training event each calendar year or otherwise fail to fulfill annual training requirements. Multiple violations could result in the termination of your franchise agreement. We may change the amount of this fee by up to 10% each year of the term, in the Manual.
Failed Quality Control ("QC") Evaluation Fee	Will vary	As incurred	If you fail a QC Evaluation you may be required, at your own expense, to complete additional training, pay for the cost of the QC Evaluation, costs associated with the service provided, and to correct the quality of the service for the customer. Fee could range between \$2,800 - \$8,000, depending on the service provided.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Transfer	Our then-current fee per Franchised Area; presently, \$3,000/ Franchised Area for a transfer to an existing franchisee and \$9,900/ Franchised Area for transfer to new franchisee	Upon transfer request	We may change the amount of this fee by up to 10% each year of the term, in the Manual
Non-Controlling Interest Transfer or Transfer to Select Family Member	\$1,000	Upon filing of transfer request	Due if you: (i) transfer a non-controlling interest in the Franchise Business or (ii) transfer Franchise Business to your spouse or adult offspring. We may change the amount of this fee by up to 10% each year of the term, in the Manual.
Area Transfer	\$5,000 plus fee for additional population in requested territory based on our fee formula then in effect	Due at the beginning of the area transfer process and prior to the issuance of successor franchise agreement or amendment.	Due if you propose to relocate your Business, with our approval, to a different Franchise Area. We may change the amount of this fee by up to 10% each year of the term, in the Manual.
Renewal Fee	\$2,500	Prior to expiration of the initial term	Payable if you renew your Franchise Agreement term. We do not charge a Renewal Fee for the first renewal of the franchise agreement. If you request and we grant you the right to obtain a second or subsequent renewal of the franchise agreement, you will pay the renewal term for such renewals. We reserve the right to increase the Renewal Fee up to 10% per year of the Term.
Administrative Fee	\$500 per transaction	As incurred	Due upon your request or when we are required, due to your actions or request, to amend the Franchise Agreement. We may change the amount of this fee by up to 10% each year of the term, in the Manual.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Audit	Due only if an inspection is necessary. Cost of inspection or audit, plus 100% of the Royalty on the understated Gross Revenue and interest, at the rate of 18% per annum or the maximum rate permitted by applicable law, whichever is greater, and all late fees, from the date originally due until the date of payment; if an understatement is greater than 3%, you also must pay us an additional penalty fee equal to 10% of the total amount of the understated Gross Revenue	As incurred	Due if you do not provide reports, supporting records, or other required information or understate your Gross Revenue or any other contribution by more than 3%.
Late Payment Fee	Then current fee which is currently 5% of amount due or \$50 per week, whichever is greater	Due by automatic debit on the Friday following the due date for each late payment	Due for any payment that is not paid when due. This fee may increase up to ten percent (10%) each year of the term.
Non-Sufficient Funds (NSF) Fee	Our then current fee, which is presently \$50 per NSF	Due by automatic debit the Friday after the NSF occurs	Due if and when we debit your account for monies owed and there are insufficient funds available. This fee may increase up to ten percent (10%) each year of the term.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Additional Training ⁷	\$100 - \$2,500	Prior to start date of training	Includes cost to comply with annual training requirements, technician training for your employees and any training and certification that may be required to participate in national account programs. Costs for such state certification and training provided by third parties will vary depending on the type and the location of the course. May include optional web-based training and attendance at the annual convention. We may change the amount of this fee by up to 10% each year of the term, in the Manual.
Credit Card Processing Fee ⁹	Actual costs charged by third party	As incurred	Payable on credit card transactions. Although we do not currently mandate a specific provider for this service, NHI reserves the right to do so in the future.
Convention Fee	The then current fee, which is presently \$850 per person to attend Convention.	Prior to convention	Registration fee for one person to attend the first annual convention following the purchase of your initial N-Hance franchise is included in the Initial Package. You will be responsible for all lodging and other expenses For existing franchisees, cost can vary depending on when you register. You will be responsible for all lodging and other expenses. You will be required to attend at least two conventions during the term of the Franchise Agreement with the first attendance occurring during the first three years of your Franchise Agreement.
Enforcement Costs and Attorneys' Fees	Actual Costs	As incurred	Payable if we engage attorneys to enforce your Franchise Agreement.
Indemnification	Actual Costs	As incurred	You indemnify and hold us harmless against claims arising from your N-Hance Business operations, including costs of investigation, defense and resolution. Certain claims are covered by your insurance.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Liquidated Damages	Will vary under circumstances	As incurred	If the Franchise Agreement is terminated prior to expiration, an amount equal to the average Royalty Fees and BMF fees (calculated based on the prior 12-month period) multiplied by the number of months remaining on the term of the Franchise Agreement.
Monthly Marketing Minimum Spend by You ⁵	The greater of (1) 8% of your Gross Revenue or (2) a fixed dollar amount ⁵	Monthly	You must spend a minimum amount each month on advertising, marketing and promotional programs for your N-Hance Business. We may change the amount of this fee by up to 10% each year of the term, in the Manual.
Customer Complaint Resolution ¹⁰	Actual costs ¹⁰	As incurred	Payable by you to resolve customer complaints concerning your job performance. If we resolve your customer issue, you must reimburse us for amounts that we spend to resolve the complaint.
Applicable taxes	Actual Costs	As incurred	You must pay all state and federal taxes for your Business when due and agree to reimburse us for any payments of tax, interest and penalties we must make on your behalf. Our fees are net of tax so we may “gross up” the amount you pay to cover any applicable taxes on our fees.
Testing, New Product or New Supplier Approval	Cost of review and testing with a minimum fee of \$500 plus costs which is refunded if approved for use by the Franchisor for entire System.	Upon request by us.	You may request approval of a new service to be offered, product or a supplier under our published procedures. We or the independent testing facility that we designate may charge a fee for the testing. We may also charge you a fee for services in making a determination on the proposed product or supplier.

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
OPTIONAL ITEMS			
Optional Local Email Account	\$50	Deducted monthly, due at the same time as the Royalty or on a date of our choosing	Annual fee for business email account using the proprietary <i>nhancelocal</i> service. The first year's fee is included in the Initial Package.
Optional Web Marketing Services	\$150 per setup, \$100-\$550 ¹ per month per program	Deducted monthly, due at the same time as the Royalty or on a date of our choosing	Service provides on-going editing and basic maintenance of digital advertising content on franchise websites for search engine optimization, pay per click or social media management.
Optional Video Customization	\$50 per video ¹ /If utilizing on You Tube, \$150 initial set fee for new channel ¹	As incurred	This service includes personalizing videos for your N-Hance business, embedding your video on your website, uploading the videos to your You Tube Channel, and adding descriptions, links, and tags. If you have a You Tube channel for your N-Hance Business, you do not have to pay the initial set up fee.
Optional Marketing Package	\$2,000 - \$6,000 ¹	As incurred	Optional service includes optimizing your directory listings, social media platforms and website; PPC, social advertising and partnerships with lead generation sources at an additional cost. You can also choose to add various marketing collateral, branded shirts, sample doors, vehicle graphics and several other al la carts marketing items.

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

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

The "Minimum Monthly Royalty" amounts are:

Minimum Monthly Royalty – Traditional Franchise

Months 0 – 3	\$0
Months 4 – 9	\$450
Month 10 and thereafter	\$900

Minimum Monthly Royalty – Small Market Franchise

Months 0 – 3	\$0
Months 4 – 9	\$225
Month 10 and thereafter	\$450

The Minimum Monthly Royalty is subject to annual increase of either 2% or the CPI (Consumer Price Index), whichever is greater. The increase for 2026 is 2.5%. We may periodically in our discretion specify other dates for payment of the Royalty and other fees and amounts due to us under the Franchise Agreement.

³ The National Accounts Program Handling & Processing Fee covers the cost of generating the lead, payment collection, and remitting payment to you.

⁴ We may require you to use web marketing services we designate.

⁵ The Monthly Marketing Minimum Spend appears in Item 11. These amounts will not be increased more than once each calendar year to reflect increases in the CPI. Neither the acquisition cost of a national account lead nor any contributions to the BMF will apply towards the Monthly Marketing Minimum Spend requirements.

⁶ At times, NHI may request, assign, or approve a job for you in another Franchisee's Franchised Area. This fine would not be applicable in those instances.

⁷ This fee includes training provided by NHI and/or third parties. As mentioned in Item 1, you may be required to obtain additional training and/or certification from third parties, such as the US EPA. Please consult your local government offices for information about the tuition, fees and costs associated with such training.

⁸ All N-Hance franchisees are required to use a web-based customer management system designed to help you manage service calls and appointments, maintain customer lists, process credit card payments, and support your marketing efforts. You will be required to sign a Software License Agreement for this system. (See **Exhibit G** to Franchise Agreement)

⁹ Rates generally range between 1.9% - 3.5% depending on vendor.

¹⁰ Customer Complaint Resolution Fees will vary. In our last fiscal year, we only had one Customer Complaint Resolution Fee paid, which totaled \$4,800.

Item 7

YOUR ESTIMATED INITIAL INVESTMENT

Initial Franchise Purchase

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee ⁽¹⁾	\$22,500 to \$39,000, per franchise	Part Lump Sum, Remainder, installments	The Initial License Fee is payable when you sign the Franchise Agreement; if you are approved for financing, it may be payable in installments.	NHI
Initial Package ⁽¹⁾	\$41,495 - \$49,000	Lump Sum	The Initial Package Fee is payable when you sign the Franchise Agreement.	NHI
Tools and Other Equipment ⁽²⁾	\$373 - \$845	Lump Sum	When incurred	Third Parties; sourced locally by franchisee
Business Vehicle ⁽³⁾	\$0 - \$60,000	Usually down payment plus monthly installments; or lease payments	Prior to Opening	Third Parties
Three Month's Rent ⁽⁴⁾	\$0 - \$7,500	Lump Sum	At Signing of Lease	Landlord
Telephone and Business License	\$400 - \$4,000	Lump Sum	Prior to Opening	Third Parties
Travel Expenses While Attending Training (if applicable) ⁽⁵⁾	\$1,000 – \$4,000	Lump Sum	As incurred for training period	Third Parties
Insurance ⁽⁶⁾	\$600 - \$6,000	Lump Sum	Prior to Opening	Third Parties
Additional Funds – 3 months ⁽⁷⁾	\$2,500 - \$12,000	Lump Sum	As Incurred During First 3 Months	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer System ⁽⁸⁾	\$0 - \$2,000	Lump Sum	Prior to Opening	Third Parties
Advertising – 3 months ⁽⁹⁾	\$3,000 - \$4,500	Lump Sum	As Incurred During First 3 Months	Third Parties
Permits and Licenses ⁽¹⁰⁾	\$700 - \$5,000	Lump Sum	Prior to Opening	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT – for Initial Franchise Purchase	\$72,568 - \$193,845			

YOUR ESTIMATED INITIAL INVESTMENT
Existing Franchisees Purchasing Additional Franchise

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee ⁽¹⁾	\$22,500 to \$34,000, per franchise	Part Lump Sum, Remainder, installments	The Initial Fee is payable when you sign the Franchise Agreement; if you are approved for financing, it may be payable in installments.	NHI
Initial Package ⁽¹⁾	\$0 to \$49,000	Lump Sum	When the Franchise Agreement is signed	NHI
Tools and Other Equipment ⁽²⁾	\$0 to \$845	Lump Sum	When incurred	Third Parties, sourced locally by franchisee
Business Vehicle ⁽³⁾	\$0 - \$60,000	Part down payment, plus monthly Installments	Prior to Opening	Third Parties
Three Month's Rent ⁽⁴⁾	\$0 - \$7,500	Lump Sum	At Signing of Lease	Landlord
Telephone and Business License	\$0 - \$4,000	Lump Sum	Prior to Opening	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Travel Expenses While Attending Training (if applicable) ⁽⁵⁾	\$1,250 - \$3,000	Lump Sum	Prior to attending training	Third Parties
Insurance ⁽⁶⁾	\$0 - \$6,000	Lump Sum	Prior to Opening	Third Parties
Additional Funds – 3 months ⁽⁷⁾	\$2,500 - \$12,000	Lump Sum	As Incurred During First 3 Months	Third Parties
Computer System ⁽⁸⁾	N/A	Lump Sum	Prior to Opening	Third Parties
Advertising – 3 months ⁽⁹⁾	\$3,000 - \$4,500	Lump Sum	As Incurred During First 3 Months	Third Parties
Permits and Licenses ⁽¹⁰⁾	\$0 - \$5,000	Lump Sum	Prior to Opening	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT – for Existing Franchisees Purchasing an Additional Franchise	\$29,250- \$185,845			

Notes:

1. You must pay NHI the Initial Fee as outlined in Item 5. The Initial Fee is non-refundable. Financing terms are disclosed in Item 10. All Initial Fees are imposed by and payable to us. You must purchase from us an Initial Package consisting of supplies, equipment, and marketing resource packages, and the Convention Allowance. You may be required to pay sales tax on the Initial Package, which is not included in the Initial Package Fee.

2. This estimate includes the required small tools and equipment you will need to start your N-Hance Business. The precise small tools and equipment you will need, including the recommended vendor for each (if we specify same), will be provided to you after signing the Franchise Agreement, may vary from time to time in our sole discretion, and may be substituted by us depending on the availability of such items. The costs may vary depending on the applicable market conditions and availability.

3. A white cargo van or a white pickup truck with a trailer is required for the operation of the Business and is used to transport equipment and products to a job site (the “Business Vehicle”). In order for a Business Vehicle to be approved by NHI, the Business Vehicle must be a clean, well-maintained white cargo van or white pickup truck with an enclosed trailer and compliant with the current N-Hance standards. The

Business Vehicle must be marked professionally and clearly on both sides with the N-Hance approved logos. Your first Business Vehicle must generally be marked and in operation within 90 days of the Franchise Agreement date. This item estimates the cost of your first van, the price for which could vary based on market conditions. If you already own a suitable, insurable Business Vehicle, there may be no need to purchase or lease an additional vehicle. However, the Business Vehicle must comply with standards of professionalism a consumer would expect when contracting for N-Hance services and meet the current operations standards published in the Manual.

4. If you do not own adequate space for the operation of the Business, you must lease suitable commercial/industrial space. Generally, this will require you to pay the first and last month's rent, plus a security deposit. N-Hance Businesses are generally located in light industrial space that must be at least 1,000 square feet and must accommodate a spray booth measuring 10 feet wide, 8 feet tall and 4 feet deep and access to 220 power. Your monthly rent could vary based on market conditions.

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

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

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

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

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

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

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must own, purchase or lease one or more Business Vehicles suitable for the purpose of transporting various equipment, supplies and materials needed to operate an N-Hance Business. The Business Vehicle must

comply with standards of appearance, maintenance and repair a consumer would expect from a professionally operated service business and meet all of the current requirements in NHI's Advertising Rules & Guidelines, or otherwise in the Manual, regarding type of Business Vehicle, color and proper markings. In order for a Business Vehicle to be approved by us, the Business Vehicle must be clean, well-maintained (operating properly, free from visible dents, scratches and damage), and with the proper logo package. The Business Vehicle must be marked professionally and clearly on both sides.

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

- The minimum amount of business (general) liability coverage required is \$1,000,000.00 per occurrence, \$2,000,000 in the aggregate.
- The minimum amount of \$250,000/\$500,000/\$100,000 (or \$750,000.00 Combined Single Limit) is required for the vehicle liability coverage. All "non-owned" or "hired" vehicles must be insured with the same limits.
- NHI and CDI (and their officers, directors, employees, agents and parents, affiliates and subsidiaries) must be named as additional insureds on both the General Liability and Vehicle Liability insurance policies.
- The business liability insurance policy must state that the work product is covered at a minimum of \$50,000 per occurrence, or that there is no "workmanship" or "care, custody, and control" exclusion.
- Inland Marine insurance in the minimum amount of \$100,000 to protect third party contents while being transported.
- Umbrella/Excess Liability Insurance—limits may be met by supplying an Umbrella/Excess Liability policy that follows form over the General Liability, Employers Liability, and Automobile Liability insurance policies.
- You must also have Workers Compensation insurance based on your statutory requirements. Employers Liability requirements of \$500,000 each accident/\$500,000 disease per employee and \$500,000 disease-policy limit.
- You must submit to us an acceptable Certificate of Insurance for the Business, any vehicles used in the Business and Workers Compensation within 30 days after the date of the Franchise Agreement, and then annually prior to the expiration of your insurance coverage showing renewal or replacement with coverage conforming to our insurance requirements and showing the proper additional insureds.

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

Required And Approved Suppliers

You may use only equipment, processes, products, suppliers, and supplies ("Products") which have either been obtained from or approved by NHI ("Approved Products"). You must purchase the Initial Package

disclosed in Item 5 from NHI, the costs of which are included in the Initial Fee for Packages One and Three and the Related Franchisee Package. To protect the integrity of the N-Hance mark and assure consistent, high quality results, you may not use any wood cleaning, coating, protection, or other wood care or renewal products other than the products supplied by NHI or CDI (the "Proprietary Products") including, but not limited to, the products listed in Item 14. We or CDI are the only approved supplier of the Proprietary Products. You must purchase the Proprietary Products at the then-current list price, plus applicable taxes, and pay for all purchases within 30 days of the invoice date. If you (1) use any product other than the Approved Products or (2) use or possess any wood cleaning, coating, protection or other wood care or renewal product other than the Proprietary Products, NHI shall have the right to impose on you a fine of \$5,000 or to terminate your franchise agreement for your material breach. You must purchase a minimum of \$4,430 per franchise (changed not more than once each calendar year to reflect changes in the CPI) of Proprietary Products from us or CDI each calendar year. We may require you to purchase additional Approved Products and/or Proprietary Products. You may purchase other Products from us or CDI at the then current list price, plus applicable taxes, and must pay for all purchases within 30 days after the invoice date. We or CDI may require advance or progress payments for your purchases of Products. We may approve only a limited number of sources or a single source (which may include us or our affiliates) for certain equipment, products, supply items, promotional materials and business services (such as credit card processing).

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

Approval Of Other Suppliers

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

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

Revenue From Franchisee Purchases

For the year ending December 31, 2025, the revenue from the sale or lease of products and services to N-Hance franchisees was \$1,814,901, which represents 6.03% of our total 2025 revenue of \$30,117,511. In addition, we collected \$156,275 in revenue from rebates and other payments from approved suppliers based on sales made to franchisees, which represents 0.52% of our total 2025 revenue of \$30,117,511. We used these supplier payments to offset the costs of our franchisee convention and support our supplier marketing program directed to franchisees. We derived these figures from our internally prepared financial statements.

Required Purchases and Leases

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

Cooperatives

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

Negotiated Prices & Material Benefits

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

Item 9

FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
(i) Site selection and acquisition/lease	Section 1.D of Franchise Agreement; Consolidated Office Agreement (if applicable); Collateral Assignment and Assumption of Lease (if applicable)	Items 7 and 11
(ii) Pre-opening purchases/leases	Sections 2.A, 2.B, 2.C, 8.A, and 9 of Franchise Agreement; Section 1 of Software License Agreement; Section 1 of Equipment Agreement; and the Note	Items 5, 7, 8, 10, 11, and 15
(iii) Site development and other pre-	Sections 1.D, 2.A, 2.B, 2.C, 2.D, 3.A,	Items 5, 6, 7, 8, 10 and

Obligation	Section in Agreement	Item in Disclosure Document
opening requirements	8.A, and 9 of Franchise Agreement; Sections 1 – 5 of Software License Agreement; and the Note	11
(iv) Initial and ongoing training	Sections 3 and 9.B of Franchise Agreement; Section 6 of Software License Agreement	Items 6, 7 and 11
(v) Opening	Section 2.D of Franchise Agreement	Item 11
(vi) Fees	Sections 3.B, 8, 9, 10, 13.C, 14.B, 15, and 16.A of Franchise Agreement; Section 1 of Consolidated Office Agreement; Sections 12 and 13 of Software License Agreement; Schedule 1 of Equipment Agreement; and the Note	Items 5, 6 and 7
(vii) Compliance with standards and policies/Operations Manual	Sections 1.D, 2, 3, 4, 9, 10.A, 10.D, 11, and 12 of Franchise Agreement; Sections 1, 2, 4, and 5 of Software License Agreement	Item 11
(viii) Trademarks and proprietary information	Sections 4, 5, 9, 10, 16.B, and 16.C of Franchise Agreement; Sections 2,9, 15, and 17 of Software License Agreement	Items 13 and 14
(ix) Restrictions on products/services offered	Sections 9.A, 9.B, and 9.H of Franchise Agreement; Sections 4, 5, 16, and 18 of Software License Agreement	Items 8, 11, 12 and 16
(x) Warranty and customer service requirements	Section 9.B of Franchise Agreement	Not applicable
(xi) Territorial development and sales quotas	Sections 1.C, 1.D, and 8.B of Franchise Agreement	Item 12
(xii) On-going product/service purchases	Sections 9.A, and 9.B, and 9.H of Franchise Agreement; Section 1 of Software License Agreement	Items 7, 8 and 11
(xiii) Maintenance, appearance and remodeling requirements	Sections 2.B, 2.C, 9.B, 11.A, and 14.A of Franchise Agreement; Section 2 of Software License Agreement; Section 7 of Equipment Agreement	Items 8 and 11
(xiv) Insurance	Section 9.E of Franchise Agreement;	Items 7 and 8

Obligation	Section in Agreement	Item in Disclosure Document
	Section 7 of Equipment Agreement	
(xv) Advertising	Sections 1.D, 4.B, and 10 of Franchise Agreement	Items 5, 6, 7 and 11
(xvi) Indemnification	Section 7 of Franchise Agreement; Section 13 of Software License Agreement	Item 6
(xvii) Owner's participation/management/staffing	Sections 1.B and 9.D of Franchise Agreement; Sections 3 and 5 of Software License Agreement	Items 11 and 15
(xviii) Records/reports	Section 11 of Franchise Agreement	Item 11
(xix) Inspections/audits	Section 12 of Franchise Agreement	Item 11
(xx) Transfer	Section 13 of Franchise Agreement; Sections 16 and 17 of Software License Agreement; Sections 5 and 10 of Equipment Agreement; and the Note	Item 17
(xxi) Renewal	Section 14 of Franchise Agreement	Item 17
(xxii) Post-termination obligations	Section 16 of Franchise Agreement; Section 22 of Software License Agreement; and the Note	Item 17
(xxiii) Non-competition covenants	Sections 6 and 16.E of Franchise Agreement	Item 17
(xxiv) Dispute resolution	Section 17 of Franchise Agreement; Section 21 of Software License Agreement; Section 11 of Equipment Agreement; and the Note	Item 17
(xxv) Costs/attorneys' fees	Sections 7, 16.A, and 17.E of Franchise Agreement; Sections 13 and 21 of Software License Agreement; Section 11 of Equipment Agreement; and the Note	Item 6

Item 10

FINANCING

NHI has no obligation to provide you any financing for any portion of your initial investment. However, with approved credit, NHI may finance a portion of the Initial License Fee for qualified prospective franchisees under specified terms and conditions in the Promissory Note (the “Note”).

