

# FRANCHISE DISCLOSURE DOCUMENT



Family Nest Franchise, LLC  
a Georgia limited liability company  
105 Towne Lake Parkway, Suite E  
Woodstock, Georgia 30188  
Phone: ~~(678) 503-7767~~ [766-3727](tel:766-3727)  
Email: [franchise@familynestestates.com](mailto:franchise@familynestestates.com)  
Website: <https://familynestestatesfamilynestfranchise.com>

Family Nest Franchise, LLC offers franchises for a business that provides comprehensive move-management and related services primarily to seniors moving from homes or apartments into assisted living facilities, nursing homes or other senior housing and who need assistance with: (a) selling a home and personal belongings; (b) packing furniture and other belongings; (c) identifying and coordinating with moving companies; and (d) setting up and moving into their new residence.

The total investment necessary to begin operation of a FAMILY NEST™ franchise is \$55,005 to \$118,600. This includes \$35,500 to \$58,700 that must be paid to the franchisor or 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 government 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 the franchisor at 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188 or by phone at ~~(678) 503-7767~~ [766-3727](tel:766-3727).

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 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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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: ~~June 17, 2025~~ [April 20, 2026 \(amended April 22, 2026\)](#)

## 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:

| QUESTION   | WHERE TO FIND INFORMATION   |
|--|---|
| <b>How much can I earn?</b>  | 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 EXHIBIT "E". |
| <b>How much will I need to invest?</b>   | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.  |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or EXHIBIT "F" includes financial statements. Review these statements carefully.  |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.  |
| <b>Will my business be the only FAMILY NEST™ business in my area?</b>                    | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.   |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.  |
| <b>What's it like to be a FAMILY NEST™ franchisee?</b>                                   | Item 20 or EXHIBIT "E" lists current and former franchisees. You can contact them to ask about their experiences.   |
| <b>What else should I know?</b>  | 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 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 risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.
2. **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.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Spousal Liability.** Your spouse must 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.
5. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

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 document 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 subfranchisor.
  - (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 (c).

- (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 offering 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  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

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

The franchise offered under this Disclosure Document is for a business that provides comprehensive move-management and related services under the FAMILY NEST™ name (a “Family Nest Business”). To simplify the language in this Disclosure Document, “you” means the person who buys the franchise for a Family Nest Business – the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company. “We,” “us” and “the Company” mean Family Nest Franchise, LLC – the franchisor.

### **Corporate Information**

Family Nest Franchise, LLC is a Georgia limited liability company that was organized on July 10, 2024. Our principal business address is 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188. Our telephone number is ~~(678) 503-7767~~ 770) 766-3727. Our agents for service of process are disclosed in EXHIBIT "A" (for franchise registration states) and EXHIBIT "B" (for other states). We do not do business under any names other than Family Nest Franchise, LLC.

### **Business History**

In 2024, our founders opened the first Family Nest Businesses in various markets within Connecticut, Florida, Georgia and Oklahoma. We began offering franchises for Family Nest Businesses in May of 2025. We are not engaged in any business other than offering franchises for Family Nest Businesses and administering the franchise system. We have never offered franchises in any other line of business. We have never directly owned and operated a Family Nest Business.

### **Predecessors, Parents and Affiliates**

We do not have any predecessors or parent companies.

Our affiliate Red Barn Homebuyers, LLC (“RBH”) has offered franchises for a RED BARN HOMEBUYERS® business (a “Red Barn Homebuyers Business”) since April 2022. A Red Barn Homebuyers Business is a real estate investment business that involves (a) purchasing, renovating and selling real properties (traditional “house flipping”) and/or (b) wholesaling real properties. RBH does not offer franchises in this or any other line of business. As of December 31, ~~2024~~ 2025, RBH has sold a total of ~~135~~ 183 franchises. RBH shares our principal business address. RBH has never owned or operated a Family Nest Business. We do not have any other affiliates that offer (or have ever offered) franchises in this or any other line of business.

Our affiliate, ~~Red Barn Realty Group LLC (“RB Realty”) is Georgia limited liability company that was organized on July 6, 2021.~~ RB Realty is a licensed real estate company involved with the marketing and sale of properties owned by clients of Family Nest Businesses. RB Realty does not sell products or services to franchisees but helps sell properties owned by their clients. RB Realty shares our principal business address. RB Realty has never operated a Family Nest Business.

Our affiliate, ~~Rock Springs Enterprises Inc. (“RS Enterprises”) offers financing for up to 85% of the Initial Fees (described in Item 5 of this Disclosure Document) you must pay us. The financing terms are discussed in Item 10 of this Disclosure Document. RS Enterprises’ principal business address is 12460 Crabapple Rd., Suite 202-377, Alpharetta, Georgia 30004. RS Enterprises has never operated a Family Nest Business.~~

Except for RB Realty and RS Enterprises, we do not have any affiliates that provide goods or services to or for the benefit of our franchisees.

### **Description of Franchised Business**

The franchised business offered under this Disclosure Document is for a Family Nest Business, which is a home-based business that provides comprehensive move-management and related services primarily to seniors moving from homes or apartments to assisted living or other senior housing. These services include any one or more of the following (collectively “Family Nest Services”):

- preparing the residence for sale (e.g., cleaning, decluttering, staging, minor repairs and renovations, etc.)
- advertising the residence for sale

- working with a licensed real estate broker (we strongly recommend RB Realty) to sell the property, or referring the property to a Red Barn Homebuyers Business (which may be you if you own a Red Barn Homebuyers Business) for purchase
- planning, coordinating and facilitating the sale of personal belongings via online auctions or estate sales
- packing furniture and belonging before loading onto the moving truck
- selecting moving companies and coordinating and managing the moving process
- unloading and setting up furniture, electronics and other belonging at the new residence
- assisting with the setup of utilities and other services
- identifying and organizing important or useful information pertaining to the new residence (e.g., utilities providers, emergency services, local places of worship, local dining options and other attractions, etc.)
- referring or introducing relevant senior service providers (e.g., social workers, estate planners, senior financial planners, senior placement agents, etc.) to clients who may be in need of their services

While most clients are seniors, you may provide Family Nest Services to non-seniors, families and to a lesser extent, businesses. You may also provide services to estate administrators and heirs of deceased individuals.

In order to generate a consistent flow of new clients, we strongly encourage you to establish referral relationships with hospitals, assisted living facilities, funeral homes, attorneys, financial planners, bank trust departments and other similar types of businesses or institutions that are in a position to refer clients in need of Family Nest Services (“Referral Sources”). You must focus your efforts on establishing relationships with Referral Sources that are located within your territory.

If we award you a franchise, you must sign the form of franchise agreement attached to this Disclosure Document as EXHIBIT "C" (the “Franchise Agreement”). We refer to the franchised business you purchase as your “Business” or your “Family Nest Business”. The Franchise Agreement grants you a license to use certain service marks, trademarks, trade names and logos, including FAMILY NEST™, FAMILY NEST ESTATE SOLUTIONS™ and the associated logos (collectively, the “Marks”). The Franchise Agreement also grants you a license to use our system that was developed for the operation of a Family Nest Business (the “System”). Our confidential Brand Standards Manual (the “Manual”) describes the operational aspects of a Family Nest Business. You will operate your Family Nest Business as an independent business using the Marks, the System, the information in the Manual, and the support, guidance and other methods and materials we provide.

### **Market and Competition**

Our target market includes seniors looking to downsize their residence or move to assisted living or other types of senior housing facilities, as well as trustees, estate administrators and heirs of deceased individuals. The industry is developing and becoming increasingly competitive. As a franchisee, you will compete with move-management companies and other businesses that facilitate estate sales, online auctions or other liquidation events. Our competitors include local independently-owned and operated businesses as well as regional or national chains. Some of our competitors operate under a franchise model. Sales are not seasonal.

### **Laws and Regulations**

You must comply with all federal, state and local laws applicable to your Family Nest Business, including any required licensure or other regulatory requirements. In some states, you may need to obtain a special license or register with the state in order to conduct online auctions. Some state laws may require you to purchase a surety bond or conduct background checks on your employees who will be in contact with seniors or other vulnerable persons. You may not sell or list properties for sale without a real estate license. There may be other local, state and/or federal laws or regulations that apply to your Family Nest Business. We strongly suggest you investigate these laws before buying this franchise.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Ken R. Corsini – Co-Chief Executive Officer~~President~~**

Ken R. Corsini has served as our: (a) Co-Chief Executive Officer from January 2026 to present; and (b) President since from July 2024 to January 2026. During the past 5 years, he has also held the following positions:

| Employer                   | Title  | Location             | Period of Time                                 |
|----------------------------|--|----------------------|--|
| Red Barn Homebuyers, LLC   | <del>President</del> <u>Co-Chief Executive Officer</u> | Woodstock, GA        | <del>Aug 2021</del> <u>Jan 2026</u> to present |
|                            | <u>President</u>                                       | <u>Woodstock, GA</u> | <u>Aug 2021 to Jan 2026</u>                    |
| Red Barn Realty Group, LLC | Chief Executive Officer                                | Woodstock, GA        | Dec 2022 to present                            |
| Red Capital, LLC           | Chief Executive Officer                                | Woodstock, GA        | Aug 2021 to present                            |
| Red Barn Construction, LLC | Chief Executive Officer                                | Woodstock, GA        | Aug 2011 to present                            |
| Capstone Capital, LLC      | Chief Executive Officer                                | Woodstock, GA        | Nov 2008 to present                            |