Source of Financing	Us
Amount Financed	Up to 50% of the Initial License Fee
Down Payment	At least 50% of the Initial License Fee
Term (number of years)	Up to two years
Rate of Interest plus Finance Charge	9% interest
Monthly Payment	Varies depending on amount financed and term.
Prepayment Penalty	None
Security Required	Personal Guaranty
Guaranty	Personal Guaranty
Liability upon Default	Termination or other loss of Franchise; you must also pay entire amount due and our attorneys’ fees and court costs in collecting debt
Loss of Legal Rights Upon Default	You must waive presentation for payment, demand, notice of non-payment, protest, and all other demands and notices required by law (statutory or otherwise)

If you would like to finance a portion of the Initial License Fee, and you meet our credit standards, you may do so through the Note, which is currently attached as **Exhibit C**. You must make a down payment of at least 50% of the Initial License Fee. We are currently offering an APR of 9% but we reserve the right to adjust the APR being offered up to 15%, based on your credit history. We will not adjust APR of the Note once your Franchise Agreement has been signed. A late fee of 5% or \$50, per week, whichever sum is greater, will be collected if you fail to make timely payments or your payments are returned to us with non-sufficient funds. The only security we require is a personal guaranty of the Note by you and by all the owners, as well as all respective spouses, of the company. The personal guaranty will require the owners of the franchisee entity to personally guaranty and be personally bound by all of the obligations of the Note, including payment.

The term of the Note will be 12 months to 24 months, as agreed between you and N-Hance. You may prepay the Note without penalty at any time during its term. If you fail to make any payment, we can call the Note and demand immediate payment of the full outstanding balance. We can also terminate your Franchise Agreement if you fail to make payments as agreed; however, before your Franchise Agreement can be terminated, you will receive a notice of default and have a ten-day period to cure the default. The Note shall survive termination of the Franchise Agreement.

If you enter into the Note, you will agree to waive presentation for payment, demand, notice of non-payment, protest, and all other demands and notices required by law (statutory or otherwise). In the event that you should default under the Note, and legal proceedings are commenced to collect the indebtedness of the note, you agree to pay all costs and expenses, including reasonable attorney fees, incurred in the collection of the Note. A sample Note is attached to this Disclosure Document as **Exhibit C**.

Other than described above, we will not guarantee any notes, leases or obligations. We and our affiliates have no past practice or future intent of selling, assigning or discounting franchisees' financing arrangements to a third party, although we reserve the right to do so in the future. We and our affiliates do not receive any direct or indirect payments or any other consideration from any person for the placement of financing with the lender; however, we reserve the right to do so in the future.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Assistance

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

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

NHI has no obligation to assist you with locating a site for your Business, negotiating a purchase or lease of the site, conforming the premises to local ordinances and building codes, obtaining any required permits, constructing, remodeling or decorating the premises, hiring and training employees, and except as you obtain from us in the Initial Package, providing for necessary equipment, signs, fixtures, opening inventory and supplies. NHI may, however, provide additional assistance at its sole discretion.

Post-Opening Assistance

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

- (1) Advise you from time to time regarding operating issues concerning your Business. In addition, NHI will provide guidance to you on standards, specifications and operating procedures and methods used by N-Hance Businesses. This guidance will, at NHI's discretion, be furnished in the Manual, bulletins, newsletters or other written materials and/or during telephone consultations and/or consultations at the places we designate and may be at your expense (Franchise Agreement – Section 3.C).
- (2) Revise the Manual from time to time. (Franchise Agreement – Section 3.C).
- (3) Hold additional training and conventions for all franchisees at the times and locations we designate (Franchise Agreement – Section 3.B).

- (4) Inspect and observe the operations of your Business from time to time to determine whether you are complying with the Franchise Agreement and all System Standards (Franchise Agreement – Section 12). You will be provided of the results of any such inspection in writing or by telephone call.
- (5) Provide advertising materials for purchase (Franchise Agreement – Section 10).
- (6) Sell you wood care and renewal equipment, products and supplies provided you are current in your financial obligations to NHI (Franchise Agreement – Section 9.B).
- (7) Be responsible for all billings to, and collections from, national accounts. NHI or CDI will remit to you all of the payments we receive from completed national accounts that you service, minus a handling and processing fee ranging between 10% - 25% of the amount collected, depending on the terms of the national account. (See Item 6 and Franchise Agreement – Section 10.E)

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

Advertising

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

Local Marketing and Promotion By You

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

<u>Month After Opening</u>	<u>Monthly Marketing Minimum Spend – Traditional Market</u>
Months 1 – 12	\$1,500 or 8% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$2,000 or 8% of Gross Revenue, whichever is greater
<u>Month After Opening</u>	<u>Monthly Marketing Minimum Spend – Small Market</u>
Months 1 – 12	\$1,000 or 8% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$1,500 or 8% of Gross Revenue, whichever is greater

The Monthly Marketing Minimum Spend will not be increased more than once each calendar year to reflect increases in the CPI from the prior change. Neither the acquisition cost of a national account lead nor contributions to the BMF will apply towards the Monthly Marketing Minimum Spend requirements. NHI will

credit against the Monthly Marketing Minimum Spend any amounts spent for internet marketing, online directories, and any other amounts you spend to advertise, market, or promote the Business. You must spend the amount by which the aggregate Monthly Marketing Minimum Spend requirement exceeds the total of your Cooperative contributions on other marketing programs over the time period for the Cooperative contributions. NHI may review your books and records from time to time and/or require you to submit reports periodically to determine your spending on qualifying advertising, marketing and promotion.

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

Brand Marketing Fund

The Franchise Agreement includes a required monthly contribution to the BMF equal to the greater of (1) 2% of your Gross Revenue or (2) the Minimum Monthly BMF Contribution of \$150 per month for months 1 – 6 and \$300 per month thereafter (the "BMF Contribution"). Any company owned N-Hance locations operated by NHI or an affiliate of NHI will contribute at the same rates to the BMF. Some franchisees on older forms of franchise agreements have varying BMF Contribution calculations. We also may deposit marketing, promotional, and other payments we receive from suppliers or you into the BMF. In the fiscal year ending December 31, 2025, BMF Contributions were spent as follows: 1% on production, 95% on media placement, and 4% on administrative expenses.

NHI will administer the BMF and will disburse the BMF to pay for marketing, advertising, promotional, public relations, reimbursement of amounts owed to CDI, and other similar activities intended to benefit the System and all franchised locations. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, advertising production, (f) advertising and public relations agency fees and expenses, (g) product research and development, and (h) creative services. NHI has the right to reimburse itself from the BMF for such reasonable costs and overhead (including administrative overhead expenses, including salaries incurred for activities supported by the BMF by both in-house marketing and third-party marketing service providers), if any, that NHI may incur in activities reasonably related to the direction and implementation of the BMF, and for losses or litigation costs NHI may incur as a result of any franchisees' marketing or advertising activities that violate our requirements, including violation of consumer privacy laws, TCPA actions, ADA compliance, the use of artificial intelligence in violation of a consumer privacy law, etc. Any amounts in the BMF not spent at the end of each fiscal year will remain in the BMF, provided that amounts contributed to the BMF may be used to pay taxes associated with unspent amounts on deposit in the BMF.

We will design and direct all activities and programs funded by the BMF with the assistance of the Brand Marketing Fund Committee. The Brand Marketing Fund Committee is an advisory board composed of seven franchisees and two members of the N-Hance corporate staff. Franchisee members of the Brand

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

Websites

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

National Accounts

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

Computer System

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

Although we have not developed any proprietary software or applications, we reserve the right to do so in the future. NHI (or an affiliate) may charge you a reasonable fee if it develops proprietary software or applications that NHI (or its affiliate) licenses to you and for other Computer System maintenance and support

services that NHI (or its affiliate) provides to you. If NHI (or its affiliate) licenses proprietary software to you, or otherwise allow you to use similar technology NHI (or its affiliate) develops or maintains, you must sign any software license agreement or similar document that NHI (or its affiliate) requires.

We currently require you to utilize QuickBooks Online Accounting Software and maintain our specified Chart of Accounts; we will have independent, automatic password access to your financial reports on this system, which we may access from time to time in our sole business judgment and without notice to you. You may not utilize any other accounting or reporting software that is not approved by us. In addition, NHI will have independent electronic access to the information the customer relationship management software generates and tracks.

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

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

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

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

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

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

The customer relationship management software system (the “Software System”) is a web-based management system designed to help you manage service calls and appointments, maintain customer lists, and support your marketing efforts. You will be required to sign a Software License Agreement (see **Exhibit G** to the Franchise Agreement) and to use the Software System in the management of the franchised business. You must pay our then-current fee for the Software System, which is presently \$349 per month. Please see Item 6 for more details about fees associated with the Software System. NHI requires an automatic debit program for the payment of these fees. These monthly payments will be automatically deducted from your bank account.

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

Site Selection and Opening

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

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

Initial and New Buyer Training

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

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

NEW BUYER TRAINING PROGRAM

Day of Training	Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Preparatory	Product Line, Marketing, Jump Start, Online Training Courses, Financial Basis	N/A	N/A	Preparatory Training to be completed by you prior to training
New Franchise Training	Classroom and Hands on training			Ann Arbor, MI
Day 1	Products and Processes Foundations of Wood Refinishing, Wood tone Processes, Masking	5	3	Training Facility in Ann Arbor, MI
Day 2	Products and Processes Opaque Process, Cabinet Door and Kitchen Organization, and Marketing	3	5	Training Facility in Ann Arbor, MI
Day 3	Lead, Estimate, and Sales, CRM, Cabinet Door Cleaning	5	3	Training Facility in Ann Arbor, MI
Day 4	Masking, Spraying Finishing Cabinet Boxes	0	8	Training Facility in Ann Arbor, MI
Day 5	Spray Doors and Curing with LightSpeed Machine, Hanging and Alignment, Touchup	0	8	Training Facility in Ann Arbor, MI
Day 6	Cabinet Door Replacement and Organization, Operations	8	0	Training Facility in Ann Arbor, MI
Grand Opening	Tech, Operations, Sales Training	0	16-24	Onsite; during Grand Opening, within 8-12 weeks after New Buyer Training
Total		21 hours	43 -51 hours	

Training is provided by Brandon Jensen, who has over 4 years’ experience with us, 10 years’ experience as a business coach, and 12 years’ experience in the cabinetry industry, and Jeff Pace, who has over 1 year experience with us, and 18 years’ experience as an N-Hance business owner.

You may elect to repeat New Buyer Training at our facilities in Ann Arbor, MI at any time without additional charge other than charges for your travel, meals, and lodgings.

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

NHI may require you and/or your employees to attend various training courses (including annual training and certification programs) that NHI chooses to provide periodically at the times and locations NHI designates. You are required to attend and complete at least two annual conventions during the term of the Franchise Agreement, at least one in-person training course each year during the term of the Franchise Agreement and complete all online training courses NHI may require from time to time. Further, you must attend and complete at least one annual convention during the first three years of the Franchise Agreement. NHI may charge reasonable fees for these training courses and conventions. NHI reserves the right to require your and/or your employees' attendance, in person, at training each year. You are responsible for all travel and living expenses of all of your attendees incurred in connection with these programs. As previously disclosed in Item 6, failure to fulfill any portion of these ongoing training requirements will give NHI the right to impose a fine of up to \$500 per year or terminate your Franchise Agreement.

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

Item 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You will receive a protected Franchised Area and will be required to operate your N-Hance Business solely within the Franchised Area as identified in the Franchise Agreement. The size of your Franchised Area depends on population density and geographical boundaries. A typical Traditional Franchised Area will have a population of approximately 250,000 people and a typical Small Market Franchised Area will have a population density of fewer than 200 people per square mile and no hub city with a population greater than 75,000 people. During the term of the Franchise Agreement, and so long as you are in compliance with the Franchise Agreement, NHI will not establish or license or franchise a third party to establish another N-Hance Business within the Franchised Area. However, and without any compensation to you, we reserve the right to solicit and service national accounts based or having work in the Franchised Area and to utilize another franchisee or a third party to perform the work if (i) we determine that you do not meet specific qualifications required by the national account (which include but are not limited to experience, necessary training and/or certification provided by either NHI or third parties), (ii) you elect not to service a national account, or (iii) the national account elects not to do business with you.

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

fail to maintain revenues that are at least 50% of the Six-Month Running Average. In such event, we may establish or franchise another N-Hance Business in your Franchise Area, modify your Franchise Area or terminate your right to a protected Franchised Area.

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

You agree to advertise and solicit business for the authorized services within the Franchised Area only, unless otherwise approved in writing by NHI (e.g. for exhibiting at a regional Home Show). If you set an appointment, provide a written estimate, accept a job or perform a job outside of your Franchised Area (unless assigned by NHI), NHI may impose on you a fine of \$5,000 or up to 100% of the total ticket/job invoice, whichever amount is greater, or terminate your Franchise Agreement.

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

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

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

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

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

Item 13

TRADEMARKS

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

Mark: “NHANCE” Reg. Date: June 18, 2002 Trademark Reg. No. 2583743	Mark: “N-Hance” stylized color Reg. Date: June 7, 2005 Trademark Reg. No. 2960385
Mark: “N-Hance” Design Mark Reg. Date: November 9, 2004 Trademark Reg. No. 2902117	Mark: “N-HANCE” Reg. Date: April 7, 2015 Trademark Reg. No. 4714897
Mark: “Rethink Refinishing” Reg. Date: July 14, 2015 Trademark Reg. No. 4772511	Mark: “N-HANCE” Reg. Date: June 8, 2004 Trademark Reg. No. 2851256
Mark: “Wood Refinishing – Done Right” Reg. Date: September 12, 2017 Trademark Reg. No. 5285062	Mark: “Nhance Wood Refinishing” Filing Date: January 16, 2018 Trademark Reg. No. 5380567
Mark: Lightspeed stylized color Reg. Date: September 12, 2017 Trademark Reg. No. 5285061	Mark: N-Hance logo Reg. Date: January 23, 2018 Trademark Red. No. 5384573
Mark: “N-Hance” Logo with Tagline Reg. Date: March 13, 2018 Trademark Reg. No. 5421464	Mark: “Lightspeed” Reg. Date: November 26, 2013 Trademark Reg. No. 4440018
Mark: “N-DURA” Design Mark Reg. Date October 26, 2021 Trademark Reg. No. 6540451	Mark: N-DURA Reg. Date: September 21, 2021 Trademark Reg. No. 6494078
Mark: “Your Cabinet Makeover Experts” Reg. Date: December 10, 2024 Trademark Reg. No. 7594911	Mark: “NHANCE” Reg. Date: February 13, 2024 Trademark Reg. No. 7306218

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

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

business name or service. You may not use the Marks in connection with the sale of any unauthorized products or services or in any manner not authorized in writing by NHI.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks. There are no agreements currently in effect which significantly limit NHI's right to use or license the use of the Marks in any manner material to the franchise. NHI does not actually know of either superior rights or infringing uses that could materially affect your use of the principal trademarks in any state.

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

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

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

Registration Number	Patent	Issuance Date / Anticipated Expiration Date
7,887,625	Sealer Composition	February 15, 2011 / May, 2026
7,879,406	Sealer Composition	February 1, 2011 / May, 2026
10,124,623	Flexible Translucent Color Matching Apparatus	November 13, 2018 / September, 2031

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

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

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

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

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

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

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

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

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

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

The equipment used in the Business may not be used for any purpose other than the operation of the Business in compliance with the Franchise Agreement and in the manner in which it was intended and according to operating procedures as outlined in the Manual or the equipment manual. You may not sell, rent, lease or license your N-Hance customer list(s) or customer contracts, or otherwise use your N-Hance customer list(s) for any purpose other than in connection with the operation of the Business. You may not perform services outside your Franchised Area without our consent.

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

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

between NHI and you. NHI may retain a referral or processing fee with respect to any national account you service. If any multi-location account requests that you perform services outside the Franchised Area, you must refer the business for outside your Franchised Area to NHI for assignment.

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

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1C of Franchise Agreement; Section 9 of Equipment Agreement	5 years
b. Renewal or extension of the term	Section 14 of Franchise Agreement	2 additional, consecutive 5 year terms.
c. Requirements for you to renew or extend	Section 14 of Franchise Agreement	You must fulfill certain requirements having complied with all terms of the Franchise Agreement, having completed all required training, agreeing to add or replace operating assets as NHI directs, signing the then-current franchise agreement for the renewal term (which may contain fees, terms and conditions that differ materially from those in the current Franchise Agreement, including increased or additional fees and new product or service offerings), purchasing all equipment and products required by NHI for successor franchises, and if you request and we agree to grant you a second or subsequent renewal term (which you are not entitled to under the Franchise Agreement), paying us a renewal fee (there is no renewal fee required in connection with the first

Provision	Section in Franchise Agreement	Summary
		renewal term). “Renewal” means a continuation of the operation of your Franchise Business by entering into a new franchise agreement with us, which may contain materially different terms and conditions from the original franchise agreement.
D. Termination by you	None	Not Applicable (subject to state law)
e. Termination by us without cause	None	Not Applicable
f. Termination by us with cause	Section 15 of Franchise Agreement; Section 9 of Equipment Agreement; Section 13 of Software License Agreement; and the Note	We can terminate only if you commit any of the listed defaults or breaches
g. “Cause” defined-defaults which can be cured	Section 15 of Franchise Agreement; Section 9 of Equipment Agreement; and the Note	You have 10 days to cure for non-payment and failure to provide required reports and 30 days to cure for other defaults or non-compliance with System Standards
h. “Cause” defined-defaults which cannot be cured	Section 15 of Franchise Agreement; Section 13 of Software License Agreement	You cannot cure certain defaults: material misrepresentation or omission, failure to commence operations within 90 days after signing the Franchise Agreement, failure to satisfactorily complete training, abandonment of the franchise, unauthorized transfer of the franchise, conviction of/no contest plea to a crime / an offense likely to adversely affect the reputation of any N-Hance Business or the goodwill of the Marks; engaging in dishonest/unethical conduct which adversely affects the reputation of the N-Hance Business or the goodwill of the Marks, unauthorized use of a Mark, unauthorized use of the Manual or other confidential information, use of non-Approved Products or non-Approved Services two or more times, non-compliance with laws, repeated defaults,

Provision	Section in Franchise Agreement	Summary
		bankruptcy related events, termination of another franchise agreement
i. Your obligations on termination/nonrenewal	Section 16 of Franchise Agreement; Sections 6-9 of Equipment Agreement; Section 13 of Software License Agreement; and the Note	You must, among other things, pay all outstanding amounts due to NHI, its affiliates and customers; stop using the Marks, return of: patents, copyrights, and confidential information; take steps to de-identify yourself with the franchise; return confidential materials, including the Manual, and proprietary equipment to NHI, and provide NHI with access to your customer list.
j. Assignment of contract by us	Section 13.A of Franchise Agreement; and the Note	No restriction on NHI's right to assign
k. "Transfer" by you – definition	Section 13.B of Franchise Agreement; Sections 5 and 10 of Equipment Agreement; Section 18 of Software License Agreement	"Transfer" includes transfer of the Franchise Agreement, an ownership interest in you or the N-Hance Business or its assets
l. Our approval of transfer by you	Section 13.B of Franchise Agreement; Section 5 of Equipment Agreement; Section 18 of Software License Agreement	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for our approval of transfer	Section 13.C of Franchise Agreement; Section 5 of Equipment Agreement	Before NHI approves a transfer, certain conditions must be met: the transferee is qualified; the transferee assumes your obligations under the Franchise Agreement; transferee assumes all obligations to customers and clients; all amounts due to NHI and its affiliates are paid in full; the transferee has no interest in a competitive business; the transferee satisfactorily completes training; the transferee signs the then-current franchise agreement and related documents; the transfer fee is paid; you sign a general release (if applicable law

Provision	Section in Franchise Agreement	Summary
		allows); you subordinate amounts due to you from the transferee; you correct any deficiencies, and the transferee agrees to make any requested updates; you abide by the covenant not to compete; the purchase agreement allocates the purchase price among specified categories, makes full disclosure, and states that the transferred agrees to the disposition of your payables and receivables; the transferee purchases all required equipment, and you take steps to de-identify yourself with the franchise; you guarantee the performance of transferee if you finance the sale/assignment.
n. Our right of first refusal to acquire your business	Section 13.H of Franchise Agreement	NHI has 30 days to match any written offer to buy an interest in your business, to buy an ownership interest in you, or to buy your Business assets.
o. Franchisor's option to purchase franchisee's business	None	Not applicable
p. Your death or disability	Section 13.F of Franchise Agreement	We can buy the Business, and if we do not, franchise must be assigned to a party we approve within six months
q. Non-competition covenants during the term of the franchise	Section 6 of Franchise Agreement	Subject to state law, none of you; any shareholder, officer, director, partner, or guarantor of you, and any of your / their respective spouses and children can have any interest in, perform services for, or attempt to divert / divert any potential customer / customer to a competitive business (i.e., any business which provides or sells, or grants franchises or licenses to others to provide or sell, wood cleaning, coating, protection or other wood care or renewal services or products, or any related or ancillary services or products) or engage in activity that injures the goodwill of the Marks or NHI's franchise system.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 16.E of Franchise Agreement	Subject to state law, neither you nor any of your owners can participate in or have a direct or indirect interest (e.g., through a spouse) in a competitive business for a period of 18 months within the Franchised Area, within ten miles of Franchised Area or in the franchised area of any N-Hance Business
s. Modification of the agreement	Sections 1.F, 9.I, and 17.A of Franchise Agreement; Section 10 of Equipment Agreement; Section 11 of Software License Agreement	Modifications to the Franchise Agreement can only be made in writing by mutual agreement, but we can modify the Manual and System Standards at will.
t. Integration/merger clause	Section 17.N of Franchise Agreement	The Franchise Agreement (including any preambles and exhibits) represents the entire agreement between you and us regarding the franchise relationship and your N-Hance Business (subject to state law); however, nothing in the Franchise Agreement disclaims or requires you to waive reliance on any representation made in this disclosure document. Any representations or promises outside of the Franchise Disclosure Document and the other agreements with us may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17.E of Franchise Agreement; Section 11 of Equipment Agreement; Section 21 of Software License Agreement; and the Note	Except for certain claims, all disputes must be arbitrated in Ann Arbor, MI (subject to state law) under the Federal Arbitration Act. Monetary claims for amounts may be asserted in litigation instead of arbitration by either you or us.
V. Choice of forum	Section 17.H of Franchise Agreement; Section 11 of Equipment Agreement; Section 21 of Software License Agreement	Arbitration in Ann Arbor, Michigan. Your local law may supersede this provision. See State Addenda to the Franchise Disclosure Document at Exhibit H and State Addenda to the Franchise Agreement at Exhibit C to the Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
w. Choice of law	Section 17.G of Franchise Agreement; Section 11 of Equipment Agreement; Section 21 of Software License Agreement	Except where Federal Arbitration Act or other federal law applies, Michigan law applies. Your local law may supersede this provision.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document.

Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Every month, NHI requires all franchise owners to provide us with certain financial and other information relating to the operation of their N-Hance businesses during the preceding month. NHI may also request that all franchisees who do not submit monthly reports submit an annual report. Despite this requirement, the information presented is provided voluntarily and not every franchisee responds to our requests. We have not independently verified their information.

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

As of December 31, 2025, NHI had 86 U.S. franchise owners who operated 209 businesses. Of those franchise owners, 67 franchise owners (the "Active Franchise Owners"), representing 78% of all franchise owners who collectively own 180 N-Hance businesses submitted annual financial data to NHI for 2025 and actively operated their business. We derived the Information presented below from the Active Franchise Owners. The information has been reported voluntarily by the Active Franchise Owners and has not been audited, reviewed or compiled by any independent accountant.

An "Active Franchise Owner" is a franchisee in the U.S. that has operated a N-Hance business on a full-time basis for the full year of 2025 by completing at least two jobs through its N-Hance Business during each calendar month in 2025. Active Franchise Owners include both Traditional and Small Market Franchises.

The chart below shows a revenue performance grid for Active Franchise Owners and Active Franchises for the one-year period ending on December 31, 2025, presented by various performance groupings from the top performing to the bottom performing groups of Active Franchise Owners, with performance measured and grouped by average revenue per owner. Information from the franchisees and about the franchised businesses that did not report revenue information for all of 2025, or who were terminated, did not renew, or ceased operations for other reasons is not included in the performance grids.

Quartile	Number of Franchisees in Group	Average Gross Revenue ¹	Number of Franchisees that Met or Exceeded Average	Percent of Franchisees that Met or Exceeded Average	Highest	Lowest	Median Gross Revenue ¹
Top 25%	16	\$1,425,376	6	38%	\$2,851,291	\$895,011	\$1,223,247
Top 50%	33	\$1,009,610	13	40%	\$2,851,291	\$402,668	\$791,786
Top 75%	50	\$773,808	19	38%	\$2,851,291	\$254,847	\$625,467
Bottom 25%	17	\$188,912	10	59%	\$250,472	\$107,600	\$199,397
Bottom 50%	34	\$252,494	17	50%	\$400,837	\$107,600	\$252,659
Bottom 75%	51	\$374,429	18	35%	\$791,786	\$107,600	\$303,250
Total	67	\$625,402	25	37%	\$2,851,291	\$107,600	\$400,837

Notes:

1. “Gross Revenue” is defined as all revenue received from operating the Business including cash, in services in kind, from barter and/or exchange, or otherwise, but not including sales tax and returns. We calculated the Average Gross Revenue figure by totaling the Average Gross Revenue of all of the Active Franchise Owners and dividing it by the number of Active Franchise Owners in each category and then by the total. The Median Gross Revenue figure reflects the median of the Gross Revenue achieved by all Active Franchise Owner in each category.

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

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

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

If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting, our Brand President at 5405 Data Ct., Ann Arbor, MI 48108, (800) 841-6583, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

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

Item 20

OUTLETS AND FRANCHISEE INFORMATION

**TABLE 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS – 2023-2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	317	289	-28
	2024	289	255	-34
	2025	255	209	-46
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	317	289	-28
	2024	289	255	-34
	2025	255	209	-46

TABLE 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(other than the Franchisor) FOR YEARS –2023 – 2025**

State	Year	Number of Transfers
Colorado	2023	8
	2024	0
	2025	0
Florida	2023	3
	2024	4
	2025	5
Louisiana	2023	0
	2024	0
	2025	4
Michigan	2023	0
	2024	2
	2025	0
Nevada	2023	3
	2024	0
	2025	0
Ohio	2023	4
	2024	1
	2025	0
Texas	2023	2
	2024	0
	2025	0
Utah	2023	0
	2024	0
	2025	1
Virginia	2023	0
	2024	1
	2025	0
TOTALS	2023	20
	2024	8
	2025	10

TABLE 3

STATUS OF FRANCHISED OUTLETS FOR THE YEARS 2023-2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Totals
Alabama	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	1	2
	2025	2	0	0	0	0	0	2
Arizona	2023	5	0	1	0	0	1	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	1	0	0	2
Arkansas	2023	2	0	2	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
California	2023	29	0	1	2	0	1	26
	2024	26	0	1	2	0	0	23
	2025	23	0	0	6	0	0	17
Colorado	2023	10	0	0	0	0	0	10
	2024	10	0	2	0	0	0	8
	2025	8	0	0	0	0	0	8
Connecticut	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Delaware	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	45	0	0	0	0	0	45
	2024	45	2	7	4	0	0	36
	2025	36	1	12	1	0	0	24
Georgia	2023	7	0	2	2	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Hawaii	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Idaho	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3

Illinois	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
Indiana	2023	7	0	1	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	1	5
Iowa	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	2	0	0	0	0
Kansas	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	1	0	0	2
Kentucky	2023	7	0	0	0	0	3	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Louisiana	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Maryland	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Massachusetts	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Michigan	2023	5	0	0	0	0	0	5
	2024	5	0	3	0	0	0	2
	2025	2	0	0	0	0	0	2
Minnesota	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Mississippi	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Missouri	2023	4	0	0	1	0	0	3
	2024	3	0	0	1	0	0	2
	2025	2	0	0	0	0	0	2
Montana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nebraska	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

Nevada	2023	4	0	0	0	0	0	4
	2024	4	0	4	0	0	0	0
	2025	0	0	0	0	0	0	0
New Hampshire	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
New Jersey	2023	13	2	0	0	0	0	15
	2024	15	0	0	0	0	0	15
	2025	15	0	3	0	0	0	12
New Mexico	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
New York	2023	23	0	4	1	0	0	18
	2024	18	1	4	2	0	0	13
	2025	13	0	0	3	0	0	10
North Carolina	2023	9	0	0	0	0	0	9
	2024	9	1	0	1	0	0	9
	2025	9	0	0	0	0	0	9
Ohio	2023	16	0	0	0	0	2	14
	2024	14	0	0	1	0	0	13
	2025	13	0	1	0	0	0	12
Oklahoma	2023	4	0	2	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	1	0	0	1
Oregon	2023	4	0	0	0	0	0	4
	2024	4	0	0	1	0	0	3
	2025	3	2	0	0	0	0	5
Pennsylvania	2023	9	3	0	0	0	0	12
	2024	12	0	1	0	0	0	11
	2025	11	0	3	3	0	0	5
Rhode Island	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
South Carolina	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	2	0	0	0	6
South Dakota	2023	2	0	0	1	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Tennessee	2023	6	0	0	0	0	0	6
	2024	6	0	0	1	0	0	5
	2025	5	0	2	1	0	0	2

Texas	2023	17	1	4	0	0	0	14
	2024	14	1	0	0	0	0	15
	2025	15	0	0	1	0	0	14
Utah	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
Vermont	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Virginia	2023	12	0	0	1	0	0	11
	2024	11	0	1	1	0	0	9
	2025	9	0	1	4	0	0	4
Washington	2023	15	0	0	1	0	0	14
	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	0	14
West Virginia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Wisconsin	2023	2	0	0	1	0	0	1
	2024	1	0	0	1	0	0	0
	2025	0	0	0	0	0	0	0
Wyoming	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Canada	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
TOTALS	2023	315	7	17	10	0	7	289
	2024	289	5	23	15	0	1	255
	2025	255	3	26	22	0	1	209

**TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS ENDING 2023-2025**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	NON-RENEWALS	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF YEAR
TOTAL	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2025

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED SALES TO NEW FRANCHISEES	PROJECTED COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR
Arkansas	0	1	0
Minnesota	0	1	0
Nevada	0	1	0
North Carolina	0	1	0
Ohio	0	2	0
Pennsylvania	0	1	0
Tennessee	0	2	0
Texas	0	1	0
Wisconsin	0	1	0
Totals	0	11	0

A list of franchisees and their business telephone numbers and addresses as of December 31, 2025 is attached as **Exhibit F**. A list of the name and last known business address, city, state and business telephone number of every franchisee who has had their franchise agreement terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement for the period ending December 31, 2025 and/or who had their franchise agreement terminated, canceled, not renewed in 2025 or who has not communicated with us within 10 weeks of the date of issuance of this document is attached as **Exhibit G**. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some current and former franchisees have signed confidentiality clauses in the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with N-Hance franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. There are no trademark-specific franchisee organizations associated with the N-Hance franchise system. NHI has established an N-Hance Franchise Advisory Council (NFAC) consisting of eight franchisee representatives. Generally, a new chairperson is elected each year. The current chairperson of the NFAC is Ryan Seeger and he can be reached at c/o Nhance, Inc., 5405 Data Ct. Ann Arbor, MI 48108, (800) 841-6583.

Item 21

FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document in **Exhibit D** are the fiscal year end audited consolidated financial statements of BFG Holdco, Inc. (formerly known as HRI Holdings, Inc.), our affiliate company, for the years ended 2025, 2024, and 2023. Our affiliate BFG Holdco, Inc. has guaranteed our performance with you. A copy of the Guaranty of Performance is included in **Exhibit D**.

Item 22

CONTRACTS

The Franchise Agreement is attached as **Exhibit B** to this Disclosure Document along with the following agreements attached as exhibits to the Franchise Agreement: Guaranty and Assumption of Obligations, Consolidated Office Agreement, State Addenda to the Franchise Agreement, the Release Agreements, Equipment Agreement, Software License Agreement, Collateral Assignment and Assumption of Lease, and the Spousal Confidentiality and Non-Compete Agreement. The Note is attached as **Exhibit C**. The Franchisee Disclosure Questionnaire is attached as **Exhibit I** to this Disclosure Document (page 195).

**EXHIBIT A
TO THE DISCLOSURE DOCUMENT**

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (866) 275-2677	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza, Hartford, CT 06103-1800 -(860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	Attn: New York Secretary of State New York Department of State 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910	North Dakota Insurance Commissioner 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of the Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200	Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT



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

SUMMARY PAGES

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

Parties

1. This Franchise Agreement is made and entered into on the date of the last signature provided by an authorized representative of the Franchisor (the “Effective Date”).
2. Franchisor: NHance, Inc., a Delaware corporation, with its principal office at 5405 Data Ct., Ann Arbor, MI 48108 (together with its successors and assigns, referred to in this Agreement as “NHI,” “we,” or “us”).
3. Franchisee: _____, a resident of the State of _____, or _____, a _____ with its principal office at _____ (referred to in this Agreement as “FRANCHISEE” or “You”).
4. The “ownership interests” referred to in Section 1.B. of the Franchise Agreement, if FRANCHISEE is at any time a corporation, limited liability company, or general or limited partnership (collectively, an “Entity”), FRANCHISEE represents that the following information about the Entity is true and accurate:

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

Type of Ownership Interest: _____

Name, Offices	Address	Telephone	Email	Percentage Ownership/Shares/Units

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

Franchise Number:
Franchise Model Type:
Effective Date:

6. The population for the Franchised Area on the Effective Date is _____.
7. The “Initial Fee” as referenced in Section 8.A. of this Agreement is \$_____ and consists of the “Initial License Fee” of \$_____ and the “Initial Package” price of \$_____.
8. The “Down Payment” as referenced in Section 8.A. of this Agreement is \$_____ and is due at the time FRANCHISEE executes this Agreement. The Business Note principal amount is \$_____, calculated as the Initial License Fee less the Down Payment. The Business Note is payable over ___ months payable sooner in accordance with its terms.
9. The “Royalty” as referred to in Section 8.B. of this Agreement, is equal to the greater of (i) six percent (6%) of the Gross Revenue of the BUSINESS accruing during each month of the Term, or (ii) the fixed dollar amount per territory per month set forth below:

Minimum Monthly Royalty for Traditional Franchise

Months 0 – 3	\$0
Months 4 – 9	\$450
Months 10 and thereafter	\$900

Minimum Monthly Royalty for Small Market Franchise

Months 0 – 3	\$0
Months 4 – 9	\$225
Months 10 and thereafter	\$450

10. The “BMF Contribution” as referred to in Section 10.B.1 of this Agreement is equal to (i) 2% of the Gross Revenue of the BUSINESS for months 1 – 3 of the Term, and thereafter (ii) the greater of (a) 2% of the Gross Revenue of the BUSINESS or (b) the fixed dollar amount per territory per month set forth below:

Minimum Monthly BMF Contribution

Months 4- 9	\$150
Months 10 and thereafter	\$300

11. The Monthly Marketing Minimum Spend Requirement referred to in Section 10.A.1 of this Agreement is as set forth below (the “Monthly Marketing Minimum Spend – Traditional Market” or the “Monthly Marketing Minimum Spend – Small Market”):

<u>Month</u>	<u>Monthly Marketing Minimum Spend – Traditional Market</u>
Months 1 – 12	\$1,500 or 8% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$2,000 or 8% of Gross Revenue, whichever is greater

Franchise Number:
Franchise Model Type:
Effective Date:

<u>Month</u>	<u>Monthly Marketing Minimum Spend – Small Market</u>
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Months 1 – 12	\$1,000 or 8% of Gross Revenue, whichever is greater
Month 13 and thereafter	\$1,500 or 8% of Gross Revenue, whichever is greater

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

- (i) \$3,000 per Territory if the transfer is to an existing NHI franchisee, or \$9,900 per Territory if the transfer is to a new NHI franchisee;
- (ii) \$1,000 if the transfer is a non-controlling interest conveyed to a spouse or adult offspring; or
- (iii) \$5,000, plus fee for additional population in requested territory based on our fee formula then in effect, if requesting a “Franchised Area Transfer” under Section 13.D. of this Agreement.

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N-HANCE®

FRANCHISE AGREEMENT

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

1. GRANT OF FRANCHISE.

A. ACKNOWLEDGEMENTS BY THE PARTIES.

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

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

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

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to NHI that FRANCHISEE has independently and thoroughly evaluated this opportunity, including by using business professionals and advisors selected and engaged by FRANCHISEE. FRANCHISEE further acknowledges that FRANCHISEE has been afforded an opportunity to ask any questions FRANCHISEE has and to review any materials of interest to FRANCHISEE concerning the Franchised Business franchise opportunity. Finally, FRANCHISEE acknowledges that FRANCHISEE has been afforded an opportunity, and has been encouraged by NHI, to have this Agreement and all other agreements and materials NHI has given or made available to FRANCHISEE reviewed by an attorney or other professional advisor.

B. FRANCHISEE ENTITY.

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

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

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

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

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

5. Each of FRANCHISEE’S Owners, members, shareholders, partners, or officers, and each of their respective spouses, will execute a guaranty in the form NHI prescribes undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between FRANCHISEE and NHI. Subject to NHI’s rights and FRANCHISEE’S obligations under Section 13, FRANCHISEE and its Owners agree to sign and deliver to NHI from time to time a revised Summary Page to reflect any changes in the information included thereon.

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

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7. NHI reserves the right to require the spouses of FRANCHISEE, or if FRANCHISEE is an Entity, then of each direct and/or indirect owner of FRANCHISEE, to sign the Spousal Confidentiality and Non-Compete Agreement in the form attached hereto as Exhibit I or in such other form as NHI may from time to time prescribe.

C. GRANT OF FRANCHISE.

FRANCHISEE has applied for a franchise to own and operate a Franchised Business. FRANCHISEE and Owners represent and warrant to NHI that all information submitted to NHI as part of or related to the application was true, correct and complete as of the time of submission and is true, correct and complete as of the Effective Date. Such application has been approved by NHI in reliance upon all of the representations made therein. Subject to the terms and conditions of this Agreement, NHI hereby grants to FRANCHISEE a franchise to use the Marks and the Franchise System (the “Franchise”) to operate a Franchised Business in the Franchised Area and to use the Marks in the operation thereof from the Effective Date of this Agreement for a term (the “Term”) of beginning on the Effective Date and ending five (5) years from the Effective Date of this Agreement. The Franchised Business that FRANCHISEE will operate pursuant to this Agreement is referred to herein as the “BUSINESS.”

D. FRANCHISED AREA.

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

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

3. FRANCHISEE agrees to advertise and solicit business for the authorized services exclusively within the Franchised Area, unless otherwise approved in writing by NHI (e.g. for exhibiting at a regional Home Show). FRANCHISEE further agrees that FRANCHISEE does not have the right to advertise, accept, or perform jobs outside of the Franchised Area without prior written approval from NHI. In the event FRANCHISEE desires to solicit or perform a job outside of the Franchised Area, so long as the job is not located in another N-Hance franchisee’s franchised area, FRANCHISEE may, with prior written approval from NHI, solicit and/or perform the job so long as FRANCHISEE agrees to pay NHI the then current out of area fee specified in the Manual.

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Otherwise, if FRANCHISEE sets an appointment, provides a written estimate, accepts a job or performs a job outside of the Franchised Area, NHI will have the right to impose on FRANCHISEE a fine of \$5,000 or up to 100% of the total job ticket/invoice amount, whichever amount is greater, per occurrence, due and payable upon invoice, or the right to terminate this Agreement.

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

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

E. RIGHTS NHI RESERVES.

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

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

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

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

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

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

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

F. MANAGEMENT OF FRANCHISE SYSTEM.

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

2. BUSINESS DEVELOPMENT.

A. BUSINESS DEVELOPMENT.

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

1. secure all financing required to develop and operate the BUSINESS;
2. obtain and maintain in good standing all required permits and licenses;
3. purchase or lease, and install, all required equipment, supplies, products, vehicles (including at least one (1) white van or pickup truck and trailer (as described below)) and signs (collectively, "Operating Assets") for the BUSINESS; and
4. complete all required training in a timely manner, as more fully described in Section 3 below.

B. VEHICLE.

FRANCHISEE agrees to purchase or lease white cargo vans or a white pickup truck with trailer suitable for the purpose of transporting various equipment, supplies and materials needed to operate the BUSINESS and which otherwise meet NHI's System Standards. The vehicle(s) must be used for all jobs related to the BUSINESS. FRANCHISEE agrees: (1) to maintain the condition

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and appearance of FRANCHISEE's vehicle(s) according to the standards imposed by NHI from time to time and to maintain the condition of the equipment consistent with the image of a Franchised Business as a professionally operated service business; (2) that the vehicle(s) shall not be used for any purpose other than the operation of the BUSINESS as described herein; (3) not to sell, donate, rent, lease or otherwise transfer any of the vehicle(s) without first removing any and all signs, emblems, lettering and logos indicating an association with Franchised Businesses, and/or other Marks, from the vehicle(s).

C. COMPUTER SYSTEM.

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

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

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

NHI may require that FRANCHISEE'S Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to NHI. NHI shall also have the right to, at any time without notice, electronically connect with FRANCHISEE'S Computer System to monitor or retrieve data stored on the Computer System or for any other purpose NHI deems necessary. There are no contractual limitations on NHI's right to access the information and data on FRANCHISEE'S Computer System. FRANCHISEE shall deliver to NHI all access codes, static Internet protocol ("IP") addresses and other information to facilitate our access to the data described in this Section within 30 days of opening the Franchised Business. All client and customer data is property of the NHI and at the termination or expiration of this Agreement, any data not previously obtained by us shall be transmitted to NHI immediately. All client and customer data are property of the NHI and at the termination or expiration of this Agreement, any data not previously obtained by NHI shall be transmitted to NHI immediately.

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FRANCHISEE only have the right to use customer data in connection with the Franchised Business, while the Franchise Agreement is in effect. In the event of a transfer, pursuant to Section 13 of this Agreement, FRANCHISEE may transfer the customer data to the new owner as part of the going concern value of the Franchised Business. FRANCHISEE must install and maintain adequate security measures and devices necessary to protect the customer data of the Franchised Business from unauthorized access or disclosure. FRANCHISEE may not sell or disclose to any third party, any personal or aggregate information concerning any customers.

D. BUSINESS OPENING.

FRANCHISEE agrees not to open the BUSINESS until:

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

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

3. TRAINING AND GUIDANCE.

A. INITIAL AND NEW BUYER TRAINING.

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

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

3. If NHI determines, in its sole discretion, that FRANCHISEE or its employee(s) failed to satisfactorily complete the initial and new buyer training program(s) or a subsequent training or certification program, NHI shall have the right to require FRANCHISEE (or a replacement employee, as applicable) to attend an additional training program at FRANCHISEE'S expense (including all compensation, benefits, taxes, insurance, travel and living

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

B. ONGOING TRAINING.

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

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

C. GUIDANCE AND MANUAL.

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

2. During the term of the Franchise, NHI will provide FRANCHISEE with access to the Manual, which could include audiotapes, DVDs, compact discs, computer software, other electronic media and/or written materials. The Manual contains mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by NHI for the operation of a Franchised Business and information relative to other obligations of FRANCHISEE hereunder. NHI shall have the right to add to, delete from, replace and otherwise modify the Manual from time to time to reflect changes in System Standards and the Franchise System, provided that no such addition or modification shall alter FRANCHISEE's fundamental status and rights under this Agreement. FRANCHISEE shall allow only authorized persons to have

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access to the Manual and shall follow NHI's security instructions at all times during the term of this Agreement. In the event of a dispute over the contents of the Manual, the master copy maintained by NHI at its principal office shall be controlling. FRANCHISEE agrees that the Manual's contents are confidential and agrees not disclose the Manual at any time to any person other than employees of the BUSINESS who need to know its contents or use the Manual for any purpose other than operating the BUSINESS. FRANCHISEE may not, at any time, copy, duplicate, record, or otherwise reproduce any part of the Manual. If FRANCHISEE loses the Manual or the Manual is damaged or destroyed, FRANCHISEE shall obtain a replacement copy from NHI.

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

4. MARKS.

A. OWNERSHIP AND GOODWILL OF MARKS.

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

B. LIMITATIONS ON FRANCHISEE'S USE OF MARKS.

FRANCHISEE agrees to use the Marks as the BUSINESS' sole identification, except that FRANCHISEE shall be identified as an independently owned and operated franchised business in the form and manner prescribed by NHI. FRANCHISEE shall not use any Mark (1) as part of any Entity or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to FRANCHISEE hereunder); (3) in selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a website; or (5) in any other manner not expressly authorized in writing by NHI. FRANCHISEE may not use the Marks in advertising the transfer, sale, or other written disposition of the BUSINESS or an ownership interest in FRANCHISEE without NHI's prior written consent, which it will not unreasonably withhold. FRANCHISEE agrees to prominently

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display the Marks (and only the Marks) on each van used by FRANCHISEE in connection with the operation of the BUSINESS, and on contracts, forms, equipment, uniforms and other materials authorized by NHI. FRANCHISEE further agrees that FRANCHISEE's telephone number shall be used exclusively for the operation of the BUSINESS and for no other purpose. Promotion of the BUSINESS by use of the internet must adhere to the then current Advertising Rules & Guidelines. FRANCHISEE agrees to give such notices of trade and service mark registrations as NHI specifies and to obtain fictitious or assumed name registrations as may be required under applicable law.

C. NOTIFICATION OF INFRINGEMENT AND CLAIMS.

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

D. DISCONTINUANCE OF USE OF MARKS.

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

E. INTELLECTUAL PROPERTY IMPROVEMENTS.

You acknowledge and agree, that we shall own all right, title and interest in and to any improvements in the Marks, patents, and/or Confidential Information that may be created or discovered during the Term of this Agreement, regardless of who contributed to the improvements. By signing this Agreement, you agree to assign any such improvements to us immediately upon discovery, without compensation to you. You agree to take all necessary and required action to assist us in perfecting such ownership of the improvements.