**Dr. Kevin D. Corsini – Co-Chief Executive Officer**

Dr. Kevin D. Corsini has served as our: ~~(a) Co-Chief Executive Officer since from January 2026 to present; and (b) Chief Executive Officer from July 2025 to January 2026.~~ 2024. During the past 5 years, he has also held the following positions:

| Employer                    | Title                             | Location             | Period of Time                                 |
|-----------------------------|-----------------------------------|----------------------|--|
| Red Barn Homebuyers, LLC    | <u>Co-Chief Executive Officer</u> | Woodstock, GA        | <del>Aug 2021</del> <u>Jan 2026</u> to present |
|                             | <u>Chief Executive Officer</u>    | <u>Woodstock, GA</u> | <u>Aug 2021 to Jan 2026</u>                    |
| San Diego Christian College | President                         | Santee, CA           | Sep 2019 to present                            |

**Kendra D'Eon – Vice President**

Kendra D'Eon has served as our Vice President since ~~July~~ April 2025 2024. During the past 5 years, she has also held the following positions:

| Employer                           | Title                              | Location                 | Period of Time                  |
|------------------------------------|------------------------------------|--------------------------|---------------------------------|
| Red Barn Homebuyers, LLC           | Vice president                     | Woodstock, GA            | Jun 2024 to present             |
|                                    | General Manager                    | Woodstock, GA            | Jan 2022 to Jun 2024            |
| Support U, LLC                     | Owner                              | Nottingham, NH           | Sep 2021 to present             |
| Beaupre Law                        | Client Service Coordinator         | Dover, NH                | Aug 2020 to Sep 2021            |
| <del>Victory Sports Medicine</del> | <del>Manager/Orthopedic Tech</del> | <del>Merrimack, NH</del> | <del>Jun 2010 to Sep 2020</del> |

**Michael Kovak – Consultant**

Michael Kovak has served as our: (a) Consultant from January 2026 to present; and (b) Director of Business Development

~~Michael Kovak has served as our Director of Business Development since July~~ from July 2024 to January 2026. 2024. During the past 5 years, he has also held the following positions:

| Employer                 | Title  | Location             | Period of Time                                 |
|--------------------------|--|----------------------|--|
| Red Barn Homebuyers, LLC | <del>Director</del> <u>Vice President</u> of <u>Business Franchise</u> Development | Woodstock, GA        | <del>Oct 2023</del> <u>Jan 2026</u> to present |
|                          | <u>Business Development/Coach</u>  | <u>Woodstock, GA</u> | <u>Oct 2023 to Jan 2026</u>                    |
| Movement Mortgage        | Loan Officer   | Kennesaw, GA         | Feb 2023 to Oct 2024                           |
| <u>Homestar Mortgage</u> | <u>Business Development &amp; Coaching</u>   | <u>Marietta, GA</u>  | <u>Mar 2021 to Feb 2023</u>                    |
| Fusion                   | Vice President & Owner   | Alpharetta, GA       | Jan 2005 to Dec 2021                           |

**ITEM 3 LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4 BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

## ITEM 5 INITIAL FEES

### Training, Coaching and Onboarding Fees

We charge various preopening fees (collectively, “Initial Fees”) for training, coaching and other onboarding services we provide. Initial Fees are uniformly imposed and nonrefundable. As discussed in Item 10, RS Enterprises offers an optional financing program that allows you to finance up to 85% of the Initial Fees. Any unfinanced portion of the Initial Fees is due when you sign the Franchise Agreement. You may also secure financing from an unaffiliated lender. The table below lists each Initial Fee and associated services:

| Service Provided  | Initial Fee*<br>(Veteran Discount) |
|---|------------------------------------|
| <u>Franchise Orientation</u> : Our orientation outlines our senior relocation services, addressing challenges, client needs, and empathetic care in an unregulated industry. It also identifies and addresses various stakeholder interests and needs. The mission is highlighted, and strategic resources are previewed.   | \$3,000<br>(\$2,700)               |
| <u>Business Setup &amp; Administration</u> : Business Setup training covers LLC formation, Federal EIN, banking, bookkeeping, royalties, and reporting processes. It includes training on Nest Central platform which provides the essential tools to operate your Business. You create a first-year business plan and budget, focusing on goals, funding, work preferences, and services.  | \$3,500<br>(\$3,150)               |
| <u>Marketing and Branding</u> : Equips you to build your senior relocation brand and develop a marketing strategy, aligning with our mission through consistent branding, printed materials, and SEO/local marketing. Both online strategies and networking through referral partnerships, and community events are taught in this unit.  | \$3,500<br>(\$3,150)               |
| <u>Software Setup and Operation</u> : Software training equips you with the essential software tools to operate your Business, focusing on digital tools for estate management, lead tracking, estimates, and invoices via the Nest Central platform. Training also covers the tools used for marketing campaigns and direct mail strategies, guiding users to set up and navigate the platform for efficient operations and business growth.   | \$3,500<br>(\$3,150)               |
| <u>Client Consultations &amp; Sales</u> : Teaches rapport-building with seniors, their children, and communities through active listening, trust-building, and tailored solutions. You learn to assess needs, determine appropriate services, offer referrals, navigate family dynamics, and handle sensitive situations with empathy. This unit covers service agreements, expectation management, and communication plans, supported by case studies.   | \$3,500<br>(\$3,150)               |
| <u>Estate Sales Services</u> : Teaches you to maximize estate sales through preparation (inventory, pricing, staging, decluttering), execution (signage, layouts, payments), and post-sale steps. It distinguishes estate sales from yard sales using pricing, photos and rehoming to increase revenue, while avoiding common pitfalls. It compares estate sales to online auctions, highlighting their community-driven nature and business potential.   | \$3,500<br>(\$3,150)               |
| <u>Senior Move Management</u> : Training equips you for personalized senior relocations, covering collaboration with stakeholders/families, tailored consultations and mover coordination. It focuses on strategic downsizing, organization and space planning with a “keep/donate/discard” process, using quality packing materials and a strategic labeling system. It emphasizes identifying key stakeholders, ensuring transparency, scheduling dynamics, and expectation-setting, while maintaining integrity and profitability with third-party vendors.                              | \$3,500<br>(\$3,150)               |
| <u>Growing Your Business &amp; Improving Profit</u> : Training focuses on profitability through efficient practices, teaching you to create SOPs for inventory, pricing, staging, hiring, and operations, by using the Family Nest CRM and Nest Central for estimates, invoicing and workflows. It covers local market pricing and calculators for healthy margins, with emphasis on efficient systems and processes.   | \$3,500<br>(\$3,150)               |
| <u>Financial Management</u> : Training helps you maintain fiscal health using Nest CRM for sales, reporting, and royalties, and QuickBooks for bookkeeping. It focuses on maximizing cash flow, monitoring revenue and expenses, and automating payment reminders. Attention is given to quarterly budget reviews and using data analytics to identify growth opportunities.  | \$3,500<br>(\$3,150)               |
| <u>Client Satisfaction &amp; Continuous Improvement</u> : Focuses on client satisfaction and professional service delivery through quality control, using checklists and feedback channels via client surveys, senior community input and franchisee case studies. It tracks KPIs for jobs completed, income, consultations, and close rates to measure success, emphasizing communication for client relationships. Actionable steps include monthly team meetings, post-service surveys, competitor monitoring, and incentives for Google Business reviews to maintain high satisfaction. | \$3,500<br>(\$3,150)               |
| Total   | \$34,500<br>(\$31,050)             |

### Veterans Discount\*

We discount each Initial Fee by 10% if the person holding a 50% or greater ownership interest in the franchised business is an honorably discharged veteran of the U.S. armed forces and provides a DD214 certificate. The Initial Fee listed in parenthesis is the discounted fee you pay us if you qualify for the veteran discount.

### Franchise Combo Discount

If you simultaneously purchase a franchise for a Family Nest Business and a Red Barn Homebuyers Business, you pay us and RBH a combined \$49,500 in Initial Fees, which covers both franchised businesses. If you already own and operate a Red Barn Homebuyers Business, and you purchase a FAMILY NEST™ franchise prior to December 31, 2025, then you pay us \$10,000 for the Initial Fees rather than \$34,500. The veterans discount and franchise combo discount may be combined.

Initial Fees are nonrefundable and uniformly imposed except for the discounts noted above.

### Territory Reservation Fee

If you wish to purchase a specific territory but need more time to secure financing, you may reserve the territory for up to 30 days by paying us a nonrefundable \$5,000 territory reservation fee and signing the Territory Reservation Agreement attached to this Disclosure Document as EXHIBIT "D"-5. We credit the \$5,000 territory reservation fee towards the Initial Fees imposed under the Franchise Agreement. If you do not sign a Franchise Agreement within 30 days after signing the Territory Reservation Agreement, we have the right to sell the territory to another franchisee. The territory reservation fee is nonrefundable (even if you do not sign a Franchise Agreement) and uniformly imposed.

### Pre-Opening Technology Fees

You pay us technology fees for the software, technology and related services we provide, including: (a) a one-time \$500 implementation fee for the setup and configuration of our proprietary FAMILY NEST™ Central technology platform (“Nest Central”); and (b) a \$200 monthly fee that covers:

- a license to use Nest Central (which includes all software used to operate the Business)
- the FAMILY NEST™ email account(s) we provide to you
- the local webpage we create for your Business (your “Webpage”) that is linked to our corporate website

The \$500 implementation fee is due when you sign the Franchise Agreement. The monthly fee commences the 1<sup>st</sup> day of the 1<sup>st</sup> month after you sign the Franchise Agreement. We expect franchisees will pay 1 to 2 monthly installments of the technology fee before opening (\$200 to \$400). The technology fee is uniformly imposed and nonrefundable, but is subject to change based on increased costs we incur or changes to our required software or technology (but will not exceed \$400 per month during the term of the Franchise Agreement).

### Territory Fee

You will receive a territory with a minimum population of 200,000. Most territories have a population ranging from 225,000 to 250,000, but larger territories may have a population of up to 350,000. If your territory’s population is 251,000 or more, you must pay us a territory fee calculated as \$200 for every population increment of 1,000 in excess of 250,000. For example, a territory with a population of 265,000 has 15 population “increments” of 1,000 in excess of 250,000, which requires a territory fee of \$3,000 (15 X \$200). The maximum territory fee is \$20,000, which would apply to a territory with a population of 350,000. The territory fee, if applicable, is determined as of the date we designate your territory. We do not charge you additional territory fees, or refund any previously paid territory fee, based on changes to the population in your territory during the term of your Franchise Agreement. We anticipate most franchisees will not incur a territory fee. The territory fee is uniformly imposed (based on the calculation above) and nonrefundable.

### Quarterly Event Fee

As part of initial training you must attend a quarterly event where we share best practices and other information relevant to a Family Nest Business. You must attend a quarterly event prior to opening or the first quarterly event that takes place after opening. We currently intend to conduct quarterly events in Tampa, Florida or Atlanta, Georgia, but we may conduct them at any other location we desire. You must pay us a registration fee

of \$300 per person to attend the quarterly event. The registration fee is uniformly imposed and nonrefundable.

### **ROFO Fee**

If you wish to purchase an adjacent territory but are not ready to commit to do so, you may purchase a right of first offer (“**ROFO**”) for the territory (a “**ROFO Territory**”) by paying us a nonrefundable \$3,000 ROFO fee and signing the ROFO Addendum attached to this Disclosure Document as EXHIBIT "D"-4. A separate ROFO fee is required for each ROFO Territory. If you purchase a ROFO, then for a period of 1 year after you sign the ROFO Addendum we will not sell the ROFO Territory to another franchisee without first offering you the right to purchase the ROFO Territory. You may also purchase the ROFO Territory at any time during the 1-year ROFO period even if there are no other interested buyers. The ROFO does not apply at any time you are in default. To exercise the ROFO you must follow the procedures in the ROFO Addendum, including signing our then-current form of Franchise Agreement and paying us Initial Fees for the ROFO Territory in a timely manner. We credit the \$3,000 ROFO fee towards the Initial Fees imposed under the Franchise Agreement. The ROFO fee is nonrefundable (even if you do not exercise the ROFO) and uniformly imposed.

### **ITEM 6 OTHER FEES**

| <b>TYPE OF FEE</b> <sup>1</sup> | <b>AMOUNT</b> <sup>2,3</sup>  | <b>DUE DATE</b>               | <b>REMARKS</b>  |
|---------------------------------|---|-------------------------------|---|
| Royalty Fee                     | Greater of (a) 4% of monthly Gross Sales or (b) the minimum monthly royalty fee | 10 <sup>th</sup> day of month | The “minimum royalty fee” is (a) \$0 for 1 <sup>st</sup> and 2 <sup>nd</sup> month after opening, (b) \$250 per month for 3 <sup>rd</sup> through 12 <sup>th</sup> month after opening and (c) \$400 per month for remainder of term. You must send us monthly Gross Sales reports.   |
| Brand Fund Fee                  | Greater of (a) 2% of monthly Gross Sales or (b) \$100 per month                 | Same as royalty fee           | We deposit this fee into a Brand Fund. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the brand fund fee.   |
| Training Fee                    | Up to \$500 per person per day<br>(plus Travel Expenses for onsite training)    | 10 days after invoice         | <del>Payable</del> <u>Imposed</u> <del>for each person who attends (a) refresher or supplemental training; initial training after you open (new Managing Owner or manager), (b) opening; repeat or remedial training; (c) refresher or supplemental training; or (d) additional training you request. You must also reimburse all Travel Expenses we incur to provide training onsite in your territory.</del>  |
| Coaching Fee                    | \$100 per hour  | 10 days after invoice         | We provide personal coaching to help you with your first 20 client projects. We may charge the hourly coaching fee if you request us to provide personal coaching for additional projects.  |
| Quarterly Event                 | Up to \$300 per person per quarterly event                                      | 10 days after invoice         | You must attend a quarterly event as part of initial training. You have the option to attend additional quarterly events.   |
| Conference Registration Fee     | Up to \$500 per person per conference   | 10 days after invoice         | We may hold conferences to discuss matters affecting franchisees. Attendance is mandatory unless <del>(a)</del> we designate attendance as optional or <del>(b) we</del> waive your obligation to attend <del>based on showing off</del> for good cause. If you fail to attend a required conference without a waiver, you must <u>still</u> pay the <del>conference</del> registration fee <del>despite your non-attendance</del> (we will send you a copy of <del>any written</del> materials distributed at the conference). |

| TYPE OF FEE <sup>1</sup>  | AMOUNT <sup>2,3</sup>   | DUE DATE   | REMARKS   |
|---------------------------|---|--|---|
| Technology Fee            | Up to \$400 per month (currently \$200 per month for Nest Central, Webpage & email accounts)        | 10 days after invoice or as we otherwise specify | Includes amounts you pay us or our affiliate for Technology Systems, including (a) amounts paid for proprietary items, (b) amounts we collect from you and remit to third-parties and (c) an administrative fee for managing the technology platform and negotiating/managing relationships with third-party licensors. It does not include amounts you pay to third parties. |
| Call Center Program       | Up to <del>\$1,000</del> 250 per month (not currently imposed)                                      | 10 days after invoice or as we otherwise specify | Imposed if we choose to administer a call center. If a third party administers the call center, you pay fees directly to the third-party provider unless we choose to collect the fees from you and remit them to the provider.   |
| Renewal Fee               | \$1,000   | At time you sign renewal agreement               | Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.  |
| Transfer Fee              | 50% of then-current standard (non-discounted) Initial Fees  | Before Transfer                                  | You pay the transfer fee for all Transfers other than Permitted Transfers. If our broker finds the buyer, you must also reimburse <del>us for</del> all commissions we pay the broker.  |
| Audit Fee                 | Actual cost of audit (including Travel Expenses for audit team)                                     | 10 days after invoice                            | Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Gross Sales by 3% or more.   |
| Late Fee                  | Lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law | 10 days after invoice                            | If our debit of your account is rejected or your check is returned for insufficient funds, we may charge (in addition to the late fee) an NSF fee of \$75 per incident. Default interest is limited to 10% per annum in California.   |
| Noncompliance fee         | Up to \$500 per incident  | Upon demand                                      | Imposed if you breach a mandatory standard or operating procedure (including submission of required reports) and fail to cure within the time period we require. We may impose an additional \$500 fee every 48 hours the breach remains uncured after we impose the initial fee.   |
| Default Reimbursements    | All costs we incur to cure your default   | 10 days after invoice                            | If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf and you must reimburse us for our costs (examples include failure to pay suppliers, maintain insurance or meet quality standards).   |
| Indemnification           | Amount of our damages, losses or expenses   | 10 days after invoice                            | You must indemnify us for losses and expenses we incur due to your operation of the Business or breach of the Franchise Agreement.  |
| Attorneys' Fees and Costs | Amount of attorneys' fees and costs we incur  | Upon demand                                      | You must reimburse <del>us for</del> all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement.  |

Notes:

- Nature and Manner of Payment:** All fees are imposed by and payable to us. All fees are nonrefundable and uniformly imposed. You must sign ~~an~~the ACH Authorization Form ~~(attached to the Franchise Agreement as ATTACHMENT "C")~~ permitting that permits us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than fees due less than 15 days after signing the Franchise Agreement). You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date.

2. **Definitions:** As used in this Disclosure Document, the following ~~capitalized~~ terms have the meanings ~~given to them~~ below:

“**Gross Sales**” means all gross sums collected from goods and services sold by your Business or that otherwise relate to your Business. Gross Sales excludes sales tax and client refunds. The Manual may include policies governing the calculation of Gross Sales relating to proceeds from the sale of gift cards.

“**Managing Owner**” means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Family Nest Business.

“**Permitted Transfer**” means a Transfer: (a) between existing owners; (b) by the owners to a new business entity that is 100% owned and controlled by the transferring owners; or (c) of less than a 20% ownership interest. It does not include a Transfer described in (a), (b) or (c) that results in the Managing Owner owning less than 10% of the franchised business.