5. CONFIDENTIAL INFORMATION.

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

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

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

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

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

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

3. All ideas, concepts, techniques, or materials relating to a Franchised Business, whether protectable intellectual property and whether created by or for FRANCHISEE or FRANCHISEE’S Owners or employees, must be promptly disclosed to NHI and will be deemed to be NHI’s sole and exclusive property, part of the Franchise System, and works made-for-hire for NHI. To the extent that any item does not qualify as a “work made-for-hire” for NHI, by this paragraph FRANCHISEE assigns ownership of that item, and all related rights to that item, to NHI and agree to take whatever action (including signing assignment or other documents) NHI requests to evidence NHI’s ownership or to help NHI obtain intellectual property rights in the item.

6. EXCLUSIVE RELATIONSHIP/ COMPETITIVE BUSINESS.

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

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

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

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

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

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

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

7. INDEMNIFICATION.

1. FRANCHISEE agrees to indemnify, defend and hold harmless NHI, its affiliates, and NHI’S and their respective shareholders, directors, officers, employees, agents, successors and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the BUSINESS’S operation, the business FRANCHISEE conducts under this Agreement or outside the scope of this Agreement using the Marks, or FRANCHISEE’S breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations or damages are determined to be caused solely by NHI’s gross negligence or willful misconduct in a final, unappealable ruling issued by a court of or arbitrator with competent jurisdiction.

2. For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonable incurs in investigating, defending and resolving any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of

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investigation and proof of facts, court costs, interest, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at FRANCHISEE's expense and agree to settlements or take any other remedial, corrective or other actions.

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

8. FEES.

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

A. INITIAL LICENSE FEE; INITIAL PACKAGE FEE.

1. FRANCHISEE agrees to pay NHI the Initial License Fee of \$39,000 for its first Traditional Franchise with a Franchised Area of up to 250,000 persons, or \$22,500 for a Small Market Franchise, in each case, plus an initial product and equipment package fee totaling \$41,495-\$49,000, not including applicable freight or shipping charges and sales tax. A Traditional Franchised Area larger than 250,000 residents will pay an additional surcharge of \$170 for every 1,000 persons over 250,000 ("Supplemental Territory Fee"). Upon execution of this Agreement by NHI, the Initial Fee shall be deemed fully earned and non-refundable.

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

3. FRANCHISEE must pay NHI or a vendor designated by NHI in NHI's sole discretion for an initial package consisting of supplies, equipment, and marketing resource packages, and a convention allowance ("Convention Allowance") of \$850 (the "Initial Package") in the amount listed in the Summary Page of this Agreement (the "Initial Package Fee"), which monies shall be promptly due and payable before receipt of the Initial Package. The Initial Package Fee is non-refundable and deemed fully earned upon payment.

The Convention Allowance covers the registration fee for one person to attend the first N-Hance Convention that is scheduled following FRANCHISEE's successful completion of NHI's initial training programs. The Convention Allowance cannot be used to offset any other expenses or requirements associated with FRANCHISEE'S N-Hance Business, and if FRANCHISEE does not attend the convention, NHI will not provide FRANCHISEE with the Convention Allowance.

B. ROYALTY.

1. FRANCHISEE will pay to NHI a continuing, non-refundable monthly royalty (the “Royalty”) for a License to operate the BUSINESS in the amount set forth on the Summary Page. The Royalty is due by automatic debit on the 10th day of each month for Gross Revenue generated during the preceding month (or any other day we may designate. The Minimum Monthly Royalty is subject to annual increases of either two percent (2%) or an amount equal to the change in the Consumer Price Index (CPI-U, U.S. City Average for All Urban Consumers-All Items, 1982-1984 = 100), as published by the U.S. Department of Labor or in a successor index we select (the “Consumer Price Index”), whichever is greater.

2. If FRANCHISEE is an existing FRANCHISEE or has purchased an existing Franchised Business, the Royalty shall continue to be payable on the tenth day of each month during the Term. Notwithstanding the foregoing, NHI may specify different due dates for the Royalty and other fees and amounts due to NHI under the Franchise Agreement periodically in its discretion.

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

C. ADDITIONAL FEES AND INTEREST ON LATE PAYMENTS.

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

2. If the Royalty or any other fee that is due is not available in FRANCHISEE’S account for debiting when due, a late payment fee will be imposed of 5% of the amount due or \$50, whichever sum is greater, for each week past due (“Late Payment Fee”). Additionally, interest will be imposed at the rate of 18% per annum or the maximum rate permitted by applicable law, whichever is greater, from the date these amounts were originally due until the date paid (“Interest Fee”). If NHI debits FRANCHISEE’S account for monies owed and there are insufficient funds available, NHI will also charge its current non-sufficient fund fee (“NSF Fee”). NHI can automatically debit FRANCHISEE’S account for the Late Payment Fee, NSF Fee, Late Report Fee, Interest Fees and all other fees owed to NHI. FRANCHISEE acknowledges that this paragraph does not constitute NHI’S agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance the operation of the Business. Notwithstanding the provisions of this Section, FRANCHISEE’S failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 15 of this Agreement.

D. PAYMENTS.

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

9. FRANCHISE IMAGE AND OPERATING PROCEDURES.

A. EQUIPMENT AND PRODUCTS

1. FRANCHISEE agrees to use only such Operating Assets and other equipment, processes, products, and supplies ("Products") which have been approved by NHI or purchased from NHI, its affiliates or other sources, approved or designated by NHI from time to time ("Approved Products"). FRANCHISEE agrees to use no wood cleaning, coating, protection or other wood care or renewal products other than wood care and renewal products supplied by NHI (the "Proprietary Products"). FRANCHISEE agrees to purchase the Proprietary Products at the then current list price, plus applicable taxes, and to pay for all purchases no later than thirty (30) days from the invoice date. FRANCHISEE is required to purchase a minimum of \$4,430 (increased not more than once each calendar year to reflect increases in the Consumer Price Index) of Proprietary Products from NHI each calendar year ("Minimum Purchase Amount"). FRANCHISEE may purchase other equipment, products or supply items from NHI at the then current list price, plus applicable taxes, and must pay for all purchases no later than thirty (30) days from the invoice date. NHI may approve only a limited number of sources or a single source (which may include NHI or its affiliates) for Proprietary Products, and certain equipment, supply items, or promotional materials. If FRANCHISEE proposes to purchase or lease any equipment, product or supply item for the BUSINESS which is not then approved by NHI, FRANCHISEE shall first notify NHI in writing and, upon request, furnish to NHI specifications, photographs, drawings and/or other information sufficient to afford NHI a reasonable opportunity to determine whether such equipment, product or supply item complies with its specifications and standards. If FRANCHISEE: (1) uses any Product other than the Approved Products, or (2) uses or possesses any wood cleaning, coating, protection or other wood care or renewal product other than the Proprietary Products, NHI shall have the right to impose on FRANCHISEE a fine of \$5,000, per occurrence, or to terminate this Agreement.

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

B. REQUIRED AND AUTHORIZED PRODUCTS AND SERVICES.

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

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

FRANCHISEE agrees to not sell, rent or lease the N-Hance customer list(s) or customer contracts, or otherwise use the N-Hance customer list(s) for any purpose other than in connection with the operation of the BUSINESS.

C. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

1. FRANCHISEE shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the BUSINESS. FRANCHISEE shall operate the BUSINESS in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker’s compensation insurance, unemployment insurance, terrorist activities, withholding and payment of federal and state income taxes, social security taxes and sales and service taxes, the American with Disabilities Act (ADA), the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other applicable laws, rules and regulations that relate to customer solicitation, marketing communications data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type).

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

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to the customer NHI may deem, in its sole discretion, as necessary under the circumstances. NHI's decision is binding upon FRANCHISEE.

3. FRANCHISEE acknowledges and agrees that it will comply with all federal, state, and other data security and privacy legislation applicable to the BUSINESS and its customers, and to any payment card industry (PCI) standards, norms, requirements and protocols, including Payment Card Industry Data Security Standards applicable to the credit card data or related information.

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

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

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

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

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

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

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

E. INSURANCE.

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

F. PRICING.

1. FRANCHISEE may sell any Approved Service or Resale Product at any price it chooses. To the extent permitted by applicable law, NHI reserves the right to specify in writing a suggested retail price for Resale Products and/or to establish in writing minimum and/or maximum prices for the Approved Services and Resale Products FRANCHISEE sells in order to promote Interbrand competition. FRANCHISEE shall sell any products and services in accordance

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

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

G. COMPLIANCE WITH SYSTEM STANDARDS.

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

H. AUTHORIZED PRODUCTS, SERVICES, SUPPLIES AND EQUIPMENT

FRANCHISEE shall offer and sell all products, services, supplies, equipment, and related items that NHI requires. FRANCHISEE shall have the right to suggest new services, products, or other developments to us for use in FRANCHISEE's and other N-Hance Businesses. FRANCHISEE shall have no right to offer any products or services to customers or use any new developments until NHI has had the opportunity to evaluate the new services, products, or developments and provide FRANCHISEE written approval for their use and standards and specifications with respect to their use. All new services, products, or other developments, whether they be of FRANCHISEE's, FRANCHISEE's principals' or FRANCHISEE's employees' original design or variations of existing patents, products, services or techniques, shall be deemed works made for hire and NHI shall own all rights in them. If these services, products or developments do not qualify as works made for hire, by signing this Agreement, FRANCHISEE assigns to NHI ownership of any and all rights in these services, products, or developments and the goodwill associated with them. FRANCHISEE shall receive no payment or adjustment from NHI in connection with any new services, products, or other developments.

FRANCHISEE may request approval of a supplier under NHI's published procedures, which include inspection of the proposed supplier's facilities and testing of product samples. NHI or the independent testing facility NHI designates may charge a fee for the testing. NHI may also charge a fee, currently a minimum of \$500, for NHI's services in making a determination on the proposed supplier, including the costs of inspection of the supplier's facilities, evaluation of the test results, and a background check of the supplier. Any such fee will be refundable if the supplier or product tested is approved for use by the NHI for the entire System. NHI reserves the right, at its option, to reinspect the facilities and products of any approved supplier, and to revoke approval if the supplier fails to continue to meet any of NHI's criteria. NHI may receive fees and other

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payments from suppliers and others in connection with FRANCHISEE's purchases and may use the fees for NHI's own purposes.

FRANCHISEE authorizes the release of all supplier records to NHI without notice to FRANCHISEE. FRANCHISEE grants NHI the right to communicate with suppliers without notice to FRANCHISEE, and to obtain and examine all records of any supplier relating to FRANCHISEE's purchases from the supplier.

I. MODIFICATION OF SYSTEM STANDARDS.

System Standards and specifications are updated periodically at NHI's sole determination and are made available to you on our N-Hance owners' intranet website and in the Operations Manual. These updates may accommodate international, national, regional or local variations, and these modifications may obligate FRANCHISEE to invest additional capital in the BUSINESS and/or incur higher operating costs. FRANCHISEE agrees to implement any changes in System Standards within the time period NHI requests, whether they involve buying new Operating Assets, adding new Approved Products or Approved Services, or otherwise modifying the nature of FRANCHISEE operations, as if they were part of this Agreement as of the effective date of this Agreement.

J. AFFILIATE SERVICES.

1. FRANCHISEE acknowledges that NHI's affiliates and their franchisees not using the Marks may offer and sell goods and services similar to goods and services offered and sold by Franchised Businesses inside and outside the Franchised Area, and to customers or businesses located in the Franchised Area. Nothing in this Agreement or otherwise shall prevent these NHI affiliates or their franchisees from offering their goods and services, without compensation to FRANCHISEE, inside the Franchised Area. In the event of a conflict between FRANCHISEE and an NHI affiliate outlet, NHI agrees to use reasonable methods to address the issue, however FRANCHISEE acknowledges and agrees that NHI and its affiliates have not established, and have no obligation to establish, any method of resolving conflicts between any competing franchises regarding territory, customers and franchisor support. Further, there are no restrictions or restraints on competition or customer solicitation among the NHI affiliated brand systems that may offer similar products and services.

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

10. MARKETING AND PROMOTION.

A. BY FRANCHISEE.

1. FRANCHISEE agrees to spend each month on advertising, marketing and promotional programs for the BUSINESS at least the “Monthly Marketing Minimum Spend Requirement” for the applicable market (Traditional or Small) in the amount set forth on the Summary Page.

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

3. NHI will credit against the Monthly Marketing Minimum Spend any amounts FRANCHISEE spent to advertise, market or promote the BUSINESS. NHI may review FRANCHISEE’s books and records from time to time and/or require FRANCHISEE to submit reports periodically to determine FRANCHISEE’s advertising, marketing and promotion expenditures that count against the Monthly Marketing Minimum Spend.

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

5. FRANCHISEE agrees that its advertising, promotion and marketing will be completely clear, factual and not misleading or incomplete, and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that NHI prescribes from time to time. FRANCHISEE must use only NHI’s approved vendors for advertising, send to NHI for approval samples of all advertising, promotional and marketing materials which NHI has not prepared or previously approved the last twelve (12) months, before FRANCHISEE transmits such samples for inclusion in any advertising. If NHI does not approve the materials within fifteen (15) days of NHI’s receipt of them, they shall be deemed disapproved. If approved, NHI shall have the right to duplicate, modify and distribute such materials to all N-Hance franchisees. FRANCHISEE may not use any advertising, promotional or marketing materials that NHI has disapproved. FRANCHISEE must follow our standards and specifications regarding use of social media in any way that references the Marks or involves the franchise. FRANCHISEE must conduct all advertising in compliance with all required laws and regulations, including but not limited to, consumer privacy and data collection laws, the Telephone Consumer Privacy Act, Americans with Disabilities Act. FRANCHISEE is prohibited from using artificial intelligence tools in advertising unless expressly permitted in writing by NHI in its Operations Manual or Brand Marketing Guidelines. “Social media” includes personal blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools. If FRANCHISEE uses any advertising, promotional or marketing materials, or any other forms of

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marketing, which NHI has not prepared or approved, NHI shall have the right to: (a) impose on FRANCHISEE a fine of up to \$2,000 per occurrence; or (b) terminate this Agreement.

B. BRAND MARKETING FUND.

1. Recognizing the value of advertising and marketing to the goodwill and public image of Franchised Businesses, NHI has established a Brand Marketing Fund (the “BMF”) for the advertising, marketing and public relations programs and materials NHI deems appropriate to promote the N-Hance brand. FRANCHISEE agrees to contribute a continuing, non-refundable, monthly amount to the BMF as set forth on the Summary Page (the “BMF Contribution”). The BMF Contribution is payable in the same manner as the Royalty (or in such other manner as NHI periodically prescribes). Franchised Businesses operated by NHI or its affiliates will contribute to the BMF on the same basis as Franchised Business franchisees. The BMF Contribution can be increased upon 30 days’ prior written notice from NHI to all FRANCHISEES. All BMF Contributions will be collected and held in a separate account. The separate BMF account is not a trust fund and NHI is not a fiduciary with regard to the separate BMF account or the monies on deposit therein.

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

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

annual report of expenditures of the BMF during the cost recently ended fiscal year on a confidential basis.

C. ADVERTISING COOPERATIVES.

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

D. WEBSITES.

FRANCHISEE specifically acknowledges and agrees that any Website or online presence for the BUSINESS shall be deemed “advertising” under this Agreement and all content to be displayed on the Website will be subject to (among other things) NHI’s approval under Section 10.A. In connection with any Website, FRANCHISEE agrees to the following:

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

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

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

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

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

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

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

E. NATIONAL ACCOUNTS.

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

11. RECORDS AND REPORTING.

A. ACCOUNTING AND RECORDS.

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

B. REPORTING REQUIREMENTS.

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

(a) an income statement, profit and loss statement, and cash flow statement within 48 hours of request;

(b) on the 5th day of each month, a report of Gross Revenue obtained in the prior month;

(c) within fifteen (15) days after the end of each month, the operating statements, profit and loss statement, financial statements, statistical reports and other information NHI requests regarding FRANCHISEE and the BUSINESS covering the month;

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

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

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

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

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

12. INSPECTIONS AND AUDITS.

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

2. NHI may at any time during FRANCHISEE's business hours (at least 9:00 am to 5:00 pm local time), and without prior notice to FRANCHISEE, examine and photocopy FRANCHISEE's bookkeeping and accounting records, sales and income tax records and returns, job records, purchase records, and other records of the BUSINESS and any activity conducted by FRANCHISEE at or from the BUSINESS location. FRANCHISEE agrees to cooperate fully with NHI's representatives and accountants in any inspection or audit. If any inspection or audit discloses an understatement of the BUSINESS' Gross Revenue, FRANCHISEE must pay NHI

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within fifteen (15) days after receiving the inspection or audit report, the Royalty and any other payments due on the amount of the understatement, plus interest (in the amount described in Section 8.C) from the date originally due until the date of payment. Further, if an inspection or audit is necessary due to FRANCHISEE's failure to furnish reports, supporting records or other information as and when required under this Agreement, or if NHI's examination reveals a Gross Revenue understatement exceeding three percent (3%) of the amount that FRANCHISEE paid to NHI for the period examined, FRANCHISEE agrees to reimburse NHI for the cost of NHI's examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of NHI's employees. These remedies are in addition to NHI's other remedies and rights under this Agreement and applicable law.

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

4. NHI currently requires FRANCHISEE to utilize the web-based QuickBooks Online Accounting Software and maintain NHI's specified Chart of Accounts; NHI will have independent, automatic password access to FRANCHISEE'S financial reports on this system, which NHI may access from time to time in its sole business judgment and without notice to FRANCHISEE. FRANCHISEE may not utilize any other accounting or reporting software that is not approved by NHI. NHI has the right to change these requirements at its discretion.

13. TRANSFER.

A. BY US.

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

B. BY YOU.

FRANCHISEE acknowledges and agrees that the rights and duties created by this Agreement are personal to FRANCHISEE (and, if FRANCHISEE is an Entity, its Owner(s)) and that NHI has granted the Franchise in reliance upon NHI's perceptions of the individual(s) or collective character, business skill, aptitude and financial capacity of FRANCHISEE (and its Owner(s)) and the ability to operate the Franchised Business in the Franchised Area. Thus, you cannot transfer this Agreement. "Transfer" shall mean any voluntary, involuntary, direct, or

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indirect, in whole or in part, assignment, sale, gift, encumbrance, lease, merger, bequest, change in control, or other disposition of 1) this Agreement or any rights thereunder 2) the Franchised Business or its assets, 3) any part of your ownership interest in the assets of the Franchised Business, including but not limited to, customer lists, customer contracts and any other customer information of the Franchised Business, 4) any part of your the equity/ownership interest in the Franchisee entity, or 5) a grant of an option, warrant or right to acquire an equity or ownership interest, including but not limited to by divorce, insolvency, probate or intestate succession, trust, or other operation of law. All Transfers require our prior written approval and are subject to the conditions below. Any such Transfer without our prior written approval, will be void and will constitute a breach of this Agreement. We will not, however, unreasonably withhold our approval provided that the conditions specified below are met, which we will determine in our sole discretion:

C. CONDITIONS FOR APPROVAL OF TRANSFER.

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

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

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

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

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

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

(f) the proposed transferee and its owners, affiliates, and owners' immediate family members are not engaged in a competitive business;

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

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

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

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

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

(l) you pay to us:

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

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

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

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

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

(o) In the case of an installment sale, a transaction where FRANCHISEE or its Owners provide financing to the transferee, and transferee pays FRANCHISEE via a promissory note or other structured payment plan, FRANCHISEE: (a) agrees and will assure that all of the transferee's obligations under any promissory notes or agreements

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are subordinate to the transferee's obligation to pay Royalties, Brand Marketing Fees, and other amounts due to us and otherwise to comply with this Agreement, (b) will not hold any security interest reserved in the Franchised Business, and (c) will enter into a comfort letter assuring us that the transferee will meet its obligations under the Franchise Agreement;

(p) you must affirm and comply with your post-termination obligations, including, without limitation, such obligations set forth in Sections 5 and 16;

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

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

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

(t) FRANCHISEE and its transferring Owners (and their spouses and other immediate family members) acknowledge in a writing delivered to NHI that each of them will not, for 18 months beginning on the transfer's effective date, engage in any of the activities proscribed in Section 16.E. below;

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

(v) the transferee purchases or obtains all equipment NHI then requires to operate Franchised Businesses, if not included in the transaction;

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

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

D. AREA TRANSFER

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

E. CONDITIONS FOR APPROVAL OF AREA TRANSFER

If FRANCHISEE and its Owners are in compliance with this and any other Agreement with NHI or any of its affiliates, then, subject to the other provisions of this Section 13, NHI shall not unreasonably withhold its approval of an Area Transfer that meets all of the applicable requirements of this Section 13.E. In no event will NHI be liable for any damages suffered by FRANCHISEE for failure to approve the Area Transfer in a timely manner. For any proposed Area Transfer, all of the following conditions must be met before or concurrently with the effective date of the transfer:

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

10. Subject to availability of the requested Franchised Area, at NHI's sole discretion, and any other requirements NHI may reasonably require.

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

Upon your death or disability (or the death or disability of an owner of 33% or more of Franchisee, (referred to in this document as "your death or disability")) the executor, administrator, conservator, guardian, or other personal representative of Franchisee must transfer your interest in this Agreement or in Franchisee, in accordance with Sections 13.B and 13.C above, to a third party within a reasonable amount of time, but not to exceed six (6) months. During this time between the death and disability and the transfer required by this Section, the Franchised Business must be operated in full compliance with this Agreement, as set forth in the next paragraph. The transfer will be subject to all of the terms and conditions applicable to transfers that are contained in this Section.

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

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

G. EFFECT OF CONSENT TO TRANSFER.

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

H. NHI'S RIGHT OF FIRST REFUSAL.

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

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of such offer to NHI, or there is a material change in the terms of the sale, NHI shall again have the right of first refusal herein provided.

14. EXPIRATION OF THIS AGREEMENT.

A. FRANCHISEE'S OPTION TO RENEW THE FRANCHISE AGREEMENT.

1. If FRANCHISEE meets certain conditions, then FRANCHISEE will have the option to acquire two (2) renewal franchise terms of five (5) years each. FRANCHISEE must give NHI written notice of FRANCHISEE's election to renew the franchise agreement franchise no earlier than nine (9) months and no later than six (6) months before the end of the then-current term of this Agreement. The qualifications and conditions for the renewal term are described below. Within thirty (30) days after delivery of FRANCHISEE'S notice of its election to obtain enter into a renewal franchise agreement, NHI shall notify FRANCHISEE in writing whether or not NHI shall grant the right to renew the franchise agreement to FRANCHISEE.