“**Technology Systems**” means Nest Central and all other information and communication technology systems ~~that~~ we designate, including computer systems, point-of-sale systems, telecommunications systems, security systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, ~~software applications, mobile apps~~ and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“**Transfer**” means a transfer or assignment of: (a) the Franchise Agreement ~~(or an interest in the Franchise Agreement)~~; (b) your Business’s assets ~~(other than excluding~~ the sale of furniture, fixtures or equipment in the ordinary course); (c) an ownership interest in the ~~entity that is the~~ “franchisee”; entity; or (d) the franchised business you conduct under the Franchise Agreement.

“**Travel Expenses**” means all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your territory; or (b) by you or your personnel to attend training programs or conferences.

3. **CPI Adjustments:** All fees (and minimum fees) expressed as a fixed dollar amount are subject to adjustment based on changes to the ~~United States~~ Consumer Price Index in the United States (CPI). We may periodically review and increase these fees ~~based on changes up to the increase in the~~ CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before it goes into effect. We may implement no more than 1 fee adjustment during any 5-year period.

**ITEM 7 ESTIMATED INITIAL INVESTMENT**

| YOUR ESTIMATED INITIAL INVESTMENT     |                  |                   |   |                               |
|---------------------------------------|------------------|-------------------|---|-------------------------------|
| TYPE OF EXPENDITURE <sup>1</sup>      | AMOUNT           | METHOD OF PAYMENT | WHEN DUE                                | TO WHOM PAYMENT IS TO BE MADE |
| Initial Fees <sup>2</sup>             | \$34,500         | Lump sum          | At time you sign Franchise Agreement    | Us                            |
| Territory Fee <sup>3</sup>            | \$0 to \$20,000  | Lump sum          | At time you sign Franchise Agreement    | Us                            |
| ROFO Fee <sup>4</sup><br>(Optional)   | \$0 to \$3,000   | Lump sum          | At time you purchase ROFO               | Us                            |
| Quarterly Event Fee <sup>5</sup>      | \$300            | Lump sum          | Before or within 3 months after opening | Us                            |
| Quarterly Event Expenses <sup>6</sup> | \$800 to \$1,000 | As incurred       | During quarterly event                  | Hotel, restaurants & airline  |
| Vehicle <sup>7</sup>                  | \$0 to \$15,000  | As incurred       | Before opening                          | Suppliers                     |
| Technology Systems <sup>8</sup>       | \$70 to \$2,000  | Lump sum          | Before opening                          | Suppliers                     |
| Technology Fees <sup>9</sup>          | \$700 to \$900   | Monthly           | Before opening                          | Us                            |

| YOUR ESTIMATED INITIAL INVESTMENT             |                              |                   |                |                                      |
|---|------------------------------|-------------------|----------------|--------------------------------------|
| TYPE OF EXPENDITURE <sup>1</sup>              | AMOUNT                       | METHOD OF PAYMENT | WHEN DUE       | TO WHOM PAYMENT IS TO BE MADE        |
| Dedicated Website <sup>10</sup><br>(Optional) | \$0 to \$400                 | Monthly           | Before opening | Website developer                    |
| Home Office Supplies <sup>11</sup>            | \$100 to \$300               | As incurred       | Before Opening | Suppliers                            |
| Pre-Opening Advertising <sup>12</sup>         | \$2,000 to \$3,000           | Lump sum          | Before opening | Suppliers                            |
| Licenses & Bonding <sup>13</sup>              | \$35 to \$1,000              | Lump sum          | Before opening | Government agencies & surety company |
| Professional Fees <sup>14</sup>               | \$500 to \$3,000             | Lump sum          | Before opening | Lawyers & accountant                 |
| Insurance Premium<br>(3 months)               | \$1,000 to \$3,000           | Lump sum          | Before opening | Insurance company                    |
| Additional Funds <sup>15</sup><br>(3 months)  | \$15,000 to \$31,200         | As incurred       | As incurred    | Suppliers & employees                |
| <b>Total Initial Investment <sup>16</sup></b> | <b>\$55,005 to \$118,600</b> |                   |                |                                      |

Notes:

- Financing and Refunds:** As further discussed in Item 10, RS Enterprises offers financing for up to 85% of the Initial Fees. Neither we nor any of our affiliates offer direct or indirect financing for any other fees or purchases. None of the fees payable to us are refundable. We are ~~unaware~~not aware of any fees payable to third-party suppliers that are refundable.
- Initial Fees:** Item 5 includes a breakdown of the Initial Fees and a description of the associated services. The initial investment table assumes you choose not to finance the Initial Fees. If you sign a Territory Reservation Agreement, we credit the \$5,000 territory reservation fee towards the Initial Fees owed.
- Territory Fee:** The territory fee applies if your territory includes a population of 251,000 or more. The fee is calculated as \$200 for every population increment of 1,000 in excess of 250,000.
- ROFO Fee:** You may choose to purchase a ROFO for an adjacent territory for a \$3,000 ROFO fee.
- Quarterly Event Fee:** As part of initial training you must attend a quarterly event that occurs before you open or the first quarterly event after opening. We expect you to send 1 person to the event. If you send more than 1 person, you must pay us a separate \$300 registration fee for each person attending the event.
- Quarterly Event Expenses:** This estimates your expenses to send 1 person to one of our 3-day quarterly events. Your actual training expenses may vary depending on: (a) the number of people you send; (b) the distance they must travel; and (c) the level and quality of accommodations, travel and dining selected.
- Vehicle:** You must have access to a vehicle for purposes of visiting and meeting with clients at their homes. We do not have any standards or specifications for your vehicle. The low estimate assumes you already own a vehicle and the high estimate includes an estimated down payment for the purchase of a new vehicle plus taxes, license and registration fees.
- Technology Systems:** This includes your initial cost to purchase and set up your Technology Systems, which currently ~~consists~~consist of 1 computer (laptop or desktop), 1 printer and our required software. The low estimate assumes you already have a suitable computer system you will use for your Business.
- Technology Fees:** This estimate includes the total amount of technology fees paid prior to opening for the licenses covered by the technology fee (i.e., Nest Central, local Webpage hosting and email accounts), including a \$500 implementation fee and 1 to 2 payments of the monthly technology fee (\$200 per month).
- Dedicated Website:** In exchange for the technology fee, we develop and host a local Webpage for your Business that will be linked to our corporate website and include basic information about you and your Business. You also have the option (but not the obligation) to purchase a separate stand-alone website specifically customized for your Business and your local market (a "Dedicated Website"). If you elect to do

so, you must contract with a designated (or approved) website developer to design, host and update your Dedicated Website and provide SEO services. Our current designated supplier charges \$400 per month for these services. You may purchase a Dedicated Website at any time. The low estimate in the table assumes you do not purchase a Dedicated Website. The high estimate assumes you purchase a Dedicated Website 1 month prior to opening and includes your first monthly payment to the developer.

11. **Home Office Supplies:** The Business you will operate is a home-based business. We anticipate substantially all franchisees will operate from a home office. This estimate includes the cost for basic home office supplies including paper, pens, stapler, etc.
12. **Pre-Opening Advertising:** During the pre-opening period, we recommend (but do not require) that you spend at least \$2,000 on approved grand opening marketing and advertising expenditures.
13. **Licenses and Bonding:** This estimate includes the cost for a business license. The high-end estimate also includes the estimated cost to procure: (a) a license to conduct online auctions; and (b) a surety bond.
14. **Professional Fees:** This includes the estimated fees for professionals you may choose to hire in order to:
  - assist you in reviewing this Disclosure Document and negotiating your Franchise Agreement
  - advise you regarding local laws and regulations applicable to your Family Nest Business
  - form a business entity
  - set up your books, records and accounts
  - develop a business plan and budget for the development and operation of your Family Nest BusinessThese services are optional but highly recommended.
15. **Additional Funds:** This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), marketing and advertising expenses, technology fees (\$200 per month), gas and other miscellaneous expenses and required working capital. Your initial 3 months of insurance premium are separately stated in the table above. The low estimate assumes you will operate the Business yourself and will not hire employees during your initial period of operations. The high estimate assumes you purchase a Dedicated Website and includes 3 post-opening payments of the \$400 monthly fee. These figures are estimates based on: (a) the experience of our management team in developing, opening and operating company-owned Family Nest Businesses; and (b) the experience of Red Barn franchisees in developing, opening and operating a home-based business.
16. **Budget and Initial Investment Report:** We strongly recommend you hire an accountant, business advisor or other professional to help you prepare a budget for the development, opening and operation of your Business. Within 60 days after your opening date, you must send us a report, in the form we designate, listing the expenses you incur to develop and open your Family Nest Business. We may use this data to update the initial investment estimate in future versions of our Franchise Disclosure Document.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Source-Restricted Purchases and Leases - Generally**

You must purchase or lease certain source-restricted goods and services for the development and operation of your Business. "Source-restricted" means the good or service must meet our specifications or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and supplier list. We may notify you of changes to our specifications and suppliers by email notification, updates to the Manual or other means of communication.