To qualify for renewal, FRANCHISEE and its Owners must satisfy these conditions:

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

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

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

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

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

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

B. GRANT OF A RENEWAL FRANCHISE AGREEMENT.

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

C. AGREEMENTS/RELEASE.

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

15. TERMINATION OF FRANCHISE BY NHI.

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

1. FRANCHISEE (or any of its owners) has made or makes any material misrepresentation or omission in acquiring the Franchise or operating the BUSINESS;
2. FRANCHISEE does not commence operations of the BUSINESS within ninety (90) days after signing this Agreement;
3. FRANCHISEE required attendees do not satisfactorily complete the initial training program;
4. FRANCHISEE abandons or fails actively to operate the BUSINESS unless the BUSINESS has been closed for a purpose NHI has approved;
5. FRANCHISEE (or its Owners) makes or suffers any transfer in violation of Section 13;
6. FRANCHISEE (or any of its Owners) is or has been convicted by a trial court of, or plead or has pleaded no contest to, an indictable offense or any other crime or offense that is likely to adversely affect the reputation of the BUSINESS or other Franchised Businesses, or the goodwill of the Marks;

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7. FRANCHISEE (or any of its owners) engages in any dishonest or unethical conduct which, in NHI's opinion, adversely affects the BUSINESS' reputation or the goodwill associated with the Marks;
8. FRANCHISEE makes any unauthorized use of any Mark;
9. FRANCHISEE (or any of its owners) makes any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;
10. FRANCHISEE violates any provision of this Agreement specifically authorizing NHI to terminate this Agreement as a remedy for such violation;
11. FRANCHISEE violates any health or safety law, ordinance, or regulation, or operate the BUSINESS in an unsafe manner;
12. FRANCHISEE fails to provide complete and accurate reports as required by NHI or fails to pay NHI any amounts due and does not correct the failure within ten (10) days after NHI delivers written notice of that failure to FRANCHISEE;
13. FRANCHISEE uses non-Approved Products on two (2) or more occasions in operating the BUSINESS, or FRANCHISEE fails on two (2) or more separate occasions during any twelve (12) month period to submit when due reports or other data, information or supporting records, to pay NHI any amounts due to NHI, or otherwise fails to comply with this Agreement on two (2) or more separate occasions during any twelve (12) month period, whether or not such failures to comply are corrected after notice thereof is delivered to FRANCHISEE;
14. FRANCHISEE becomes insolvent;
15. FRANCHISEE commences a case for relief under any bankruptcy laws;
16. FRANCHISEE does not satisfy a final court judgment against it within thirty (30) days or post a proper bond to appeal the judgment;
17. FRANCHISEE has a suit filed against it to foreclose any lien, pledge, security interest, mortgage or garnishments levied and not dismissed within a thirty (30) day period;
18. Any other franchise agreement between NHI, or any of its affiliates, and FRANCHISEE is terminated by the franchisor in accordance with its terms, or the franchisee wrongfully terminates the franchise agreement;
19. FRANCHISEE (or any of its owners) has any assets, property, or interests which are blocked under any law, ordinance or regulation relating to terrorist activities or FRANCHISEE (or any of its owners) is otherwise in violation of any such law, ordinance or regulation;
20. FRANCHISEE commits three (3) or more instances of conduct outside of its Franchised Area in violation of Section 1.D.3; or
21. FRANCHISEE fails to comply with any other provision of this Agreement, the Manual, or any System Standard and does not: (a) correct such failure within thirty (30) days after written notice of such failure is delivered to FRANCHISEE; or (b) provide proof acceptable to NHI of efforts which are reasonably calculated to correct such failure if such failure cannot

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reasonably be corrected within thirty (30) days after written notice of such failure to comply is delivered to FRANCHISEE.

In addition to our right to terminate this Agreement, and not in lieu of such right, or any other rights, we may have against you, upon a failure to cure any default within the applicable time period (if any), we have the right, but not the obligation to:

1. charge the applicable fines and fees for non-compliance;
2. reduce the size of your Franchised Area or permit other franchisees or N-Hance Business provide the Services and Products with your Franchised Area;
3. enter upon your N-Hance Business premises and exercise complete authority with respect to the operation of the N-Hance Business until such time as we determine, in our sole discretion that the default has been cured, and you are otherwise in compliance with this Agreement. In the event we exercise the rights described in this Section, you must reimburse us for all reasonable costs and overhead, if any, incurred in connection with our operation of your N-Hance Business including, without limitations, costs of personnel for supervising and staffing the N-Hance Business and their travel and lodging accommodations, plus a 20% service charge. This fee is in addition to the payment of the Royalty and all other fees due under this Agreement during the time we exercise our rights under this Agreement. If we undertake to operate the N-Hance Business pursuant to this Section, you agree to indemnify and hold us (and our representative(s) and employees) harmless from and against any fines, claims, suits or proceedings that may arise out of our operation of the N-Hance Business.

Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due hereunder will not constitute a waiver of any of our rights or remedies against you.

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

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

A. PAYMENT OF AMOUNTS OWED TO NHI OR CUSTOMERS.

If NHI terminates this Agreement based upon FRANCHISEE's default (or if FRANCHISEE purports to terminate this Agreement prior to its expiration), FRANCHISEE will pay to NHI within fifteen (15) days after the effective date of the termination or expiration of this Agreement, or such later date that the amounts due to NHI are determined, all amounts owed to NHI, or its affiliates or their franchisees, and suppliers, including the unpaid balance of the Business Note and, as liquidated damages and not as a penalty, an amount calculated as follows: (x) (1) the greater of the average monthly Royalty Fees or Minimum Monthly Royalty Fees pursuant to Section 8.B of this Agreement plus (2) the greater of the average monthly Brand Marketing Fund Fees or Minimum Monthly BMF Contributions set forth on the Summary Page that you owed to us under this Agreement for the 12-month period preceding the effective date of termination; multiplied by (y) the number of months remaining in the then-current term of this Agreement. If you have not operated the Business for at least 12 months, then (x) will equal the

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greater of the average Minimum Monthly Royalty Fees plus Minimum Monthly BMF Contributions that you owed to us during the period that you operated the Business (“Liquidated Damages”). You acknowledge that a precise calculation of the full extent of our damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Your payment to us under this Section will be in lieu of any direct monetary damages related to lost future payments of Royalty Fees and Brand Marketing Fund Fees that we may incur as a result of your default; however, such payment shall be in addition to all amounts owed and/or damages arising under Section 16 of this Agreement, and any attorneys’ fees and other costs and expenses to which we are entitled under this Agreement. Except as provided in this Section, your payment of this lump sum shall be in addition to any other right or remedy that we may have under this Agreement or otherwise. FRANCHISEE further agrees to return to FRANCHISEE’s customers all amounts prepaid by such customers for jobs that are not in progress and will not be performed within fifteen (15) days after the effective date of the termination or expiration of this Agreement. Any amounts owed to FRANCHISOR under this provision are a reasonable prediction of the costs and damages FRANCHISOR could reasonably expect to incur upon termination of this Agreement, as determined at the time of contracting.

B. MARKS.

Immediately when this Agreement expires or is terminated:

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

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

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

4. FRANCHISEE agrees to notify all telephone companies, internet companies, and all listing agencies (including Google, Yahoo! and others) of the termination or expiration of your right to use any listing, telephone, telecopy, or other numbers and any telephone directory listings associated with any Mark, including ceasing use of any Google MyBusiness Profile(s) that was ever associated with the N-Hance Franchised Business, and authorize the transfer of these numbers and directory listings to NHI or, at NHI’s direction, instruct the telephone company to forward all calls made to FRANCHISEE’S telephone number to numbers NHI specifies. In doing so, FRANCHISEE will disconnect or cause to be disconnected all such telephone numbers, with no referral to any number other than a number specified by NHI. FRANCHISEE further acknowledges that it shall be a direct violation of this Agreement for FRANCHISEE to cause or participate in the transfer of any such telephone numbers to any person or entity other than NHI. In the event that FRANCHISEE fails to comply with any of the foregoing,

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FRANCHISEE hereby acknowledges that NHI has the sole rights to and interest in all such telephone numbers and directory listings associated with any Marks. FRANCHISEE therefore authorizes NHI, and hereby appoints NHI and any officer of NHI as FRANCHISEE's attorney in fact, to direct any telephone companies and listing agencies to transfer any such telephone numbers to NHI, or to another person or party at its direction, and the telephone companies and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of NHI in such telephone numbers and directory listings and its authority to direct their transfer.

C. CONFIDENTIAL INFORMATION/CUSTOMER LISTS/CUSTOMER INFORMATION.

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

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

3. FRANCHISEE must install and maintain adequate security measures and devices necessary to protect Customer Information of the Franchised Business from unauthorized access or disclosure. FRANCHISEE may not sell or disclose to any third party, any personal or aggregate information concerning any customers. NHI and its affiliates shall own all data FRANCHISEE collects from customers of the Franchised Business or through marketing. FRANCHISEE will only have the right to use Customer Information in connection with the Franchised Business, while this Agreement is in effect. In the event of a transfer, pursuant to Section 13 of this Agreement, FRANCHISEE may transfer the Customer Information to the new owner as part of the going concern value of the Franchised Business.

4. FRANCHISEE is required to safeguard Customer Information using commonly accepted practices in the commercial services industry as well as comply with all applicable laws regarding data protection and our then-current data privacy policy, if and as it may be established and amended from time to time in our sole business judgment. If there is a suspected or actual breach of security or unauthorized access involving the Customer Information of the Franchised Business (a "Data Security Incident"), FRANCHISEE must notify NHI immediately (and no later than 24 hours) after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Information was compromised or

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disclosed. FRANCHISEE must comply with NHI's instructions in responding to any Data Security Incident. NHI (and its designated affiliates) has the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other.

D. ARTIFICIAL INTELLIGENCE

FRANCHISEE will not, except as authorized by NHI in writing in its Operations Manual or Brand Marketing Guidelines, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing, deep learning algorithms, or machine learning or other open source models ("AI"), including by way of example only but not limited to ChatGPT, Google Gemini, Microsoft Copilot, and Perplexity AI, directly or indirectly in the operation of the Franchised Business, including without limitation, in advertising, promotion, or marketing of the Franchised Business or the System, communications with customers and/or with NHI, business planning, analysis or optimization, or in any social media, and NHI shall comply with all Operations Manual policies involving the use of AI, if applicable. FRANCHISEE acknowledges and agrees not to upload or share any Confidential Information (including any inputs of information containing trade secrets, sensitive confidential information or personal information such as without limitation the Operations Manual) with any unapproved third-party platforms, including through AI, except as authorized by NHI in writing in its Operations Manual or Brand Marketing Guidelines. In addition, FRANCHISEE shall prohibit its employees from using any Confidential Information in AI. In the event you utilize any AI, with or without NHI's prior written consent, FRANCHISEE shall comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and shall not infringe upon the intellectual property of a third party, or use such intellectual property without appropriate authorization and attribution. FRANCHISEE is further expressly prohibited from recording, including through use of AI software, any meetings with NHI, NHI'S affiliates and/or members of NHI's or their staff without NHI's prior written consent.

E. COVENANT NOT TO COMPETE.

Upon termination or expiration of this Agreement, FRANCHISEE and its Owner(s) agree that for a period of 18 months, commencing on the effective date of termination or expiration, or the date on which FRANCHISEE actually ceases to conduct the BUSINESS described in this Agreement, whichever is later, neither FRANCHISEE nor its owner(s), spouses, immediate family members, entities that FRANCHISEE or its owners, members, or shareholders own or control, and their subsidiaries, parents, affiliates, or otherwise related entities, will (a) participate in or have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, lender, partner, director, officer, manager, consultant, employee, representative or agent, or in any other capacity, in any Competitive Business, (b) solicit business from customers of the BUSINESS or contact any of our suppliers or vendors of Proprietary Products for any Competitive Business purpose, or (c) divert or attempt to divert any business or customer from the BUSINESS to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System, within:

1. The Franchised Area as defined in this Agreement;

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2. The geographic area encompassed by the Franchised Area(s) of any Franchised Business as of the date of the termination or expiration of this Agreement; or

3. A geographic area that is contained in a circle having a radius of 10 miles outward from the outside boundary of the Franchised Area as defined in this Agreement.

FRANCHISEE's obligations under this Section 16.E are absolute, and can only be waived by a writing signed by NHI. FRANCHISEE's obligations under this Section 16.E are not waived by assertion of the First Material Breach Doctrine, or any similar argument.

Additionally, if FRANCHISEE is a corporation, limited liability company, partnership, or other entity, each of its owners, owner's spouses, members and member's spouses, or officers must personally guarantee its obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete.

These restrictions also apply after transfers, as provided in Section 13.C. above. If any person restricted by this Section 16.E refuses voluntarily to comply with these obligations, the obligations under this Section 16.E period for that person will extend for 18 months from the date of the entry of a court order enforcing this provision. FRANCHISEE and its owners expressly acknowledge that they possess employable or business skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, NHI's enforcing the covenants made in this Section 16.E. will not deprive FRANCHISEE of FRANCHISEE's personal goodwill or ability to earn a living. FRANCHISEE acknowledges that this covenant is independent and separate from FRANCHISEE's obligation to pay the Liquidated Damages. Payment of the Liquidated Damages shall not release, relieve or waive the obligations of FRANCHISEE and the Owners to comply with this Section 16.E.

F. CONTINUING OBLIGATIONS.

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

17. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which NHI is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and

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effect and bind the parties. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable if modified, FRANCHISEE and NHI agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than this Agreement requires of this Agreement's termination or of NHI's refusal to enter into a renewal franchise agreement or some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and NHI shall have the right, in its sole discretion, to modify such invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless NHI elects to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. FRANCHISEE agrees to be bound by any such modification to this Agreement.

B. WAIVER OF OBLIGATIONS/FORCE MAJEURE.

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

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

at the time of such occurrence or payment of amounts owing hereunder by FRANCHISEE, including fees, Minimum Purchase Amounts or product invoices due thereafter.

C. INJUNCTIVE RELIEF.

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

D. RIGHTS OF PARTIES ARE CUMULATIVE.

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

E. ARBITRATION.

FRANCHISEE and NHI agree that, except for (i) matters covered by Section 17.F and (ii) controversies, disputes or claims related to or based on actual or potential improper use of the Marks or unauthorized use or disclosure Confidential Information, (iii) any of the restrictive covenants contained in this Agreement, (iv) any claims arising out of or related to fraud or misrepresentation, (v) any claims pertaining to or arising out of any warranty issue, any and all other controversies, disputes or claims between NHI and its affiliates, and its and their respective shareholders, officers, directors, agents and/or employees, and FRANCHISEE (and/or its Owners, Guarantors, affiliates, and/or employees), arising out of or related to:

1. this Agreement or any other agreement between the parties or any provision of such agreements;
2. the relationship of the parties hereto;
3. the validity of this Agreement or any other agreement between the parties or any provision of such agreements; or
4. any System Standard

shall be submitted for binding arbitration to the American Arbitration Association on demand of either party. Such arbitration proceedings shall be conducted by a single arbitrator in the English language at a location chosen by the arbitrator in Ann Arbor, Michigan and, except as otherwise provided in this Agreement, shall be heard in accordance with the then current commercial arbitration rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. 1 et seq.) shall be governed by it. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

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

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

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

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

F. MONETARY DISPUTES

Either party may file and pursue civil litigation in the courts named below to collect any liquidated amount due and unpaid under this Agreement.

G. GOVERNING LAW.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN THE PARTIES WILL BE GOVERNED BY THE LAWS OF THE STATE OF MICHIGAN, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY MICHIGAN LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS

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FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION 17.G.

H. JURISDICTION.

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

I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

FRANCHISEE hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against NHI arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, that FRANCHISEE's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM NHI OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, ITS OWNERS AND NHI OR NHI's AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH CLAIMS OF ANY OTHER PERSON, LITIGATION, OR ARBITRATION PROCEEDING, NOR SHALL ANY OTHER PERSON BE JOINED AS A PARTY TO SUCH PROCEEDING..

J. FRANCHISEE MAY NOT WITHHOLD PAYMENTS.

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

K. BINDING EFFECT.

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

L. LIMITATIONS OF CLAIMS.

Any and all claims, except claims for monies due NHI, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to such claims. If FRANCHISEE makes a rescission demand, or pursues any similar remedy, FRANCHISEE must immediately cease operating its FRANCHISED BUSINESS and must comply with all obligations of Section 16 herein.

M. SECURITY TO NHI.

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

N. INTEGRATION/CONSTRUCTION.

The preambles and exhibits are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between NHI and FRANCHISEE relating to the subject matter of this Agreement, the franchise relationship, or the BUSINESS (any understanding or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require FRANCHISEE to waive reliance on any representation made in the last Franchise Disclosure Document (including exhibits and amendments) NHI delivered to FRANCHISEE before the Effective Date. The term "FRANCHISEE" as used herein is applicable to one or more persons or an Entity, and the singular usage includes the plural. If two or more persons are at any time FRANCHISEE hereunder, their obligations and liabilities to NHI shall be joint and several. References to "FRANCHISEE" and "transferee" which are applicable to an individual or individuals shall mean the owner(s) of the equity or operating control of FRANCHISEE or the transferee, if FRANCHISEE or the transferee is an Entity. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates NHI reasonably to approve or not unreasonably to withhold its approval of any action or request by FRANCHISEE, NHI has the absolute right and discretion to refuse any request by FRANCHISEE or to withhold its approval

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of any action by FRANCHISEE that requires NHI's approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

18. NOTICE/EXECUTION/ PAYMENTS.

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

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

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

If individuals:

If an Entity:

FRANCHISEE - Individually and Personally

Name of entity

By: _____

Its: _____

FRANCHISEE - Individually and Personally

NHANCE, INC.

Date: _____

EXHIBIT A
TO THE FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

NOTE:IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S GENERAL PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING.

ARTICLE I

PERSONAL GUARANTY

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

ARTICLE II
CONFIDENTIALITY

During the term of this Agreement, you will receive information which Franchisor considers a trade secret and confidential information ("Confidential Information"). You will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation, operating procedures, customer lists, sources of supply, supplier contracts, advertising materials, copyrighted materials, equipment specifications, any information contained in the Operations Manual, trade secrets, the Proprietary Recipes, copyrighted materials, and other methods, techniques and know-how concerning the operation of the Franchised Business which may be communicated to you or of which you may be apprised by virtue of your relationship with Franchisee and role as a Guarantor of the

Franchise Agreement.

**ARTICLE III
NON-COMPETITION**

- 1) **During the Term of the Franchise Agreement.** During the term of this Franchise Agreement, you shall not:
- a. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other business which provides or sells, or grants franchises or licenses to others to provide or sell, wood cleaning, coating, protection or other wood care or renewal services or products, or any related or ancillary services or products (collectively, a “Competing Business”), that are the same as or similar to the services sold by the N-Hance Business (except for other franchises or authorizations we enter into with you; or
 - b. Use our Confidential Information, System, N-Hance owners’ intranet website, Operations Manual, Marks, Customer lists, Customer Information, trade secrets, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business other than the N-Hance Business franchised hereunder, unless specifically authorized by us, or;
 - c. Divert or attempt to divert any business or customer of the N-Hance Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated the Marks or the System.
- 2) **After the Term of the Franchise Agreement.** For a period of 18 months from the time of expiration or termination of this Agreement, you and your owners and, if applicable, your Designated General Manager, shall not: (a) engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent or in any other capacity at any Competing Business, (b) solicit business from Customers of your former N-Hance Business or contact any of our supplies or vendors for any competitive business purpose, or (d) divert or attempt to divert any business or Customer of the N-Hance Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System or engage in any business relationship with any contacts with Customers or former Customers of the N-Hance Business, whether respect to collection of accounts receivable, or to provide them services, or for any other purpose whatever, within:
- a. The Franchised Area defined in the Franchise Agreement;

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- b. The geographic area encompassed by the Territories of any N-Hance franchisees, Company Stores, or any other N-Hance business operator, as of the date of the termination or expiration of the Franchise Agreement; or
 - c. A geographic area that is contained in a circle having a radius of 10 miles outward from the outside boundary of the Franchised Area as defined in the Franchise Agreement.
- 3) **Intent and Enforcement.** It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article III will be tolled during any default under this Personal Guaranty.

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

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

Exhibit A-3

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and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

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

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

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

Print Name:

Print Name:

Print Name:

Print Name:

EXHIBIT B
TO THE FRANCHISE AGREEMENT
CONSOLIDATED OFFICE AGREEMENT

THIS CONSOLIDATED OFFICE AGREEMENT (“COA”) is made and entered into on the Effective Date by and between NHI and Franchisee and is executed concurrently with that certain franchise agreement of even date herewith (“Franchise Agreement”).

W I T N E S S E T H:

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

WHEREAS, the N-Hance franchise agreements between Franchisee and NHI pertaining to the Franchises (collectively, “Franchise Agreements”) require Franchisee to establish an office location within each franchised area and to operate the Franchises from each office location;

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

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

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

1. Unless this COA is signed in conjunction with the sale of a new N-Hance franchise, Franchisee agrees to pay NHI a non refundable fee of \$500.00 as consideration for the privilege of headquartering all Franchises from a single office location.

2. This COA will expire upon the expiration of the Franchise Agreement and is non renewable and non-transferrable.

3. Pursuant to Section 11 of the Franchise Agreement, Franchisee agrees to maintain and preserve full and accurate books for each franchise headquartered at the single office location.

4. Upon expiration of this COA, Franchisee may be eligible to enter into a second COA with NHI so long as Franchisee notifies NHI of its desire to do so at least sixty (60) days prior to the expiration of this COA. Any subsequent COAs will be upon then current terms and conditions and will require payment of the then current fee. Upon expiration of this COA and if NHI does not enter into a new COA with Franchisee, Franchisee will have until the expiration date of this COA to move all franchise operations to office locations within the designated franchised areas for each Franchise. Failure to do so within the timeframe will be a material breach of the franchise agreement for that Franchise. Franchisee acknowledges and agrees NHI has no

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obligation to enter into subsequent COAs with Franchisee and that doing so will be at NHI's sole discretion.

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

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

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

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

FRANCHISEE

Individually and Personally –

Individually and Personally –

If corporation or other entity:

Name of entity

By: _____

Its: _____

NHANCE, INC.

Date: _____

Exhibit B-2

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EXHIBIT C
TO THE FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT

Exhibit C-1

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Franchise Model Type:
Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN CALIFORNIA

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

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 to 20043 ("CFRA"), provides you with certain rights on termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
2. California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the Department of Corporations prior to solicitation of a proposed material modification of an existing franchise.
3. Our right to terminate pursuant to Section 15.15 of the Franchise Agreement if Franchisee commences bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).
4. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. Section 17.E of the Franchise Agreement is amended by adding the following language:

"The cost of the arbitration will be borne equally by the parties."
6. Section 17.K of the Franchise Agreement and the Business Note, the Equipment Agreement, and the SLA, are amended by adding the following language:

"Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you."
7. California law may not enforce the choice of Michigan law provision in Section 17.G of the Franchise Agreement.
8. Notwithstanding any other provision of the Franchise Agreement to the contrary, we may terminate the Franchise Agreement without the right to cure as provided in Section 20021 of the CFRA.
9. We reserve the right to notify you at the time we terminate the Franchise Agreement that we will not enforce the post-termination covenant in Section 16.E and will then have no obligation to purchase any inventory from you under Section 20022 of the CFRA.
10. Notwithstanding any other provision of the Franchise Agreement to the contrary, we shall exercise the right to terminate the Franchise Agreement in accordance with CFRA Section 20020.