### **Supplier Criteria**

Our criteria for evaluating suppliers include standards for: (a) quality, performance, design, appearance and price of the product or service; and (b) dependability, production capabilities, reputation and financial strength of the supplier. Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier or product, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing. If you wish to purchase or lease a source-restricted item from a non-approved supplier, you must send us: (a) a written request for

approval; (b) product samples for testing purposes; and (c) all additional information we request. The supplier must agree to comply with our minimum insurance, indemnification, [reporting](#) and confidentiality requirements for system suppliers and allow us to periodically inspect their facility. We notify you of our decision within 30 days after we receive all required information and product samples. We may periodically reinspect approved products and suppliers and revoke approval if ~~a product or supplier fails~~[they fail](#) to meet our then-current criteria. You do not pay us a fee or reimburse our expenses to review products or suppliers you propose.

### **Current Source-Restricted Purchases and Leases**

We estimate nearly 50% of the total purchases and leases to establish and operate a Family Nest Business consist of source-restricted goods or services, as further described below.

#### *Technology Systems*

Your Technology Systems (including hardware, software, equipment, software applications, mobile apps and similar items) must meet our standards and specifications. Certain Technology System components must be purchased from approved or designated suppliers. Other components may be purchased from any supplier of your choosing. We may require you to purchase certain services relating to the establishment, use, maintenance, monitoring, security or improvement of Technology Systems from approved or designated suppliers.

#### *Marketing Materials and Services*

All marketing materials must comply with our brand standards and other requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from us or other suppliers we designate or approve. We may require that you contract with and utilize a company we designate to: (a) develop and/or implement your grand opening marketing campaign; and/or (b) manage your social media.

#### *Dedicated Website*

You have the option to purchase a Dedicated Website for your Business. If you choose to do so, you must contract with a website developer we designate or approve. Your Dedicated Website must be consistent with our template website design and conform to all of our other standards, specifications and other requirements for a Dedicated Website. We will own your Dedicated Website's domain name and the associated URL.

#### *Insurance Policies*

You must obtain the minimum insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A- or better by AM Best, including the following:

| <b>Policy Type</b>                        | <b>Minimum Coverage</b>  |
|---|--|
| "All risk" Property Insurance             | Replacement Value  |
| Comprehensive General Liability Insurance | \$1,000,000 per occurrence and \$1,000,000 in the aggregate    |
| Professional Liability Insurance          | \$250,000 per occurrence and \$250,000 in the aggregate        |
| Automobile Liability Insurance            | \$1,000,000 per occurrence and \$1,000,000 in the aggregate    |
| Theft and Dishonesty Insurance            | \$25,000 per occurrence  |
| Bailee Customer Insurance                 | \$25,000 per occurrence  |
| Employer's Liability Insurance            | Greater of \$100,000 per occurrence or minimum required by law |
| Worker's Compensation Insurance           | As required by law   |

The required coverage and policies are subject to change. Each policy must be endorsed to: (a) name us and our owners, officers and directors as additional insureds; (b) waive all subrogation rights against us; and (c) provide us with 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

#### *Financing Services*

You have the option, but not the obligation, to contract with our affiliate, RS Enterprises, if you wish to finance the Initial Fees. Additional information about the financing terms is disclosed in Item 10 of this Disclosure Document. You are not required to contract with our affiliate. You may, at your option, use any other financial services company of your choosing.

## **Purchase Agreements**

We may attempt to negotiate purchase agreements with suppliers, including favorable pricing terms, for the benefit of franchisees. As of the date of this Disclosure Document, we have negotiated purchase agreements (including pricing terms) with Sherwin Williams and Home Depot for moving supplies, cleaning supplies and property renovation/improvement supplies and services (as needed). We may also purchase items in bulk and resell them to you at our cost plus a markup. Currently there are no purchasing cooperatives but we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

## **Franchisor Revenue from Source-Restricted Purchases**

We are currently the designated supplier: (a) the software, technology, email and local Webpage we provide in exchange for the monthly technology fee; and (b) the training and other onboarding services we provide in exchange for the Initial Fees. Our affiliate RS Enterprises offers optional financing services to franchisees. We may designate ourselves or an affiliate as an approved or designated supplier for other goods or services in the future. We and our affiliates may generate a profit from these purchases. No person affiliated with us is currently an approved (or the only approved) supplier. Our ~~President~~Co-Chief Executive Officer, Ken Corsini, owns an interest in RS Enterprises. There are no other approved or designated suppliers in which any of our officers own an interest.

We may receive rebates, payments or other material benefits from suppliers based on your purchases and leases. We have no obligation to pass these amounts through to you or use them in any particular manner. As of the date of this Disclosure Document, we receive the following rebates from suppliers:

- [Sherwin Williams pay us a rebate on purchases of incentive products made by franchisees that is calculated for each calendar year, as follows: \(a\) 4% of annual net sales up to \\$5,000,000; and \(b\) 5% of annual net sales in excess of \\$5,000,000](#)
- [Home Depot pays us an annual rebate equal to 2% of total purchases made by franchisees in excess of \\$1,000,000 during each calendar year \(no rebate is paid until total purchases for the year hit the \\$1,000,000 threshold\)](#)

During the fiscal year ended December 31, ~~2025~~2024, neither we nor any affiliate of ours generated any revenue as a result of franchisee purchases or leases.

## **ITEM 9 FRANCHISEE'S OBLIGATIONS**

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

| <b>OBLIGATION</b>  | <b>SECTIONS IN AGREEMENT</b>  | <b>DISCLOSURE DOCUMENT ITEM</b>  |
|--|---|----------------------------------|
| a. Site selection and acquisition/lease                        | Not Applicable  | Item 7 & Item 11                 |
| b. Pre-opening purchases/leases                                | 6.7, 11.6 & 15.1  | Item 5, Item 7, Item 8 & Item 11 |
| c. Site development and other pre-opening requirements         | 7   | Item 6, Item 7 & Item 11         |
| d. Initial and ongoing training                                | 5   | Item 6 & Item 11                 |
| e. Opening   | 7   | Item 11                          |
| f. Fees  | 4.2, 5.4, 5.6, 6.2, 6.5, <del>6.9</del> 6.9, 10.1, 11.6, 11.8, 11.9, 11.12, 13, 16 & 19.2 | Item 5 & Item 6                  |
| g. Compliance with standards and policies/<br>Operating Manual | 6.1, 10.3, 11 & 17.1  | Item 11                          |
| h. Trademarks and proprietary information                      | 17  | Item 13 & Item 14                |
| i. Restrictions on products/services offered                   | 11.2  | Item 16                          |
| j. Warranty and client service requirements                    | 11.11   | Not Applicable                   |

| OBLIGATION  | SECTIONS IN AGREEMENT     | DISCLOSURE DOCUMENT ITEM |
|---|---------------------------|--------------------------|
| k. Territorial development and sales quotas   | Not Applicable            | Item 12                  |
| l. Ongoing product/service purchases  | 11.6                      | Item 8                   |
| m. Maintenance, appearance and remodeling requirements  | 11.7                      | Item 11                  |
| n. Insurance  | 15.1                      | Item 7 & Item 8          |
| o. Advertising  | 10                        | Item 6, Item 7 & Item 11 |
| p. Indemnification  | 18                        | Item 6                   |
| q. Owner's participation/management/staffing  | 8                         | Item 11 & Item 15        |
| r. Records/reports  | 15.2 & 15.3               | Item 6                   |
| s. Inspections/audits   | 16                        | Item 6 & Item 11         |
| t. Transfer   | 19                        | Item 17                  |
| u. Renewal  | 4                         | Item 17                  |
| v. Post termination obligations   | 21                        | Item 17                  |
| w. Non-competition covenants  | 14                        | Item 17                  |
| x. Dispute resolution   | 22                        | Item 17                  |
| y. <del>Franchise</del> y. _____ Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses) | 9 & <u>ATTACHMENT "B"</u> | Item 15                  |

## ITEM 10 FINANCING

Our affiliate, RS Enterprises, offers financing for up to 85% of the Initial Fees. The term of the loan is 180 days. If you choose to finance the Initial Fees, you must sign the Promissory Note attached to this Disclosure Document as EXHIBIT "D"-3 (the "Note"). The interest rate is 12% per annum. However, RS Enterprises offers interest-free financing for up to 90 days. The Note requires you to pay 6 monthly installments of principal and (if applicable) interest during the 180-day term of the loan. There are no fees or finance charges imposed other than interest and, if applicable, a 10% late fee for any amounts not paid when due. RS Enterprises does not pay any consideration to us or any other affiliate relating to the financing.

The Note does not require you to provide any collateral as security for repayment. However, if the franchisee is an entity, all owners of the entity, and the spouse of each owner, must personally guarantee the Note in accordance with the ~~Franchise~~ Owner Agreement signed by the owner or spouse.

At any time you may prepay, without penalty, all or any part of the outstanding principal balance due under the Note. If you prepay the entire principal balance within 90 days after signing the Franchise Agreement, you will not be charged any interest. Otherwise, you will pay interest on the outstanding principal balance of the loan at a rate of 12% per annum, commencing the 91<sup>st</sup> day after you sign the Franchise Agreement, until paid in full.

You are required to repay the entire principal balance of the loan together with all accrued interest (if applicable) no later than 180 days after signing the Franchise Agreement. Your failure to make any payment under the Note when due is a material event of default. If you default:

- [the entire principal balance of the loan, together with all accrued interest and a late fee equal to 10% of the amount past due, becomes immediately due and payable](#)
- [RS Enterprises may pursue all legal remedies to collect amounts owed under the Note](#)
- [RS Enterprises may recover from you all costs it incurs to enforce the Note and collect amounts due, including attorneys' fees and collection agency fees](#)
- [we may terminate the Franchise Agreement](#)

The Note requires you to waive: (a) demand, diligence, grace, presentment for payment, protest, notice of nonpayment, nonperformance, extension, dishonor, maturity, protest and default; and (b) recourse to guaranty or

suretyship defenses (see §14 of the Note). RS Enterprises does not intend to sell or assign the Note.

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

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

Before you open your Family Nest Business, we will:

1. Provide access to our Manual which will help you develop and operate your Business. Upon request, we will allow you to review the Manual prior to signing the Franchise Agreement, but you must first sign a nondisclosure agreement. (§6.1 & 11.1)
2. Provide our written specifications for goods and services you must purchase to develop, equip and operate your Business and a list of suppliers. We do not deliver or install any items you purchase. (§11.1)
3. Develop and launch your local Webpage. (§6.7)
4. Provide you with a marketing plan for your Business. You must comply with any aspects of our marketing plan that we designate as mandatory. (§10.2)
5. Provide an initial training program, as discussed below under *Training Program*. (§5.1)

During the operation of your Family Nest Business, we will:

1. Provide our guidance and recommendations to improve the operation of your Business. (§6.4)
2. Provide periodic training programs, as discussed below under *Training Program*. (§5.2)
3. Provide quarterly events, as discussed below under *Training Program*. (§5.5)
4. License you the right to use Nest Central, as discussed below under *Computer System*. (§6.2)
5. Provide access to approved advertising ~~and marketing~~ materials, as discussed below under *Advertising*. (§10.2)
6. Maintain a corporate website to promote our brand, as discussed below under *Advertising*. (§6.7 & 10.3)
7. Provide access to various tools, resources and support, which we may change from time to time. (§6.3) The tools, resources and support we currently provide include the following:
  - Weekly Live Training Programs
  - Personalized Coaching
  - Use of Proprietary Nest Central
  - Done-For-You Marketing Program
  - Access to Lender(s)
  - National Material Discount Program
  - Estate Sale & Online Auction Support
  - Exclusive Financial Management System
  - National and Regional Member Events
8. Provide personal coaching and support for your first 20 client projects at no additional charge beyond the Initial Fees described in Item 5. Upon your request, we may, but need not, provide personal coaching and support for additional client projects at our hourly rate of \$100 per hour. (§6.5)
9. Establish and implement the Brand Fund, as discussed below under *Advertising*. (§10.1)
10. Provide our suggested retail pricing. You may deviate from our suggested pricing at your discretion. (§11.4)

During the operation of your Family Nest Business, we may, but need not:

1. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the management and operation of your Business. (§6.6)

2. Develop and administer a call center (either ourselves or through a third-party provider) ~~for any purposes we deem appropriate, such as answering to answer~~ client inquiries, ~~scheduling~~ schedule appointments ~~and routing, route~~ client leads to an appropriate Family Nest Business. ~~(or for any other purpose)~~. If we establish a call center program, you must participate and pay the associated fees. (§6.9)
3. Negotiate ~~purchases~~ supplier agreements ~~with suppliers~~ to obtain favorable pricing. ~~We may also purchase items in bulk and resell them to you at our cost plus shipping and a markup.~~ (§6.8)
4. Host periodic conferences to discuss relevant business and operational ~~issues such as industry changes or new services, products, technology or marketing strategies.~~ topics. (§5.6)
5. Create a franchise advisory council, as discussed below under *Advisory Council*. (§12)
6. Provide additional training or assistance you request, as discussed below under *Training Program*. (§5.2)

**Training Program** (§5)

*Initial Training Program*

We will provide a franchise management and operations training program (“Management Training”) for your Managing Owner (other owners may, but need not, attend Management Training) and manager (if you choose to hire a manager). These individuals must complete Management Training to our satisfaction before you open. You will be assigned an onboarding coordinator who will meet with you regularly throughout Management Training and onboarding process. The onboarding coordinator reviews and confirms that you have completed all required items in the onboarding process. The Management Training and onboarding process typically takes 4-6 weeks. ~~There is no specific period of time~~ You must successfully complete training within 180 days after signing ~~or before opening that training must be completed~~ the Franchise Agreement.

Management Training is conducted online. We reserve the right to require that franchisees attend Management Training “in-person” at a location we designate. The training materials include the Manual and various online resources. We do not charge you for training materials. We intend to offer Management Training on an “as needed” basis to meet franchisee demand. Management Training currently covers the following topics:

**TRAINING PROGRAM**

| SUBJECT  | HOURS OF CLASSROOM TRAINING | HOURS ON THE JOB TRAINING | LOCATION             |
|--|-----------------------------|---------------------------|----------------------|
| <del>Orientation and Operation</del> <u>Franchise Training</u> | <del>48.0</del>             | <del>221.0*</del>         | Remote/Online        |
| <u>Welcome</u>   | <u>0.1</u>                  | <u>0</u>                  | <u>Remote/Online</u> |
| <del>Business</del> -Administration                            | <del>40.5</del>             | <del>30</del>             | Remote/Online        |
| Marketing and Branding   | <u>0.5</u>                  | <u>40</u>                 | Remote/Online        |
| <del>Software Solutions</del> <u>Nest Central</u>              | <del>51.0</del>             | <u>40</u>                 | Remote/Online        |
| <del>Client Services</del> <u>Running Your Business</u>        | <del>71.0</del>             | <u>40</u>                 | Remote/Online        |
| Estate <del>Sales</del> <u>Sale Services</u>                   | <del>61.5</del>             | <u>40</u>                 | Remote/Online        |
| <u>Senior</u> Move Management                                  | <del>62.0</del>             | <u>40</u>                 | Remote/Online        |
| <del>Vendor Services</del> <u>Building a Support Team</u>      | <u>40.1</u>                 | <del>30</del>             | Remote/Online        |
| <del>Financial Management</del> <u>Building Your Business</u>  | <u>40.5</u>                 | <del>20</del>             | Remote/Online        |
| <u>In The Field</u>  | <u>0.5</u>                  | <u>12.0**</u>             | <u>Remote/Online</u> |
| <u>Live Weekly Calls</u>                                       | <u>22.0</u>                 | <u>0</u>                  | <u>Remote/Online</u> |
| Total  | <del>4537.7</del>           | <del>3033.0</del>         |                      |

\* ~~The on~~On-the-job ~~training~~“Franchise Training” refers to training conducted during ~~one of our~~a quarterly ~~events~~event. We intend to conduct quarterly events in Tampa, Florida or Atlanta, Georgia, but we may designate other locations in the future.

\*\* Includes 12 weekly mentoring sessions (1 hour per week) covering estate sales, senior communities and various brand partners and vendors.

### *Quarterly Events*

As part of initial training you must attend a quarterly event where we share best practices and other information relevant to a Family Nest Business. You must either attend (1) a quarterly event that takes place prior to opening or (2) the first quarterly event that takes place after opening. We currently intend to conduct quarterly events in Tampa, Florida or Atlanta, Georgia, but we may conduct them at any other location we desire.

### *Post-Opening Training Programs*

We may offer periodic refresher or supplemental training courses for your Managing Owner and managers. We may designate each course as mandatory or optional. Any new Managing Owner or manager you appoint or hire must successfully complete Management Training prior to managing your Business. If we inspect your Business and determine you are not operating in compliance with the Franchise Agreement or Manual, we may require that your Managing Owner and manager attend remedial training relevant to the operational deficiencies we observed. You may also request additional training, which we may (but need not) provide.

### *Instructors*

Our ~~primary instructor is Mike Kovak~~instructors are Phil Bell and Erin Buckner.

Phil Bell oversees the onboarding process for Family Nest franchisees, bringing decades of experience in leadership, education and business ownership. He provides training in all subject areas. Mike Kovak joined the Family Nest system in January 2026 as President and Partner following roles as an owner/operator in real estate and small business ventures. Prior to entering the private sector, Phil spent over 30 years as an educator with the District School Board of Pasco County where he developed extensive experience in training and development. His background in education, business operations and leadership supports his role in guiding new franchisees through onboarding and operational training.

Erin Buckner serves as an Onboarding Coordinator supporting franchisee training and onboarding under the direction of Phil Bell. While she does not have direct experience operating a Family Nest Business, she2024. He has served as experience as the Onboarding Coordinator within our Director of Business Development since April 2025. Heaffiliate, RBH, where she assists in guiding participants through the training program and has more than 10 years of executive level business experience. He alsoprofessional experience in management, training and real estate, which supports her role in delivering business and operational instruction. She has 25 years of experience serving as a in the industry within the areas of business mentormanagement, training and success coach for Red Barn Homebuyers franchiseesreal estate.

### *Training Fees and Costs*

Your Initial Fees cover our preopening Management Training program. You pay a conference registration fee of \$300 for each person attending a quarterly event. We may charge you a training fee of up to \$500 per person per day for each person who attends: (a) Management Training after you open; (b) remedial training; (c) additional training you request; or (d) refresher or supplemental training. You must also reimburse our Travel Expenses for onsite training or assistance (excluding preopening onsite training). You are responsible for all wages and Travel Expenses you and your trainees incur for training.