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

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

13. All other rights, obligations, and provisions of the Franchise Agreement, the Business Note, the Equipment Agreement, and the SLA shall remain in full force and effect and will be construed and enforced according to their terms. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of California. 7.

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

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN ILLINOIS

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

1. Sections 14 and 15 of the Franchise Agreement regarding nonrenewal and termination are amended by adding the following language:

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

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

This Agreement, the franchise, and the relationship of the parties will be governed by the internal laws of the state of Michigan, except to the extent governed by the United States Trademark, Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et. seq.) and except for any claims arising out of the Illinois Franchise Disclosure Act of 1987 and except that all issues relating to arbitrability or the enforcement of interpretation of the agreement to arbitrate as described in Section 17.E will be governed by the United States Arbitration act (9 U.S.C. § 1 et. seq.) and the Federal common law relating to arbitration.

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

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

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

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

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

Franchise Number:
Franchise Model Type:
Effective Date:

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

6. 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.

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

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

Franchise Number:
Franchise Model Type:
Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN MARYLAND

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

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

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

2. Our right to terminate pursuant to Section 15.15 of the Franchise Agreement if you commence bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

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

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

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

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

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

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

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

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

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

Exhibit C-6

Franchise Number:
Franchise Model Type:
Effective Date:

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

11. 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.

12. Item 5 of the Disclosure Document shall be amended to state that Maryland has required us to provide a financial assurance. We have obtained a surety bond in the amount of \$63,995 to secure our obligations to you. A copy of the bond is on file with the Maryland Securities Division.

13. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect and will be construed and enforced according to its terms. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Maryland.

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN MINNESOTA

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

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

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

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

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

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

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

4. The first paragraph of Section 17.I of the Franchise Agreement is deleted in its entirety and replaced as follows:

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

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

Exhibit C-8

Franchise Number:
Franchise Model Type:
Effective Date:

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

7. 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 with the franchise.

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

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

Franchise Number:
Franchise Model Type:
Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN NEW YORK

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

1. Sections 13.C, 14.A, and 17.I of the Franchise Agreement are amended by adding the following sentence at the end of the Sections:

“However, that all rights arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Sections 687.4 and 687.5, be satisfied.”

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

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

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

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

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN NORTH DAKOTA

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

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

Franchise Number:
Franchise Model Type:
Effective Date:

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

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

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

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

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

Franchise Number:
Franchise Model Type:
Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN RHODE ISLAND

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

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

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

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

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

Franchise Number:
Franchise Model Type:
Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN VIRGINIA

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

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related

Exhibit C-15

agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** 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

Franchise Number:
Franchise Model Type:
Effective Date:

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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
19. The following risk factor shall be added to the State Cover Page:
 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.”
20. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

The undersigned parties do hereby acknowledge receipt of this Addendum.

FRANCHISEE

NHANCE, INC.

By: _____
Its: _____
Date: _____

Franchise Number:
Franchise Model Type:
Effective Date:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN WISCONSIN

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

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

FRANCHISEE

NHANCE, INC.

By: _____

Its: _____

Date: _____

EXHIBIT D
TO THE FRANCHISE AGREEMENT
RELEASE AGREEMENT – ADDITIONAL FRANCHISE

For Franchisees Acquiring an Additional Franchise

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

W I T N E S S E T H:

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

WHEREAS, Franchisee desires to acquire an additional franchise; and

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

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

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

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

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

Exhibit D-1

Franchise Number:
Franchise Model Type:
Effective Date:

2. Construction and Enforcement.

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

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

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

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

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

FRANCHISEE

If corporation or other entity:

Individually and Personally –

Name of entity

Individually and Personally –

By: _____
Its: _____

NHANCE, INC.

By: _____
Title: _____

EXHIBIT E
TO THE FRANCHISE AGREEMENT
RELEASE AGREEMENT – RENEWAL

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

W I T N E S S E T H:

WHEREAS, NHI and Franchisee entered into the Franchise Agreement, whereby Franchisee was granted the right to own and operate a Franchised Business within the Franchised Area;

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

WHEREAS, NHI is willing to grant a renewal franchise agreement to Franchisee provided Franchisee meets the requirements of Section 14.A of the Franchise Agreement, including but not limited to executing this Agreement concurrently with the execution of a new franchise agreement and payment of the current renewal fee to NHI.

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

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

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

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

Franchise Number:
Franchise Model Type:
Effective Date:

2. Construction and Enforcement.

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

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

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

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

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

FRANCHISEE

If corporation or other entity:

Individually and Personally –

Name of entity

Individually and Personally –

By: _____
Its: _____

NHANCE, INC.

By: _____
Title: _____

EXHIBIT F

TO THE FRANCHISE AGREEMENT

EQUIPMENT SALES AND SECURITY AGREEMENT

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

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

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

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

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

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

Exhibit F-1

Franchise Number:
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network. Franchisee covenants that Franchisee will not transfer title to the Equipment except in one of these three ways:

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

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

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

7. COVENANTS OF FRANCHISEE. Franchisee covenants with CDI to (i) use and maintain the Equipment in a lawful manner and so as not to violate any law or regulation of the state, city or other political subdivisions in which Franchisee uses the Equipment; (ii) return, pay and file when due all taxes, fees and similar charges, including without limitation sales or use tax, and ad valorem and personal property taxes, imposed on the ownership, possession or use of the Equipment; (iii) keep the Equipment free and

Franchise Number:
Franchise Model Type:
Effective Date:

clear of all liens, security interests, claims and encumbrances; (iv) obtain and maintain property insurance on the Equipment covering loss, damage, theft, vandalism and casualty; (v) maintain the Equipment per the manufacturer's maintenance, repair and replacement instructions; (vi) maintain in place any notices, labels or other indicia provided by CDI to indicate that the Equipment is subject to this Agreement; (vii) operate the Business as required under the Franchise Agreement; and (viii) notify CDI when any party claims any interest in the Equipment.

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

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

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

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

Exhibit F-3

Franchise Number:
Franchise Model Type:
Effective Date:

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

If individuals:

Individually and Personally -

Individually and Personally -

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

By: _____

Its: _____

CHEM-DRY, INC.
NHANCE, INC.

Name:

Title:

Date: _____

Franchise Number:
Franchise Model Type:
Effective Date:

Equipment Purchase Schedule - Dated: _____

Franchisee: _____

Franchise No. _____

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

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

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

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

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

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

Harris Research, Inc./Nhance, Inc.

Franchisee

By: _____

Name

Exhibit F-5

LENDER ADDENDUM

To

Equipment Sales and Security Agreement

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

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

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

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

Exhibit F-6

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Franchise Model Type:
Effective Date:

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

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

Chem-Dry, Inc.
Nhance, Inc.

Franchisee

By: _____

Name

Address:
5405 Data Court
Ann Arbor, MI 48108

Title

Date: _____

Address:

Lender:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT G
TO THE FRANCHISE AGREEMENT
SOFTWARE LICENSE AGREEMENT

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

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

2. Your Registration Obligations.

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

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

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

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

Exhibit G-1

Franchise Number:
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Effective Date:

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

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

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

8. Service Level Provisions.

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

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

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

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

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

Exhibit G-2

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

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

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

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

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

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

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

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

20. Limitation of Liability.

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

Exhibit G-3

Franchise Number:
Franchise Model Type:
Effective Date:

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

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

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

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

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

Exhibit G-4

Franchise Number:
Franchise Model Type:
Effective Date:

FRANCHISEE

*Individually & Personally

*Individually & Personally

If corporation or other entity:

*Name of Entity

By: _____

Its: _____

By: _____

Its: _____

NHANCE, INC.

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

Exhibit G-5

**EXHIBIT H
TO THE FRANCHISE AGREEMENT**

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

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

BACKGROUND INFORMATION

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

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.
2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.
3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its parents, affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee’s breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

Franchise Number:
Franchise Model Type:
Effective Date:

4. **Conditional Assignment:** Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory, equipment, and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination:** Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies:** Notwithstanding any provision of the Franchise Agreement to the contrary, in the event of default by the Franchisee under the terms of the Lease, this Assignment or under the Franchise Agreement, Franchisor shall be entitled to do any one or more of the following,

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either directly or by its agents, without the requirement of obtaining additional consent of the Franchisee and without liability to Franchisee, in Franchisor's sole discretion:

- a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys, with or without assuming the Lease;
- b) to assume the Lease or sublease all or any portion of the Site, with or without obtaining the Landlord's release of the tenant thereunder or any guarantors thereof;
- c) to amend, modify, terminate or extend the Lease on its own behalf (if the Lease is assumed) or on behalf of the Franchisee;
- d) to sublet all or any portion of the Site to any person, firm or corporation upon such terms and conditions as it may determine in its sole discretion;
- e) to enter upon and take and maintain possession of any or all property, furniture, fixtures, inventory, books, records, papers and accounts located therein;
- f) to exclude the Franchisee, its agents or employees from the Site;
- g) to hold, operate, manage, conduct and/or control the Franchised Business, if any, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;
- h) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;
- i) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and
- j) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or
- k) to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the

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event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, to exercise any of the rights granted to Franchisor in this Assignment and to execute, deliver and file such instruments for and on behalf Franchisee. This appointment is granted with the same rights, powers, immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor is granted under the Franchise Agreement and all other documents executed in connection therewith. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

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

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

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

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

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

FRANCHISEE

FRANCHISOR

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

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

LESSOR

**EXHIBIT I
TO THE FRANCHISE AGREEMENT**

SPOUSAL CONFIDENTIALITY AND NON-COMPETE AGREEMENT

_____, 2026

The undersigned persons (individually and collectively “you”) hereby represent to Franchisor that you are all of the shareholders of, or all of the general partners of, or all of the members and managers of, or the spouse of any such shareholder, general partner, or member or manager of _____ (“Franchisee”), as the case may be. In consideration of my being the spouse of _____ (the “Franchise Owner”), and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchise Owner has acquired the right from Franchisor to own and operate a franchised business (the “Business”) and the right to use in the operation of the Business the Franchisor's trade names, trademarks and service marks (the "Proprietary Marks") and the Franchisor's unique and distinctive format and system relating to the establishment and operation of businesses (the “System”), as they may be changed, improved and further developed from time to time in the Franchisor's sole discretion, under the terms of a franchise agreement (the “Franchise Agreement”) dated _____ only at the authorized and approved location (the “Office”). You further agree to be bound by the in-term and post-term covenants against competition of the aforesaid Franchise Agreement.

ARTICLE I

CONSENT TO SPOUSE’S PERSONAL GUARANTY

As the Spouse of _____, I hereby consent to and agree with _____ signing the Personal Guaranty as defined in the Franchise Agreement and its exhibits. I acknowledge and agree that, in doing so, my personal and marital assets could be at risk, if the Franchisee defaults on its obligations to Franchisor.

ARTICLE II

CONFIDENTIALITY

During the term of the Franchise Agreement, you will receive information which Franchisor considers a trade secret and confidential information (“Confidential Information”). You will not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company, any Confidential Information including, without limitation, operating procedures, customer lists, sources of supply, supplier contracts, advertising materials, copyrighted materials, equipment specifications, any information contained in the Operations Manual, trade secrets, the Proprietary Recipes,

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copyrighted materials, and other methods, techniques and know-how concerning the operation of the Franchised Business which may be communicated to you or of which you may be apprised by virtue of your relationship with Franchisee.

ARTICLE III

NON-COMPETITION

- 1) **During the Term of the Franchise Agreement.** During the term of the Franchise Agreement, you shall not:
 - a. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity, including through membership in a local union, in any other business offering any Services (as defined in the Franchise Agreement) that are the same as or similar to the services sold by Franchisor (except for other franchises or authorizations we enter into with you);
 - b. Use our Confidential Information, System, Franchisor owners' intranet website, Operations Manual, Marks, Customer lists, Customer Information, trade secrets, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business other than the Business franchised hereunder, unless specifically authorized by us; or
 - c. Divert or attempt to divert any business or customer of the Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated the Marks or the System.

- 2) **After the Term of the Franchise Agreement.** For a period of 18 months from the time of expiration or termination of the Franchise Agreement, you shall not: (a) engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent or in any other capacity, including membership in a local union, in any company offering any Services, as defined in the Franchise Agreement or (b) divert or attempt to divert any business or Customer of the Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System or engage in any business relationship with any contacts with Customers or former Customers of the Business, whether respect to collection of accounts receivable, or to provide them services, or for any other purpose whatever, within:
 - a. The Territory as defined in the Franchise Agreement;

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- b. The geographic area encompassed by the Territories of any Franchisor' franchisees, Company Stores, or any other Franchisor business operator, as of the date of the termination or expiration of the Franchise Agreement; or
 - c. A geographic area that is contained in a circle having a radius of 10 miles outward from the outside boundary of the Territory as defined in the Franchise Agreement.
- 3) **Intent and Enforcement.** It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article III will be tolled during any default under this Agreement.

ARTICLE IV

DISPUTE RESOLUTION

- 1) **Acknowledgment.** You acknowledge that this Agreement is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its system.
- 2) **Governing Law.** This Agreement will be deemed to have been made in and governed by the laws of the State of Michigan (without reference to its conflict of laws principals).
- 3) **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Agreement to Franchisor's President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first will survive the termination or expiration of this Agreement and the Franchise Agreement.
- 4) **Arbitration.** At Franchisor's option, all claims or disputes between you and Franchisor arising out of, or in any way relating to, this Agreement or the Franchise Agreement or any other agreement by and between you and the Franchisor or Franchisor's affiliates, or any of the parties' respective rights and obligations arising from such agreements, or the operation of the Business which are not first resolved through the internal dispute resolution above, must be submitted to

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binding arbitration in Ann Arbor, Michigan under the auspices of the American Arbitration Association (“AAA”), in accordance with AAA’s Commercial Arbitration Rules then in effect, and with a mutually agreeable arbitrator with at least five (5) years of franchise law experience. Each party will bear its own cost of arbitration and the parties will share the arbitration costs equally. This agreement to arbitrate shall survive the termination or expiration of the Franchise Agreement.

- a. The parties will not be required to first attempt to arbitrate a controversy, dispute, or claim through arbitration as set forth in this Section 4 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):
 - i. Any federally protected intellectual property rights in the Proprietary Marks, the System, trade secrets, or in any Confidential Information;
 - ii. Any claims pertaining to or arising out of any warranty issued;
 - iii. Any of the restrictive covenants contained in this Agreement;
 - iv. Any claims arising out of or related to fraud or misrepresentation by you or your insolvency; or
 - v. Any claims where the damages alleged are less than \$50,000.
- 5) **Third Party Beneficiaries.** Franchisor’s officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the Franchise Agreement and this Agreement, and the arbitration provisions contained herein, each having authority to specifically enforce the right to arbitrate and litigate claims asserted against such person(s) by you.
- 6) **Injunctive Relief.** Nothing contained in this Agreement will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor’s interest prior to the filing of any arbitration proceeding or pending the trial or handing down of a decision or award pursuant to any arbitration or judicial proceeding conducted hereunder.
- 7) **Jurisdiction and Venue.** With respect to any proceeding not subject to arbitration, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in Washtenaw County, Michigan and the jurisdiction and venue of the United States District Court presiding over Ann Arbor, Michigan.
- 8) **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO

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ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE, OPTION AND/OR ANY GOODS OR SERVICES.

- 9) **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) that you may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.
- 10) **Limitation on Action.** You agree that no cause of action arising out of or under this Agreement or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense or set-off.
- 11) **Attorneys' Fees.** If either party institutes any arbitration action or judicial proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and the Franchise Agreement, and Franchisor prevails in such action, you will be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.
- 12) **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement and the Franchise Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.
- 13) **Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning that renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or

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unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

- 14) **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

- 15) **Successors.** References to “Franchisor” or “the undersigned,” or “you” include the respective parties’ successors, assignees or transferees.

- 16) **No Personal Liability.** You agree that fulfillment of any and all of Franchisor’s obligations written in this Agreement or in the Franchise Agreement or based on any oral communications that may be ruled to be binding in a court of law will be Franchisor’s sole responsibility and none of Franchisor’s agents, representatives, nor any individuals associated with Franchisor’s company will be personally liable to Franchisee or you for any reason.

FRANCHISE OWNER

SPOUSE

[_____]

[_____]

**EXHIBIT C
TO THE DISCLOSURE DOCUMENT**

PROMISSORY NOTE

Date: _____

Principal: \$ _____

FOR VALUE RECEIVED, _____ and _____ (collectively, the “Undersigned”) promises to pay to the order of NHance, Inc., a Delaware Limited Liability Company, at 5405 Data Court, Ann Arbor, Michigan 48108 (the “Holder”), the principal sum of \$ _____ together with interest at a rate of 9%. The principal and interest shall be paid in equal monthly installments as stated in the payment schedule attached to this Promissory Note as Exhibit “1”, which is made a part of this. The first installment shall be due via Electronic Funds Transfer (“EFT”) on the first of the month following the successful completion of the training required under the franchise agreement between Holder and the Undersigned, and thereafter monthly installments will be due via EFT on the first day of each successive month until the principal and interest due under this Promissory Note have been paid in full. PROVIDED, HOWEVER, that the entire principal balance together with all accrued interest thereon shall be due and payable on the final payment deadline set forth on the payment schedule attached as Exhibit “1”.

Monthly installments shall be applied first upon interest and the balance upon principal. This Promissory Note may be prepaid in full at any time without restriction or penalty.

Should any monthly installment not be paid when due, then the whole sum of the remaining principal and interest shall become due immediately and payable without notice or demand at the option of the holder of this Promissory Note. All unpaid amounts owing on this Promissory Note shall immediately become due and payable at the option of Holder without notice or demand upon the occurrence of any of the following events of default: (i) the default of any provision of the Promissory Note; or (ii) the death, dissolution, insolvency (however expressed or indicated) or the filing of a petition in bankruptcy, reorganization or for the adjustment of debts for, by or against the Undersigned; (iii) the sale of substantially all of the Undersigned’s stock or assets; (iv) the Undersigned’s failure to permit Holder to collect amounts via EFT.

The Undersigned hereby waives presentation for payment, demand, notice of non-payment, protest, and all other demands and notices required by law (statutory or otherwise). In the event that the undersigned should default under this Promissory Note, and legal proceedings are commenced to collect the indebtedness evidenced hereby, the undersigned agrees to pay all costs and expenses, including reasonable attorney fees, incurred in the collection of this Promissory Note.

Should the undersigned transfer or assign their franchise rights to a third party prior to the pay-off of this Promissory Note, said Promissory Note must be paid in full before Holder will approve such transfer or assignment.

The validity, construction, interpretation and enforceability of the terms of this Promissory Note shall be determined and governed by the laws of the State of Michigan.

The Undersigned hereby confirms that the proceeds of this Promissory Note represents the balance of the Initial Franchise Fee payable by the Undersigned to Holder under that certain franchise agreement between Undersigned as franchisee and Holder as franchisor.

It is the parties’ intent that the provisions of this Promissory Note be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the provisions contained here in this Promissory Note shall not render any other part unenforceable.

Holder’s failure to enforce any rights granted to it under this Promissory Note will not constitute a waiver of such rights.

This Promissory Note is binding upon and will insure to the benefit of the parties and their successors, heirs, and assigns.

The persons executing this Note on behalf of the Undersigned acknowledge their authority to do so.

I HAVE READ THE ABOVE NOTE AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS NOTE IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

This Promissory Note is personally guaranteed by _____.

HOLDER

NHance, Inc

By: _____

Name: _____

Title: _____

Date: _____

UNDERSIGNED

[FRANCHISEE ENTITY NAME]

By: _____

Name: _____

Title: _____

Date: _____

[FRANCHISEE NAME]

[NAME], Individually

**EXHIBIT 1
TO PROMISSORY NOTE
PAYMENT SCHEDULE**

[See attached.]

EXHIBIT D
TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS AND GUARANTY OF PERFORMANCE

BFG Holdco, Inc.

Consolidated Financial Report Years Ended December 31, 2025, 2024, and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



BFG Holdco, Inc.

Consolidated Financial Statements
Years Ended December 31, 2025, 2024, and 2023

BFG Holdco, Inc.

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Independent Auditor's Report

Board of Directors
BFG Holdco, Inc.

Opinion

We have audited the consolidated financial statements of BFG Holdco, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The 2023 consolidated financial statements of the Company were audited by other auditors, whose report dated March 22, 2024 expressed an unmodified opinion on those statements with emphasis of matter related to an impairment loss to goodwill during 2023. The predecessor audit opinion was not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and consolidating financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated and consolidating financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and consolidating financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated and consolidating financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole and consolidating financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated and consolidating financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated and consolidating financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated and consolidating 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 consolidated and consolidating 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.

BDO USA, P.C.

March 2, 2026

BFG Holdco, Inc.
Consolidated Balance Sheets
(dollars in thousands)

<i>December 31,</i>	2025	2024	2023
Assets			
Current Assets			
Cash	\$ 777	\$ 1,242	\$ 3,701
Restricted cash	940	1,310	781
Accounts receivable, net	2,249	2,728	2,338
Inventory (Note 5)	7,736	8,673	5,683
Notes receivable, current portion net of allowance (Note 6)	372	578	639
Prepaid expenses and other current assets	548	454	625
Total Current Assets	12,622	14,985	13,767
Right-of-Use Assets, Net	1,494	2,036	3,098
Property and Equipment, Net (Note 7)	1,409	1,675	2,220
Goodwill (Note 8)	-	-	10,519
Intangible Assets, Net (Note 8)	19,469	23,789	28,264
Other Assets			
Notes receivable, net of current portion and allowance (Note 6)	430	793	1,336
Amounts due from related parties (Note 13)	33,635	27,182	24,688
Deferred commissions	381	649	871
Other noncurrent assets	494	347	216
Total Assets	\$ 69,934	\$ 71,456	\$ 84,979
Liabilities and Stockholders' Equity			
Current Liabilities			
Accounts payable	\$ 466	\$ 812	\$ 203
Operating lease obligation, current portion (Note 9)	1,168	1,087	1,002
Deferred revenue, current portion	985	1,945	1,305
Accrued and other current liabilities:			
Accrued compensation	682	580	1,201
Other accrued liabilities	3,878	1,147	2,251
Total Current Liabilities	7,179	5,571	5,962
Operating Lease Obligation, net of current portion (Note 9)	457	1,087	2,166
Other Long-Term Liabilities			
Deferred revenue, net of current portion	1,088	1,900	3,202
Deferred tax liabilities (Note 10)	1,890	3,623	3,266
Total Liabilities	10,614	12,181	14,596
Stockholders' Equity	59,320	59,275	70,383
Total Liabilities and Stockholders' Equity	\$ 69,934	\$ 71,456	\$ 84,979

See accompanying notes to consolidated financial statements.