### **Site Selection and Development**

The RB Business is a home-based business. You do not operate from a separate office or dedicated retail space. You do not need our approval of the location of your home office.

### **Opening Requirements** (§7)

We expect most franchisees will open 1 to 2 months after signing the Franchise Agreement. Factors that may affect this time include: completion of training; hiring staff (if needed); obtaining insurance, permits and

business licenses; and complying with local laws and regulations.

### **Advertising** (§10)

You must participate at your own expense in all advertising, promotional and marketing programs we require. You are not required to participate in an advertising cooperative. There is currently no franchisee advertising council that advises us on marketing and advertising matters.

#### *Our Advertising Obligations*

We have no obligation to conduct advertising for the franchise system. However, we may periodically use the Brand Fund to create advertising and marketing materials for your use. We may: (a) use the Brand Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; or (c) contract with third-party suppliers to create advertising or marketing materials that you may purchase.

#### *Pre-Opening Advertising*

We recommend you spend at least \$2,000 on pre-opening marketing activities. We may require that you contract with a marketing company we designate to design and implement a customized grand opening marketing plan.

#### *Post-Opening Advertising*

After opening we strongly recommend (but do not require) that you spend the following minimum amounts on local advertising to promote your Business: (a) \$400 per month during the initial 6-month period after your opening date; and (b) \$100 per month for the remainder of the term. You may develop your own advertising and marketing materials and programs but we must approve them prior to use. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved.

#### *Websites, Social Media and Digital Advertising*

We maintain a corporate website to promote our brand. We will also create and host a local Webpage that will list basic information about your Business. We can modify or discontinue our website and/or your Webpage at any time. You also have the option, but not the obligation, to purchase a stand-alone Dedicated Website customized for your Business and local market. We may require you to discontinue your Dedicated Website upon 30 days' notice. Except for the Webpage and Dedicated Website, you may not: (a) develop, host, or otherwise maintain a website (or other digital presence) bearing our Marks; (b) ~~utilize the Internet to~~ conduct digital or online advertising; or (c) engage in ecommerce. However, we do permit you to market your Business through approved social media channels, subject to the following requirements:

- you may only conduct social media utilizing social media platforms we approve
- you must strictly comply with our social media policy, as revised from time to time
- you must immediately remove any post we disapprove
- we may require that you contract with and utilize a social media company we designate
- you must provide us with full administrator rights to your social media accounts
- we must retain ownership of all social media accounts relating to your Family Nest Business

#### *Brand and System Development Fund*

We will establish and administer a Brand Fund to promote public awareness of our brand and improve our System. We did not administer a Brand Fund as of December 31, ~~2025~~2024. However, we intend to establish the Brand Fund effective as of the opening date of our first franchisee. We may use the Brand Fund to pay for any of the following:

- developing, distributing or administering advertising and marketing materials and programs
- conducting and administering promotions, contests or giveaways
- public and consumer relations and publicity
- brand development

- sponsorships and charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization
- development, maintenance and promotion of an ecommerce platform
- development and implementation of quality control programs
- conducting market research
- reimbursing us for costs we incur to host franchisee conferences
- changes and improvements to the System
- fees and expenses charged by advertising agencies we engage to provide marketing services
- collecting and accounting for brand fund fees and preparing financial accountings of the Brand Fund
- any other programs or activities we deem appropriate to promote or improve the System
- reimbursing us for administrative, overhead and other expenses we incur to administer the Brand Fund, including compensation paid to our personnel for time spent working on Brand Fund matters

We direct and have complete control over all advertising programs paid for by the Brand Fund including the creative concepts, content, materials, endorsements, frequency, placement and media used. Currently, most advertising is intended to be local or regional in coverage. We expect most advertising will be digital, but we may use any media we deem appropriate. The Brand Fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as “franchises available” and one or more pages on our website may promote the franchise opportunity.

You must pay a monthly brand fund fee equal to the greater of 2% of Gross Sales or \$100. Company-owned Family Nest Businesses contribute to the Brand Fund on the same basis as franchisees. However, if we modify the amount or timing of required contributions, any company-owned Family Nest Business established or acquired after the modification may contribute to the Brand Fund utilizing the modified amount or timing. All monies deposited into the Brand Fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies may be invested and we may lend money if there is a deficit. An unaudited financial accounting of Brand Fund contributions and expenditures will be prepared annually and made available to you upon request. During the fiscal year ended December 31, ~~2025~~2024 we did not collect or spend any monies from the Brand Fund.

The Brand Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Brand Fund. Once established, we may discontinue the Brand Fund on 30 days’ notice.

**Advisory Council** (§12)

We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations or new products or services. We would consider suggestions in good faith, but would not be bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to communicate with us on matters raised by the council. You would have the right to be a member of the council as long as you comply with your Franchise Agreement and do not act in a disruptive or abusive manner. As a member, you would be entitled to all voting rights and privileges granted to other council members. Any company-owned Family Nest Business would also be a member of the council. Each member would be granted 1 vote on all matters on which members are authorized to vote. We would have the power to form, change or dissolve the advisory council in our discretion.

**Computer System** (§11.6, 11.7, ~~11.8, 11.9~~11.8, 15.3 & 16.1)

You must purchase and use all Technology Systems we designate. One component of our Technology Systems is your “computer system”, which consists of 1 computer (either laptop or desktop) with printer and Nest Central. We may change the required Technology Systems from time to time, including your computer system.

### *How Computer System Is Used*

The computer system will generally be used to manage and operate your Business. Nest Central is used to conduct online auctions, process and record sales transactions, perform financial management functions, prepare reports, establish prices for items offered for sale, and manage communications with clients and vendors.

We will provide you with one or more email addresses for use with your Business. You must exclusively use the email address(es) we provide for all communications with us, clients, suppliers and other persons relating to your Business. You may not use them for any purpose unrelated to your Business. We own the email addresses and accounts but allow you to use them during the term of your Franchise Agreement.

### *Fees and Costs*

We estimate the initial cost of your computer system will range from \$70 to \$2,000. The low estimate assumes you already have a suitable computer. As further detailed in Item 6, you must pay us a technology fee for certain software, technology and related services that we provide. As of the issuance date of this Disclosure Document, we charge: (a) a \$200 monthly fee (\$2,400 per year); which we may increase up to \$400 per month; and (b) a one-time \$500 implementation fee. The monthly technology fee covers your license fees for Nest Central. It also covers the costs for your email account(s) and ongoing hosting, maintenance and updates to your local Webpage. We also provide certain technology support in exchange for the Initial Fees described in Item 5.

### *Maintenance, Support, Updates and Upgrades*

We are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system. In exchange for the \$200 monthly technology fee, we will provide (or cause a third-party to provide) all required maintenance, support and updates for Nest Central. Neither we nor any other party has any further obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system.

### *Collection and Sharing of Data*

Your computer system will collect various operational data, including: sales data; data regarding client leads; client names and contact information; scheduling data; project management data; client/vendor communications data; and data on properties and belongings offered for sale, including itemization of properties sold and prices received. We will have independent unlimited access to the data collected on your computer system and there are no contractual limits imposed on our access.

### *Computer System Maintenance and Changes*

You must maintain the computer system in good condition at your cost. We may require that you upgrade, update or otherwise change your computer system and other Technology Systems to conform to our then-current specifications. There is no contractual limitation on the frequency or cost of these updates, upgrades or changes.

## **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.

### **Location of Your Business**

The Franchise Agreement grants you the right to operate your Business solely within the territory we designate. We expect all (or substantially all) franchisees will operate their Family Nest Business from a home office. There are no restrictions on the location of your home office or your ability to relocate your home office.

### **Description of Your Territory**

We will grant you a territory with a minimum population of 200,000. Most territories include populations ranging from 225,000 to 250,000. Some territories may be larger, with a maximum population of 350,000. You pay us the territory fee described in Item 5 if your territory has a population equal to or greater than 251,000.

We designate the boundaries of your territory in Part D of ATTACHMENT "A" to the Franchise Agreement. Most territories are defined by reference to designated zip codes. However, we may designate the boundaries of your territory in any manner we deem appropriate (as long as it includes a population of at least 200,000). We use current census data from the U.S. Census Bureau to determine the population in an area, but reserve the right

to use alternative demographic software, databases or other data repositories in the future.

The population determination is made at the time we designate your territory. We have no obligation to modify your territory based on population changes that occur during the term of your Franchise Agreement. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria. You do not have the right to relocate to a new territory.