BFG Holdco, Inc.
Consolidated Statements of Operations
(dollars in thousands)

<i>Year ended December 31,</i>	2025	2024	2023
Net Revenue	\$ 30,117	\$ 29,538	\$ 31,072
Cost of Revenue	13,076	10,816	9,613
Gross Profit	17,041	18,722	21,459
Operating Expenses, before impairment	17,751	19,569	20,604
Impairment of Goodwill	-	10,519	45,537
Operating Loss	(710)	(11,366)	(44,682)
Non-Operating Income			
Interest income	236	336	496
Other income	420	404	386
Total Non-Operating Income	656	740	882
Loss, before income taxes	(54)	(10,626)	(43,800)
Income Tax Expense (Recovery) (Note 10)	(99)	482	477
Net Income (Loss)	\$ 45	\$ (11,108)	\$ (44,277)

See accompanying notes to consolidated financial statements.

BFG Holdco, Inc.

Consolidated Statements of Stockholders' Equity (dollars in thousands)

		Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total
Balance, January 1, 2023	\$	5	\$	114,238	\$ 1,452	\$ 115,695
Cumulative effect of change in accounting principle (Note 3)		-		-	(1,035)	(1,035)
Consolidated net loss		-		-	(44,277)	(44,277)
Balance, December 31, 2023		5		114,238	(43,860)	70,383
Consolidated net loss		-		-	(11,108)	(11,108)
Balance, December 31, 2024		5		114,238	(54,968)	59,275
Consolidated net income		-		-	45	45
Balance, December 31, 2025	\$	5	\$	114,238	\$ (54,923)	\$ 59,320

See accompanying notes to consolidated financial statements.

BFG Holdco, Inc.
Consolidated Statements of Cash Flows
(dollars in thousands)

<i>Year ended December 31,</i>	2025	2024	2023
Cash Flows from Operating Activities			
Consolidated net income (loss)	\$ 45	\$ (11,108)	\$ (44,277)
Adjustments to reconcile consolidated net income (loss) to net cash (used in) provided by operating activities:			
Depreciation	701	505	591
Amortization of intangible assets	4,355	4,380	4,380
Credit loss (recovery)	262	(296)	627
Loss on disposal of property and equipment	19	781	-
Impairment of goodwill	-	10,519	45,537
Deferred income taxes	(1,733)	357	265
Noncash lease (income) expense	(7)	67	(121)
Changes in operating assets and liabilities that provide (use) cash:			
Accounts receivable	262	(459)	1
Inventory	773	(2,619)	(1,289)
Notes receivable	524	970	1,506
Prepaid expenses and other assets	(242)	40	(166)
Deferred commissions	268	223	284
Related party	(6,290)	(2,864)	(845)
Accounts payable	(346)	609	(652)
Accrued and other current liabilities	2,833	(1,284)	518
Deferred revenue	(1,771)	(1,104)	(2,407)
Net Cash (Used in) Provided by Operating Activities	(347)	(1,283)	3,952
Cash Flows from Investing Activities			
Purchases of property and equipment	(454)	(593)	(1,109)
Payments made for patents and trade names	(34)	(54)	(78)
Net Cash Used in Investing Activities	(488)	(647)	(1,187)
Net (Decrease) Increase in Cash	(835)	(1,930)	2,765
Cash and Restricted Cash, beginning of year	2,552	4,482	1,717
Cash and Restricted Cash, end of year	\$ 1,717	\$ 2,552	\$ 4,482
Classification of Cash			
Cash	\$ 777	\$ 1,242	\$ 3,701
Restricted cash	940	1,310	781
Total Cash	\$ 1,717	\$ 2,552	\$ 4,482
Supplemental Cash Flow Information			
Cash (refunded) paid for taxes	\$ (31)	\$ 139	\$ 185
Significant Non-Cash Transactions			
New operating lease obligation related to new lease entered into	\$ 538	\$ -	\$ 2,731

See accompanying notes to consolidated financial statements.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

1. Nature of Business

BFG Holdco, Inc., with its wholly owned subsidiaries, Chem-Dry, Inc. (Chem-Dry); NHance, Inc. (NHance); Delta Disaster Services, LLC d/b/a Delta Restoration Services (DRS); Delta Development Group, LLC (DDG); and Delta Asset Management, LLC (DAM) (together with DRS and DDG, Delta) (collectively, the Company), is a wholly owned subsidiary of Belfor USA Group, Inc. (Parent) BFG Holdco, Inc. was formerly known as HRI Holdings, Inc. until February 13, 2023, when its name was changed to BFG Holdco, Inc. Chem-Dry, Inc. was formerly known as Harris Research, Inc. until February 13, 2023, when its name was changed to Chem-Dry, Inc.

A summary of the Company's operations, which are headquartered in Ann Arbor, Michigan, is as follows:

- *Chem-Dry* - Markets and services Chem-Dry carpet and upholstery cleaning franchises and provides training, equipment, solutions, and products to its franchisees throughout the United States of America and Canada.
- *Devere International, Inc. (Devere)*, a wholly owned subsidiary of BFG Holdco, Inc. - Sells area franchise rights for specific geographic locations throughout the world (excluding the United States of America) and provides training, equipment, and cleaning supplies to the respective area franchisees.
- *Chem-Dry Corporate Services (CDCS)*, a division of BFG Holdco, Inc. - Secures commercial and insurance work for franchisees in the United States and Canada.
- *N-Hance* - Markets and services N-Hance wood cleaning, coating, protection, and renewal franchises, including providing training, equipment, and solutions and products to franchise owners in the United States and Canada.

The Company had the following active franchises throughout the world:

<i>December 31,</i>	2025	2024	2023
Chem-Dry carpet upholstery cleaning franchises	901	1,057	1,240
Chem-Dry Canada franchises	40	42	44
Chem-Dry Plus	22	-	-
Devere area franchise rights	22	22	22
N-Hance wood renewal franchises	210	255	296

On November 21, 2024, the Company sold its TruckMount manufacturing inventory to a third party in exchange for \$764. Of the \$764 purchase price, the Company received \$152 in 2024 and received the remaining \$612 during 2025.

2. Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the results of the Company for the years ended December 31, 2025, 2024, and 2023.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Principles of Consolidation

The accompanying consolidated financial statements reflect the consolidated financial position, operations, stockholders' equity, and cash flows of BFG Holdco, Inc. and its subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Revenue and Cost Recognition

Revenue is recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Sales-based taxes are excluded from revenue. Goods and services may be transferred to customers either at a point in time or over time, as discussed below. Of the \$31,117 of revenue recognized from contracts with customers for the year ended December 31, 2025, revenue recognized over time amounted to \$9,355, while the remainder was recognized at a point in time. Of the \$29,538 of revenue recognized from contracts with customers for the year ended December 31, 2024, revenue recognized over time amounted to \$10,454, while the remainder was recognized at a point in time. Of the \$31,072 of revenue recognized from contracts with customers for the year ended December 31, 2023, revenue recognized over time amounted to \$11,642, while the remainder was recognized at a point in time.

Nature of Promises to Transfer

The Company's revenue streams are described below:

Franchise Rights, Royalties, Monthly Franchise Fees, and Other Support Fees

The Company sells individual franchises that grant the right to service customers within a defined territory using the franchise name. The initial term of franchise agreements is typically 5 to 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid. Additionally, the Company sells master franchises rights in foreign countries with an initial term of typically ten years, with an option to renew for a fee or transfer the right. The Company has performance obligations to provide franchisees with the franchise rights to service customers, as well as provide customized software, for which a technology fee is charged. Initial franchise fees for each agreement are allocated to each individual franchise and recognized over the term of the respective franchise agreement from the date the agreement is entered. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized at the time the transfer occurs. Royalty income and monthly franchise fee income is recognized over the term of the respective franchise agreement as the underlying sales occur. The Company also provides other services for a fee, as outlined in the franchise agreement. The Company has concluded these represent separate single performance obligations. Therefore, revenue is recognized when the support services are performed.

Merchandise Revenue

The Company recognizes revenue from the sale of products, net of sales taxes, when the customer takes ownership of the products sold and assumes the risk of loss. The customer takes ownership and assumes risk of loss at the point of shipping for products other than equipment. Equipment is typically shipped "FOB Destination," and, as such, ownership and risk of loss remain with the Company until the equipment is delivered.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Corporate Services

This includes services in connection with securing residential, commercial, and insurance work for franchisees through CDCS through national account relationships in the United States and Canada. Revenue is recognized at the point in time the franchisee completes the work. The Company is the agent in this relationship and recognizes revenue on a net basis.

Significant Payment Terms

Each contract dictates the timing of billing and payments. Initial franchise, renewal, and transfer fees are due and typically paid when a franchise agreement is entered into and are nonrefundable. Royalties, technology fees, and other support fees are paid on a monthly basis based upon amounts defined within the franchise agreement. Franchise fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Refer to the Notes Receivable section for information about financing provided to franchisees. Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the consolidated balance sheet.

Merchandise revenue billings occur upon shipment and are either prepaid or are typically due within 30 days. For corporate services revenue, billing is handled by the national account and occurs when the services have been performed. Payment for goods and services performed by the Company is typically in the form of a prepayment or due within 30 days after an invoice is sent to the customer. The Company does not offer discounts if the customer pays some or all of an invoiced amount prior to the due date.

Determining and Allocating the Transaction Price

The transaction price of a contract is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. Transaction prices do not include amounts collected on behalf of third parties (e.g., sales taxes). For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in underlying contracts and that the agreements will not be canceled, renewed, or modified.

Most of the Company's contracts with customers have fixed transaction prices that are denominated in U.S. dollars and payable in cash; The Company's franchise agreements with franchisees have transaction prices that contain fixed and/or variable components. Variable consideration includes royalty revenue, as the transaction price is based on the franchisee's sales. The variable consideration is recognized based on the actual amounts incurred each month.

Costs to Obtain a Franchise Agreement

The Company typically incurs commission expenses or third-party broker and referral fees to obtain franchise agreements with franchisees. These charges are related to franchise fee revenue, which is recognized over time. As a result, these charges are capitalized as deferred expenses and are expensed over the term of the respective franchise agreement. For the years ended December 31, 2025, 2024, and 2023, the amounts expensed related to costs to obtain a franchise agreement were approximately \$199, \$206, and \$232, respectively.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Restricted Cash

Restricted cash represents amounts received from franchisees that are restricted for certain advertising activities.

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Company collectively evaluates trade receivables to determine the allowance for credit losses. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considers unemployment and consumer spending data when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

Notes Receivable

Notes receivable are issued upon the sale of a franchise or area franchise rights; in conjunction with the sale of equipment; or, in some cases, to refinance a franchise's overall obligations. Notes receivable are reported at original issue amount plus accrued interest, less principal repaid. Interest is recognized according to the terms of the specific notes. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the notes receivable. The Company collectively evaluates notes receivable to determine the allowance for credit losses. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considers unemployment and consumer spending data when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Notes are considered delinquent if the repayment terms are not met. For the years ended December 31, 2025, 2024, and 2023, notes receivable considered past due was \$67, \$128, and \$101, respectively.

Fair Value of Financial Instruments

Financial instruments consist of accounts receivable, notes receivable, accounts payable, and debt. The carrying amount of accounts receivable, accounts payable, and debt approximates fair value due to either the short maturity or the existence of variable interest rates that approximate prevailing market rates. The fair value of notes receivable is determined as the present value of future contractual cash flows discounted at an interest rate that reflects the risks inherent in those cash flows. The discount rates range from 4.0% to 12.0% and approximate rates currently observed in publicly traded debt markets for debt of similar terms to individuals with comparable credit risk. As of December 31, 2025, 2024, and 2023 the carrying value of notes receivable approximates fair value.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost determined on the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized but rather is assessed at least on an annual basis for impairment.

During 2024, management determined that the carrying amount of the Company exceeded fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of \$10,519 was recognized in 2024, which is included within operating expenses on the consolidated statement of operations. The impairment loss is attributable in part to deteriorating economic conditions impacting the Company and elimination of the TruckMount manufacturing; furthermore, strategic shifts undertaken by management to improve the overall health of the business, including ongoing efforts to reduce the overall size of its franchise network in order to resolve a host of franchisee-related matters of noncompliance, adversely impacted expected future cash inflows as well.

During 2023, management determined that the carrying amount of the Company exceeded fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of \$45,537 was recognized in 2023, which is included within operating expenses on the consolidated statement of operations. The impairment loss is attributable in part to deteriorating economic conditions impacting the Company, including rising interest rates and the overall cost of accessible debt necessary to fuel investment; furthermore, strategic shifts undertaken by management to improve the overall health of the business, including ongoing efforts to reduce the overall size of its franchise network in order to resolve a host of franchisee-related matters of noncompliance, adversely impacted expected future cash inflows as well. The remaining goodwill was determined not to be impaired, as the carrying value of the remaining company exceeded the fair value.

Intangible Assets

Intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable.

No impairment charge was recognized in 2025, 2024, or 2023.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Right-of-Use Assets and Lease Liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use (ROU) assets at lease inception, as follows:

- *ROU Assets* - The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
- *Lease Liabilities* - At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Company has elected to combine lease and non-lease components. In calculating the present value of lease payments, the Company elected to use the Prime Rate at the lease commencement date for property leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Other Accrued Liabilities

Other accrued liabilities are composed of invoice accruals, tax accruals, credit card payables, and other miscellaneous accrued liabilities.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for the years ended December 31, 2025, 2024, and 2023 was \$3,047, \$2,680, and \$3,027, respectively.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Income Taxes

The Company joins in filing a consolidated federal income tax return with its Parent. Current and deferred tax obligations or benefits are allocated to members of the consolidated group as if each were a separate taxpayer.

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. A valuation allowance is recognized if, based on the weight of the available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. No valuation allowance was recorded at December 31, 2025, 2024, or 2023.

The Company classifies interest and penalties associated with tax liabilities as income taxes in the accompanying consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including March 2, 2026, which is the date the consolidated financial statements were available to be issued.

On February 1, 2026, the Company terminated its current lease expiring in December 2026 and entered into a new lease agreement for property located in Logan, Utah. The lease term is 48 months commencing February 1, 2026, with required monthly payments of \$47 through January 31, 2030. The Company is evaluating the accounting impact of the lease under ASC 842. No amounts have been recognized in the accompanying financial statements related to this agreement as of December 31, 2025.

3. Adoption of New Accounting Pronouncement

As of January 1, 2023, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The ASU includes changes to the accounting and measurement of financial assets, including the Company's accounts receivable and notes receivable. The amendments in this ASU reflect an entity's current estimate of all expected credit losses using reasonable and supportable forecasts. The Company adopted the ASU using the modified retrospective method as of January 1, 2023. As a result of the accounting change, retained earnings as of January 1, 2023 decreased from \$1,452 to \$417.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

The following consolidated financial statement line items for fiscal years 2023 were affected by the change in accounting principle.

Consolidated Statement of Operations

Year ended December 31, 2023

	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Change
Net Revenue	\$ 31,072	\$ 31,072	\$ -
Cost of Revenue	9,613	9,613	-
Gross Profit	21,459	21,459	-
Operating Expenses, before impairment	19,371	20,604	1,233
Impairment of Goodwill	45,537	45,537	-
Operating Loss	(43,449)	(44,682)	(1,233)
Non-Operating Income	882	882	-
Loss, before income taxes	(42,567)	(43,800)	(1,233)
Less: income tax expense	(477)	(477)	-
Consolidated Net Loss	\$ (43,044)	\$ (44,277)	\$ (1,233)

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BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Consolidated Balance Sheet

December 31, 2023

	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Change
Current Assets			
Cash	\$ 3,701	\$ 3,701	\$ -
Restricted cash	781	781	-
Accounts receivable, net	2,841	2,338	(503)
Inventory	5,683	5,683	-
Notes receivable, current portion net of allowance	875	639	(236)
Prepaid expenses and other current assets	625	625	-
Total Current Assets	14,506	13,767	(739)
Right-of-Use Assets, Net	3,098	3,098	-
Property and Equipment, Net	2,220	2,220	-
Goodwill	10,519	10,519	-
Intangible Assets, Net	28,264	28,264	-
Other Assets			
Notes receivable, net of current portion and allowance	1,830	1,336	(494)
Amounts due from related parties	24,688	24,688	-
Deferred commissions	871	871	-
Other non-current assets	216	216	-
Total Assets	\$ 86,212	\$ 84,979	\$ (1,233)
Total Liabilities	\$ 14,596	\$ 14,596	\$ -
Stockholders' Equity	71,616	70,383	(1,233)
Total Liabilities and Stockholders' Equity	\$ 86,212	\$ 84,979	\$ (1,233)

4. Accounts Receivable

The following is the detail of accounts receivable:

December 31,	2025	2024	2023
Trade receivables	\$ 2,749	\$ 2,627	\$ 2,880
Other	223	979	431
Less: allowance for credit losses	(723)	(878)	(973)
Accounts Receivable, Net	\$ 2,249	\$ 2,728	\$ 2,338

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

The activity in the allowance for credit losses is as follows:

	2025		2024		2023*
Balance, January 1,	\$ 878	\$	973	\$	2,990
Additions charged to expense	130		508		634
Deductions (write-offs)	(285)		(603)		(2,651)
Balance, December 31,	\$ 723	\$	878	\$	973

* As disclosed in Note 3, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments in 2023*.

5. Inventory

Inventory consists of equipment, cleaning supplies, chemicals, and mixed cleaning solutions. Inventory, net of reserve, consists of the following:

<i>December 31,</i>	2025		2024		2023
Raw materials	\$ 515	\$	900	\$	1,797
Finished goods	7,221		7,773		3,886
Total	\$ 7,736	\$	8,673	\$	5,683

6. Notes Receivable

Notes receivable are as follows:

<i>December 31,</i>	2025		2024		2023
Amounts due from the sale of franchises and area franchise rights and refinanced obligations, due in monthly payments, with imputed interest from 4.0% to 12.0%, collateralized by the franchise, equipment, and personal guarantees	\$ 1,414	\$	2,428	\$	3,070
Amounts due from the sale of equipment to franchises, due in monthly payments, with imputed interest between 8.5% and 10.5%, collateralized by the equipment	112		157		20
Total Gross Notes Receivable	1,526		2,585		3,090
Less: allowance for credit losses	(724)		(1,214)		(1,115)
Less: current portion	(372)		(578)		(639)
Long-Term Portion	\$ 430	\$	793	\$	1,336

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

The activity in the allowance for credit losses is as follows:

	2025		2024		2023*
Balance, January 1,	\$ 1,214	\$	1,115	\$	1,746
Additions charged to (recovery) expense	(4)		358		292
Deductions (write-offs)	(486)		(259)		(923)
Balance, December 31,	\$ 724	\$	1,214	\$	1,115

* As disclosed in Note 3, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments in 2023*.

7. Property and Equipment

Property and equipment are summarized as follows:

December 31,

	2025		2024		2023	Depreciable Life (Years)
Machinery and equipment	\$ 870	\$	861	\$	844	5-7
Vehicles	354		276		222	6
Furniture and fixtures	172		191		191	7
Office and computer equipment	1,947		1,823		1,442	3-7
Leasehold Improvements	422		445		441	1-5
Construction in progress	677		488		1,005	-
Total Cost	4,442		4,084		4,145	
Less: accumulated depreciation	(3,033)		(2,409)		(1,925)	
Net Property and Equipment	\$ 1,409	\$	1,675	\$	2,220	

Depreciation expense for property and equipment totaled \$701, \$505, and \$591 for the years ended December 31, 2025, 2024, and 2023, respectively.

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BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

8. Intangible Assets and Goodwill

Intangible assets and goodwill of the Company are summarized as follows:

December 31,

	2025		2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized Intangible Assets						
Franchise agreements	\$ 32,215	\$ 16,107	\$ 32,215	\$ 13,629	\$ 32,215	\$ 11,151
Patented technology	7,682	7,088	7,685	5,994	7,600	4,886
Trade names	7,400	4,875	7,400	4,125	7,400	3,375
Internal software	1,700	1,700	1,700	1,700	1,818	1,766
Patents and trademarks	421	179	384	147	514	105
Total Amortized Intangible Assets	\$ 49,418	\$ 29,949	\$ 49,384	\$ 25,595	\$ 49,547	\$ 21,283
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ 10,519	\$ -

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BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

Amortization expense for intangible assets totaled \$4,355, \$4,380, and \$4,380 for the years ended December 31, 2025, 2024, and 2023, respectively.

Estimated amortization expense for intangible assets is as follows:

Year ending December 31,

2026	\$	3,809
2027		3,263
2028		2,992
2029		2,725
2030		2,722
Thereafter		3,958
Total	\$	19,469

9. Leases

The Company is obligated under operating leases primarily for facilities, expiring at various dates through December 2030, taking into consideration lease renewal options and termination provisions. The right-of-use asset and related lease liability have been calculated using discount rates ranging from 3.25% to 8.50%. Some of the leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense (presented in operating expenses) under these leases was approximately \$1,211, \$1,267, \$1,051 for the years ended December 31, 2025, 2024, and 2023, respectively. Total cash paid for operating leases, excluding any variable payments, was \$1,213, \$1,187, and \$1,172 for the years ended December 31, 2025, 2024, and 2023, respectively.

The weighted-average remaining lease term and weighted-average discount rate are as follows:

<i>Year ending December 31,</i>	2025	2024	2023
Weighted-average remaining lease term	28	23	38
Weighted-average discount rate	7.76%	7.95%	7.79%

Future minimum annual commitments under these operating leases are as follows:

Year ending December 31,

2026	\$	1,243
2027		125
2028		129
2029		133
2030		136
Total		1,766
Less: amount representing interest		(141)
Present Value of Net Minimum Lease Payments		1,625
Less: current obligations		(1,168)
Long-Term Obligations Under Operating Leases	\$	457

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

The Company subleases certain facilities. As of December 31, 2025, there are \$72 of sublease rentals to be received in future periods through 2026. Rental income (included in operating expense) under the sublease was \$420, \$403, and \$385 for the years ended December 31, 2025, 2024, and 2023, respectively.

10. Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows:

<i>December 31,</i>		2025		2024		2023
Current income tax expense	\$	1,634	\$	126	\$	212
Deferred income tax expense (recovery)		(1,733)		356		265
Total Income Tax Expense (Recovery)	\$	(99)	\$	482	\$	477

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate to income before taxes is as follows:

<i>December 31,</i>		2025		2024		2023
Provision for Income Taxes						
Income tax recovery, computed at 21% of pretax income	\$	(2)	\$	(2,220)	\$	(9,416)
Permanent differences		4		2,215		9,568
State income tax expense (recovery)		(96)		95		168
Return to provision		(5)		315		-
Other		-		77		157
Total Provision for Income Taxes	\$	(99)	\$	482	\$	477

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BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

The details of the net deferred tax assets (liabilities) are as follows:

<i>December 31,</i>	2025	2024	2023
Deferred Tax Assets			
Allowance for credit losses	\$ 341	\$ 500	\$ 531
Deferred revenue	508	895	1,259
Notes receivable	-	-	52
Interest limitation carryforward	807	813	1,029
Accrued liabilities	75	75	210
Lease liability	391	528	806
R&D capitalization	167	318	255
Inventory capitalization	498	-	494
Other	301	118	125
Gross Deferred Tax Assets	3,088	3,247	4,761
Deferred Tax Liabilities			
Intangibles	(4,457)	(5,613)	(6,836)
Inventory capitalization	-	(522)	-
Property and equipment	(37)	(138)	(244)
Prepaid expenses	(131)	(109)	(159)
Right-of-use asset	(353)	(488)	(788)
Gross Deferred Tax Liabilities	(4,978)	(6,870)	(8,027)
Net Deferred Tax Liabilities	\$ (1,890)	\$ (3,623)	\$ (3,266)

11. Common Stock

Common stock consists of 5,000 authorized shares of \$1 par value stock. As of December 31, 2025, 2024, and 2023, there were 5,000 shares issued and outstanding.

12. Contingencies

The Company is party to an agreement with an unrelated financial institution where the Company guarantees a portion of the losses resulting from equipment-related financing arrangements made between the financial institution and certain of the Company's franchisees. In the event of a default by a franchisee, the Company guarantees the financial institution's losses, including proceeds received from the sale of collateralized equipment as follows: 30% on equipment and between 30% and 100% on non-equipment. As of December 31, 2025, 2024, and 2023 the financial institution provided cumulative aggregate financing arrangements for certain of the Company's franchisees totaling approximately \$8,170, \$8,170, and \$8,170 with open financed amounts totaling approximately \$43, \$147, and \$849, respectively. Payments made under this guarantee during the years ended December 31, 2025, 2024, and 2023 were approximately \$0, \$3, and \$0, respectively, and the Company has recorded the estimated present value of this contingent liability as of December 31, 2025, 2024, and 2023 of approximately \$10, \$10, and \$13, respectively, which is included in accrued liabilities in the accompanying consolidated balance sheet.

BFG Holdco, Inc.

Notes to Consolidated Financial Statements (dollars in thousands)

13. Related Party Transactions

The following is a description of transactions between the Company and related parties:

Amounts Due from Related Parties

At December 31, 2025, 2024, and 2023, the Company had accounts receivable from Belfor USA Group, Inc. totaling \$34,825, \$27,667, and \$24,688, respectively, which relates to amounts advanced for working capital purposes and amounts due for expenses incurred by the Company on behalf of related parties.

Guarantee

The Company has guaranteed balances outstanding on the term loan and line of credit issued to Belfor Holdings, Inc. and other entities related through common ownership. In the event of a default by the affiliates, the Company could be obligated to repay the full amount outstanding on these loans. As of December 31, 2025, the affiliates' outstanding borrowings under the loans and the maximum potential future obligation under this guarantee totaled approximately \$1,364 and \$1,664, respectively. The term loan is payable through November 2030, and the line of credit expires in November 2028. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the affiliate; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

Guarantee of Performance

The Company is listed as the guarantor of performance within the franchise disclosure documents of various franchisors within Belfor Franchise Group, LLC. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the affiliate; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

14. Retirement Plans

The Company sponsors a 401(k) plan for substantially all employees. The plan provides for the Company to make a required matching contribution. The Company may also make additional discretionary contributions to the plan. Contributions to the plan totaled \$141, \$181, and \$212 for the years ended December 31, 2025, 2024, and 2023, respectively.

GUARANTEE OF PERFORMANCE

For value received, BFG Holdco, Inc., a Delaware corporation (the "Guarantor"), located at 5405 Data Cour, Ann Arbor, MI 48108, absolutely and unconditionally guarantees to assume the duties and obligations of Chem-Dry, Inc., NHance, Inc., 1-800 Water Damage International, LLC, Hoodz International, LLC, Ductz International, LLC, Patch Boys International, LLC, Plumberz International, LLC, Packoutz International, LLC, Safer Home Services International, LLC, Cool Binz International, LLC, Redbox+ International, LLC, JunkCo+ International, LLC, and Helpful Heroes International, LLC under their franchise registrations in each state where the franchises are registered, and under its Franchise Agreement identified in their Franchise Disclosure Documents issued March 30, 2026 (individually, each, a "Franchisor"), and as the Franchise Agreements may be entered into with all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding, notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor Executes this guarantee on March 30, 2026.

Guarantor:

BFG Holdco, Inc.



Janette Sims
Chief Financial Officer

**EXHIBIT E
TO THE DISCLOSURE DOCUMENT**

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**EXHIBIT F
TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES**

Primary Contact	Street 1	City	State/Province	Bus Phone
Sammy Dosch	422 Valley Rd.	Birmingham	AL	205-600-9817
David Phillips	1406 East Orange Grove Road	Tucson	AZ	520-445-2377
Mike Rozo	413 N 12th St.	Grover Beach	CA	805-473-9663
John R. Nicholas III	14061 Paradise Dr	Poway	CA	858-748-1734
Richard Nance	4228 Alta Campo Drice	Redding	CA	530-221-3275
William (Willie) Plaza	9820 Indiana Ave. Ste 17	Riverside	CA	951-772-1903
Jeffrey Overfield	2248 B Sierra Meadows Drive	Rocklin	CA	916-630-0160
Greg Overfield	38 B-2 Beta Court	San Ramon	CA	925-820-1019
Oleg Reut	27 W Easy St.	Simi Valley	CA	805-491-2930
Benjamin Vafai	12 Piedmont	Trabuco Canyon	CA	949-539-5053
Stephen Lane Pack	2187 Pineywoods St	Mead	CO	479-747-0050
Hedman, Doug	94 Seminary Rd.	Simsbury	CT	860-310-5919
T. Albert Hoffmann	500 Connor Boulevard	Bear	DE	302-750-5167
Cynthia Dawn Perry	263 Diamond Cv	Destin	FL	850-963-4131
Jason Vanasse	2420 Concorde Drive	Fort Myers	FL	920-475-3314
Cary S. Cosgrove	1827 Tierra Verde Drive	Jacksonville Beach	FL	904-220-9978
Patrick Hagerty	708 Commerce Way West	Jupiter	FL	(561) 267-3990
Freddy Torres	4404 Breeze Isle Lane	Kissimmee	FL	386-506-2480
Daniel Geier	13022 125th Avenue	Largo	FL	727-469-3109
Jason Griffis	4260 Dow Rd #405	Melbourne	FL	321-243-6054
Sandra Costantini	1345 Serrano Circle	Naples	FL	239-601-7702
Brandon Holcomb	Attn: Brandon Holcomb	Alpharetta	GA	470-253-8794
William Burns	109 Buckfield Drive	Rincon	GA	912-667-0287
Mark Evans	73-1295 Nawahie Loop	Kailua Kona	HI	808-769-1947
Shawn Ouchi	94-622 Kuaie Street	Mililani	HI	808-772-4211
Becca Labrador	6145 Corporal Lane	Boise	ID	208-392-1717
Tom Seeger	21338 Brandon Road	Kildeer	IL	847-404-3986
Kevin Jones	1601 Country Club Rd Ste A	Indianapolis	IN	317-273-8500
Surendra Kankariya	8215 Zionsville Road	Indianapolis	IN	317-222-1058

Primary Contact	Street 1	City	State/Province	Bus Phone
Mark Harris	8423 Hall St.	Lenexa	KS	913-514-2556
Kenneth Koger	3369 Main Street	Stamping Ground	KY	866-712-4484
Kevin Doran and Alex Sibley	18241 Weatherwood Drive	Baton Rouge	LA	225-910-4444
Patrick Grealley	16 Russell Trufant Rd	Carver	MA	781-561-5263
Seth Gaudreau	986 Middle Rd.	Clarksburg	MA	413-281-3296
Jeff Murray	769 Washington St	Haverhill	MA	978-228-0349
Kevan Bradley	47 Perkins Avenue, Apt. 1	Malden	MA	978-413-7917
John Dearing	14001 Greencroft Lane	Cockeysville	MD	443-338-3766
John David Schultz	2563 Armstrong Dr.	Lake Orion	MI	248-660-0343
Ada Selina Garrido	944 Newport Avenue	Shakopee	MN	952-564-7828
Jason Crabb	8815 Highway T	Wappapello	MO	573-776-4328
Erik Hess	307 Mary Ave.	Missoula	MT	406-544-5208
Ryan and Cassie Belling	2500 Jameson N.	Lincoln	NE	402-420-9027
Wayne & Judith Ryan	288 Knollwood Dr.	Forest City	NC	828-919-2879
Richard Reid, & Ty Falgout	106 S. Walnut Circle, Suite A	Greensboro	NC	336-645-3390
Tom Terrana	836 Hawk Ridge Drive	Mill Spring	NC	864-558-1000
Jasper Fowler	Attn: Jasper Fowler	Wilmington	NC	910-541-1633
Dillon McInerney	35 Heathcote Road	Glen Rock	NJ	551-655-5429
Surendra Kankariya	4 Cornwall Drive, Suite 220	East Brunswick	NJ	317-222-1058
Anthony Rizzo	9 Brookside Road	Succasunna	NJ	973-252-9663
Ronald and Lisa Markese	1889 Lakewood Rd Suite 1	Toms River	NJ	848-210-6675
Charles Schmidt	2312 Dietz Place Nw	Albuquerque	NM	505-672-8776
Danny and Christy Trussell	8023 Edith Blvd. NE	Albuquerque	NM	505-314-1997
Jeffrey Pierce	109 Angelo Street	Geneva	NY	585-694-9606
Joseph W. Shields	51 Sussex Lane	Lancaster	NY	716-391-0933
Ken Wang	220 Jericho Turnpike 1fl	Mineola	NY	917-378-1687
Ralph DeStefanis	1435 Erie St.	Utica	NY	315-738-1113
Trevor Kaftan	955 Route 376	Wappingers Falls	NY	845-849-2244
Mark D. Javorsky	301 S. Miami Ave	Cleves	OH	513-259-5133
Larry Pollock	6480 Fiesta Drive	Columbus	OH	614-315-4069
Paul Flickinger	4276 Sylvan Road	Wooster	OH	330-262-5135

Primary Contact	Street 1	City	State/Province	Bus Phone
Tim Tomlinson	Attn: Tim Tomlinson	Bixby	OK	918-645-3068
Bill Walker	841 Enterprise Dr	Central Point	OR	541-779-9663
Irie Caprice Searcy	3519 NE 15th Ave #586	Portland	OR	503-475-7342
Brock Brittain	7615 SW Salmon Ave.	Redmond	OR	541-317-9663
Nick Meyer	5247 Butler St.	Pittsburgh,	PA	412-932-9732
Kevin Cunningham	220 Linden St.	Scranton	PA	570-904-4800
Novel Kim	1798 Patricia Ave	Willow Grove	PA	267-410-1710
Andrew Ambler	30 Peregrine Dr	Hilton Head	SC	843-715-8420
Tim Judy	1509 Chastain Road	Johns Island	SC	321-243-6054
Lee Knigge	109 Railroad	Harrisburg	SD	605-906-5565
Stephen Taylor	942 Tom Osborne Rd	Columbia	TN	615-719-2674
Bryce and Denise Taylor	ATTN: Bryce and Denise Taylor	Austin	TX	512-909-4643
Oday Al Faouri	1021 Point Vista Road	Hickory Creek	TX	214-354-8857
Derek Griffith	697 Metro Park Circle	Lewisville	TX	469-287-5700
Daniel and Kerry Schmidt	2980 Puter Creek	Spring Branch	TX	214-680-9447
Jan Fredrik Bekkmo	1 Waterway Ave Apt. 1459	Woodlands	TX	346-298-4805
Behunin, Lonnie	2356 North 950 East	Cedar City	UT	801-406-1114
Monty Huntsman	681 N. 2525 W.	Layton	UT	801-399-9663
Brooke Gold	1870 S. 4200 W	Taylor	UT	801-499-9860
Thomas Winsor	148 West Industrial Drive	Washington	UT	435-525-4496
Greg Liszewski	427 White Oak Lane	Bluemont	VA	571-577-8602
Brian Curran	2361 B Greystone Court	Rockville	VA	804-283-4997
Evan Rice	7427 Lee Highway	Troutville	VA	540-375-6631
Chad Sutter	1421 24th St.	Anacortes	WA	360-722-2886
Mike Hawkins	1500 Industry St.	Everett	WA	877-868-9663
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace	2518 East Riverside Avenue	Spokane	WA	253-474-9663

**EXHIBIT G
TO THE DISCLOSURE DOCUMENT**

LIST OF FORMER FRANCHISEES

TERMINATIONS, NON-RENEWALS, CEASE OPERATIONS FOR OTHER REASONS

Franchisee	City	State	Contact #
Russell, Greg, Perkins, Weston, & Perkins, Luke	Flagstaff	AZ	928-923-5555
*Ross Mosbarger & Michele Nolan	Benicia	CA	707-751-0170
*Scott Sutton	Fontana	CA	909-578-6753
Jonathan Schoen	Novato	CA	415-897-1771
Richard Nance	Redding	CA	530-221-3275
T. Albert Hoffmann (PA territory)	Bear	DE	302-750-5167
*Andrew Hesser	Miami	FL	305-491-1222
*James Lafreniere	Pompano Beach	FL	305-491-3430
*Willie Diaz	Tampa	FL	813-898-2895
*Irma L. Ubizo-Poulsen	Winter Garden	FL	407-496-4776
*Jesse Klein	Ellsworth	IA	515-203-9420
Kevin Burton	Ozawkie	KS	785-484-3000
Ben Knipp	Fort Wayne	IN	260-341-6671
*Philip Miranda	Newton	NJ	973-862-5069
*Ken (Mengmeng) Wang	Manhasset	NY	917-378-1687
Albert Chin	Oakland Gardens	NY	917-831-2019
Thomas Fisher	Clyde	OH	419-366-9682
Tim Tomlinson	Bixby	OK	918-645-3068
*Chris Lamason	Mechanicsburg	PA	717-713-0237
*Bill Fuller	Pittsburgh	PA	412-378-4412
*Kenneth Aldrich	Englewood	TN	423-840-1974
Duan Coqui	Nashville	TN	931-548-4000
Bryce and Denise Taylor	Austin	TX	512-909-4643
Greg Liszewski	Bluemont	VA	571-577-8602
*Mark Donnelly	Merrifield	VA	703-345-3100
*Bernice Sherrod-Dumas	Virginia Beach	VA	757-995-1300
Dennis Pace, Adam Blake, Eric Cox & Jeffrey Pace (ID territory)	Spokane	WA	253-474-9663

***Some franchisees who terminated, had non-renewals or ceased operations operated multiple territories**

TRANSFERS

Franchisee/Transferee	City	ST	Contact #
*Tim Judy (FL territory)	Johns Island	SC	336-209-7560
*Patricia Senak	Ormond Beach	FL	586-764-1538
*Jason Freeman	Baton Rouge	LA	225-910-4444
Greg Russell	Washington	UT	435-525-4496

***Some franchisees who transferred operated multiple territories**

**EXHIBIT H
TO THE DISCLOSURE DOCUMENT**

STATE ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

ADDITIONAL DISCLOSURES FOR THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Franchise Disclosure Document, in connection with the offer and sale of franchises for use in the State of California, shall be amended to include the following:

1. The following is added to the Cover Page of the Disclosure Document:

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

OUR WEBSITE WWW.NHANCE.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, AND COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPL.CA.GOV.

2. The following statement is added to Item 3:

Neither Franchisor nor any other person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. The following statements are added to Item 17:

1. California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec.101 et seq.)
3. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The Franchise Agreement requires binding arbitration. The arbitration will occur in Ann Arbor, Michigan with the costs being borne equally by the parties.
6. Prospective franchisees are encouraged to consult private legal counsel to determine the

applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.

7. The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The Franchise Agreement requires application of the laws of the State of Michigan. This provision may not be enforceable under California law.

ADDITIONAL DISCLOSURES FOR THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ADDITIONAL DISCLOSURES FOR THE STATE OF ILLINOIS

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

ADDITIONAL DISCLOSURES FOR THE STATE OF MARYLAND

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Maryland. This also applies to non-residents of Maryland who will operate an N-Hance franchise in the State of Maryland.

1. Item 17 is amended to provide that:
 - a. The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
 - b. The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
 - c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
 - d. The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
2. You may request and we will provide, within a reasonable amount of time, an accounting of the advertising fund, including a summary of revenue and disbursements. Any such accounting will be strictly confidential.
3. Item 5 of the Disclosure Document shall be amended to state that Maryland has required us to provide a financial assurance. We have obtained a surety bond in the amount of \$63,995 to secure our obligations to you. A copy of the bond is on file with the Maryland Securities Division.
4. If the franchisee resides within or if the franchised business will be located within the State of Maryland, Exhibit I, Franchisee Disclosure Questionnaire may be completed, but should not be signed by the franchisee.
5. 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.

ADDITIONAL DISCLOSURES FOR THE STATE OF MINNESOTA

1. Minnesota Statute §80C14 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

2. Minnesota statute §80C14 provides: It shall be deemed unfair and inequitable for any person to:
- (A) Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the Franchisee at least 90 days in advance of termination or cancellation, and the recipient of a notice fails to correct the reasons stated for cancellation or termination within 60 days within receipt of the notice, except that the notice shall be effective immediately upon receipt where the alleged grounds are:
 - (i) Voluntary abandonment of the franchise relationship by the Franchisee;
 - (ii) The conviction of the Franchisee of an offense directly related to the business conducted pursuant to the franchise; or
 - (iii) Failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Franchisor's trade name, Trademark, service mark, logotype or other commercial symbol after the Franchisee has received written notice to cure of at least 24 hours in advance thereof;
 - (B) Terminate or cancel a franchise except for good cause. "Good cause" shall be failure by the Franchisee substantially to comply with reasonable requirements imposed upon him by the franchise including, but not limited to:
 - (i) The bankruptcy or insolvency of the Franchisee;
 - (ii) Assignment for the benefit of creditors or similar disposition of the assets of the franchise business;
 - (iii) Voluntary abandonment of the franchise business;
 - (iv) Conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or
 - (v) Any act by, or conduct of, the Franchisee which materially impairs the goodwill associated with the Franchisor's Trademark, trade name, service mark, logotype or other commercial symbol.
 - (C) Unless the failure to renew the franchise is for good cause as defined in clause (B), Franchisor may not fail to renew a franchise unless (i) the Franchisee has been given written notice of the intention not to renew at least 180 days in advance thereof and (ii) has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.
3. A franchisor may not unreasonably withhold consent to an assignment, transfer, or sale of the franchise where the assignee meets the present qualifications and standards required of other franchisees.
4. Item 13 is modified as follows: The Minnesota Department of Commerce requires that a Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Trademark infringes Trademark rights of the third party. The Company does

not indemnify against the consequences of the Franchisee's use of the Company's Trademark except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, the Franchisee must provide notice to the Company of any such claim within 10 days and tender the defense of the claim to the Company. If the Company accepts the tender of defense, the Company has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

5. Item 17 is amended to provide that you shall not be required to assent to a general release, and that liquidated damages are generally not permitted under Minnesota law.

6. 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 with the franchise.

ADDITIONAL DISCLOSURES FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud;

embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

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

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 earliest 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.

ADDITIONAL DISCLOSURES FOR THE STATE OF NORTH DAKOTA

1. The following statements are added to Item 17:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.

Arbitration proceedings may take place at a location mutually agreed between the parties that is not remote from your Territory.

You are not required to release any claims you might have against us under the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of the franchise agreements are generally not enforceable in the State of North Dakota, except in certain instances as provided by law.

ADDITIONAL DISCLOSURES FOR THE STATE OF RHODE ISLAND

1. The following statement is added to Item 17:

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

ADDITIONAL DISCLOSURES FOR THE STATE OF VIRGINIA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

1. The following is added to the Special Risks to Consider:

Spousal Liability. Your spouse may be asked to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

2. The following is added to Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

3. The proposed agreements described in Item 22, including all agreements that a franchisee must sign, are accurately presented in this Disclosure Document.

ADDITIONAL DISCLOSURES FOR THE STATE OF WISCONSIN

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Wisconsin.

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
2. The following applies to Franchise Agreements in the State of Wisconsin:
 - (a) The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the Act), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - (b) The Act's requirements that Franchisor must provide franchisee at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. This notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that franchisee has 60 days in which to cure any claimed deficiency. If the deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, franchisee will have 10 days to cure the deficiency.

EXHIBIT I
TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Nhance, Inc. and you are preparing to enter into a Franchise Agreement for the operation of an Nhance franchise. Please review each of the following questions carefully and provide honest responses to each question. Franchisees in the State of Washington should not sign this Questionnaire.

1. Have you received and personally reviewed the Nhance, Inc. Franchise Disclosure Document and each exhibit we provided to you? Yes _____ No_____
2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? Yes _____ No_____
3. Have you discussed operating a Nhance franchise with an attorney, accountant or other professional advisor? Yes _____ No_____
4. Do you understand the success or failure of your franchise will depend on many factors including your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace? Yes _____ No_____
5. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise regarding the amount of money you may earn in operating the Nhance franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes _____ No_____
6. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise concerning the total amount of revenue the Nhance franchise will generate that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes_____ No_____
7. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise regarding the costs involved in operating the Nhance franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes _____ No_____
8. Has any employee or other person speaking on behalf of Nhance, Inc. made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating an Nhance franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes _____ No_____
9. Has any employee or other person speaking on behalf of Nhance, Inc. made any

statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes____ No____

10. BELFOR Property Restoration locations or its Affiliates are under no obligation to send jobs or leads for jobs to you. Has any employee or other person speaking on behalf of NHance, Inc. made any statement or promise or agreement indicating you will receive jobs or leads for jobs from any BELFOR Restoration Company location or its Affiliates if you purchase this franchise? Yes _____ No_____
11. If you have answered “Yes” to any of the questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of the foregoing questions, please leave the following lines blank.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

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

Maryland sales/Maryland residents: The representations, acknowledgements and affirmations in this Exhibit are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act

Washington sales/Washington residents: This Franchisee Disclosure Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

FRANCHISE APPLICANT

Date: _____

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

Item 23
RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Nhance, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Nhance, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on **Exhibit A**.

The issuance date of this Franchise Disclosure Document is March 30, 2026.

NHance, Inc. authorizes the respective state agents identified on **Exhibit A** to receive service of process for it in the particular states.

The names, principal business address and telephone number of each franchise seller offering the franchise are _____,
having a principal business address of 5405 Data Court, Ann Arbor, Michigan 48108, and a telephone number of (800) 841-6583.

I received a Disclosure Document from NHance, Inc. dated as of March 30, 2026 that included the following Exhibits:

- | | | | |
|---|--|---|--|
| A | List of State Administrators and Agents for Service of Process | F | List of Franchisees |
| B | Franchise Agreement and other Agreements | G | List of Former Franchisees |
| C | Promissory Note | H | State Addenda to the Franchise Disclosure Document |
| D | Financial Statements and Guaranty Of Performance | I | Franchisee Disclosure Questionnaire |
| E | Table of Contents of Training Manual | | |

Date Received	Signature	Printed Name
---------------	-----------	--------------

Date Received	Signature	Printed Name
---------------	-----------	--------------

If Corporation or other entity - Name of entity: _____

Date	Signature of Officer	Printed Name and Title
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You should return one copy of the signed receipt by signing, dating, and emailing it to us at legal@belfrangroup.com, or mailing it to us at 5405 Data Court, Ann Arbor, MI 48108, attention Legal Administrator. You may keep the second copy for your records.