### **Exclusive Marketing Rights**

You will receive exclusive marketing rights to your territory, meaning we will not conduct, or authorize any other Family Nest Business to conduct, Targeted Marketing within your territory. “Targeted Marketing” is any advertising or marketing directed into a specific territory for the primary purpose of soliciting clients or Referral Sources. Examples include:

- direct mail that is intended to be distributed to addresses located in a given territory
- telephone calls made to persons or businesses known to reside or be located in a given territory
- television or radio advertising intended to be published or played in a given territory
- advertising in a newspaper or magazine distributed to subscribers who reside in a given territory
- social media marketing intended to be delivered to computers, smart phones or other digital devices in a given territory
- direct face-to-face marketing conducted from any physical location in a given territory, such as being an exhibitor at an expo that takes place in the territory

Marketing and advertising that is distributed, circulated or received in both the territory of the person conducting the advertising and a territory assigned to another Family Nest Business is not “Targeted Marketing” if: (a) the person conducting the advertising uses reasonable efforts to limit circulation or distribution of the advertising to areas within that person’s territory; and (b) most recipients of the advertising are located in the territory of the person conducting the advertising and there is only incidental circulation or distribution outside that person’s territory. Targeted Marketing does not include any marketing or advertising we conduct as part of our administration of the Brand Fund or other system-wide marketing or advertising efforts. The meaning of “Targeted Marketing” that is “directed into a territory” may be further defined in the Manual.

While you have exclusive marketing rights, other Family Nest Businesses may service clients who reside in your territory and/or help clients move from or into residences located in your territory as long as they do not obtain those clients as a result of Targeted Marketing directed into your territory.

### **Alternative Channels of Distribution**

We do not reserve the right to sell competitive goods or services under the Marks or different trademarks in your territory using alternative channels of distribution such as the Internet or through catalogs or telemarketing.

### **Restrictions on Sales and Marketing Activities**

Except as otherwise provided below, there are no restrictions on your right to solicit or accept clients from outside your territory:

#### *A. Marketing and Advertising*

You can market and advertise outside your territory as long as: (a) you comply with all policies and procedures in the Manual governing extra-territorial marketing and minimum advertised pricing; and (b) you do not engage in Targeted Marketing directed into a territory assigned to another Family Nest Business.

#### *B. Expansion Territory*

You may engage in Targeted Marketing to solicit clients and Referral Sources within areas outside your territory (an “Expansion Territory”) provided that each of the following conditions is met:

- the Expansion Territory is adjacent to your territory
- no part of the Expansion Territory is included within a territory assigned to another Family Nest Business

- you are reasonably capable of consistently providing Family Nest Services to clients in the Expansion Territory in accordance with our standards, policies and procedures

You have no territorial rights or protections whatsoever with respect to an Expansion Territory. We may revoke your authorization to conduct Targeted Marketing within an Expansion Territory at any time for any reason. If we revoke our authorization you must: (a) immediately discontinue directing Targeted Marketing into the Expansion Territory; and (b) upon request, transition clients who reside, and Referral Sources that are located, in the Expansion Territory either to us or to another Family Nest Business that we designate.

*C. Alternative Channels of Distribution*

You can promote your Business, and advertise property offered for sale on behalf of your clients, outside your territory using social media (which must be compliant with our social media policy) and your Webpage and Dedicated Website (if applicable). You may conduct online auctions that allow persons from any location (including within another franchisee’s territory) to bid upon and purchase property being auctioned for sale. Without our prior written approval, you may not use any other alternative channels of distribution to solicit clients or Referral Sources outside your territory.

*D. Operations Within Territories Assigned to Other Family Nest Businesses*

You may service clients who reside in a territory assigned to another Family Nest Business, and help clients move from or into residences located in a territory assigned to another Family Nest Business, as long as you do not obtain those clients as a result of Targeted Marketing directed into a territory assigned to another Family Nest Business.

**Minimum Performance Requirements**

Your exclusive marketing rights for your territory do not depend on achieving a certain sales volume, market penetration or other contingency.

**Additional Franchises and Territories**

We do not grant options, rights of first refusal or similar rights to acquire additional territories or franchises except as otherwise discussed below.


If you wish to purchase an adjacent territory that is not assigned to another Family Nest Business, but are not ready to commit to do so, you may purchase a ROFO for the territory by paying us a \$3,000 ROFO fee and signing a ROFO Addendum. If you purchase a ROFO, we will not sell the territory to another franchisee for a period of 1 year unless we offer you the first right to purchase the territory yourself. You also have an option to purchase the territory at any time during the 1-year ROFO period. In order to exercise the ROFO, you must comply with the steps described in Item 5 of this Disclosure Document.


**Competing Businesses Under Different Marks**

~~Currently, neither~~ Neither we nor ~~any affiliate of ours intends~~ our affiliates currently intend to operate or franchise another business under a different trademark that sells products or services similar to ~~the products or services offered~~ those sold by a Family Nest Business. ~~However, but~~ we reserve the right to do so ~~in the future~~.

**ITEM 13 TRADEMARKS**

Our affiliate, Family Nest Holdings, LLC (“FN Holdings”) registered the following Marks with the United States Patent and Trademark Office (USPTO):

| REGISTERED MARKS  |                     |                                  |                                      |
|---|---------------------|----------------------------------|--------------------------------------|
| Mark  | Registration Number | Registration Date (Renewal Date) | Register (Principal or Supplemental) |
| FAMILY NEST   | 7835289             | June 17, 2025                    | Principal                            |
|  | 7835288             | June 17, 2025                    | Principal                            |

| REGISTERED MARKS  |                     |                                     |   |
|---|---------------------|-------------------------------------|---|
| Mark  | Registration Number | Registration Date<br>(Renewal Date) | Register<br>(Principal or Supplemental) |
|  | 7835290             | June 17, 2025                       | Principal                               |
| FAMILY NEST ESTATE<br>SOLUTIONS   | 7934482             | September 9, 2025                   | Principal                               |

All required affidavits have been filed and FN Holdings intends to file all renewals by the required renewal date.

We may change the trademarks you may use from time to time, including by discontinuing use of the Marks listed in Item 13. If this happens, you must change to the new trademark at your expense.

You must notify us immediately if you discover an infringing use (or challenge to your use) of the Marks. We will take the action we deem appropriate. We are not required to take any action if we do not feel it is warranted. You may not control any proceeding or litigation involving our Marks.

The Franchise Agreement does not require that we: (a) protect your right to use the Marks; (b) protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (c) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our Marks or if the proceeding is resolved in a manner unfavorable to you.

There are currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation matters involving any of the Marks; or (d) infringing uses we are aware of that could materially affect your use of the Marks.

We and FN Holdings signed a License Agreement (as subsequently amended, the “License Agreement”) on June 3, 2025 (with an effective date as of October 25, 2024). Under the terms of the License Agreement, FN Holdings granted us a perpetual, paid-up, royalty-free license to use the Marks throughout the United States in the Family Nest System and to sublicense the Marks to our franchisees. FN Holdings is permitted to terminate the License Agreement only if: (a) we declare bankruptcy or become insolvent; (b) we and FN Holdings mutually agree to terminate the License Agreement; (c) we breach FN Holdings’ quality control standards and fail to cure the breach; or (d) we undergo a change in control or restructuring. If the License Agreement ~~is terminated, the agreement states that~~terminates, all sublicenses granted ~~by us to our franchisees will continue prior to the termination date remain~~ in ~~full force and effect until the expiration or termination of the applicable franchise agreement expires or terminates. No other.~~full force and effect until the expiration or termination of the applicable franchise agreement expires or terminates. No other. ~~Except as discussed above, no~~ agreements limit our right to use or sublicense the ~~use of the~~ Marks.

#### ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

Although we have not filed an application for copyright registration for our Manual, website or marketing materials, we do claim a copyright to these items.

During the term of the Franchise Agreement, we allow you to use certain confidential and proprietary information (some of which constitute “trade secrets”) relating to the development, marketing and operation of a Family Nest Business. Examples include:

- methods, techniques, policies, procedures, standards and specifications
- supplier lists, client lists and information regarding suppliers and clients
- marketing and merchandising strategies
- information comprising the System

We own all ideas, improvements, inventions, marketing materials and other concepts you develop relating to a Family Nest Business. We also own all operational and client data pertaining to your Business. You must treat

this data as confidential and proprietary. We license you the right to use this data during the term of your Franchise Agreement. You must comply with all applicable data protection laws and our data processing and data privacy policies in the Manual.

We provide access to our confidential information through the Manual, training programs and other periodic support and guidance. You may only use this information ~~solely for purposes of developing, marketing to develop~~ and ~~operating/operate~~ your Business ~~in compliance with the Franchise Agreement and Manual~~. All information in the Manual is confidential. You may not disclose our confidential information to anyone other than your employees, on a need-to-know basis, without our prior permission. All your employees and representatives must sign the Confidentiality Agreement attached to the Franchise Agreement ~~as ATTACHMENT "D"~~ before you give them access to our confidential information. Without our approval, you may not enter our confidential or proprietary information into public/open AI models or other AI models that use such information to train the AI.

You must promptly notify us if you discover an unauthorized use of our proprietary information or copyrighted materials. We are not required to act, but will respond as we deem appropriate. You may not control any proceeding or litigation involving allegations of unauthorized use of our proprietary information or copyrighted materials. We have no obligation to indemnify you for any expenses or damages you incur as a result of any such proceeding or litigation. There are no infringements known to us at this time.

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

### **Owner Participation**

You must designate an owner with overall responsibility for the management and operation of your Business (the "Managing Owner"). The Managing Owner must: (a) be approved by us; (b) have binding decision-making authority on matters involving your Business; (c) successfully complete all training programs we require; and (d) at all times hold at least a 10% ownership interest in the franchised business unless we waive this requirement. The Managing Owner is not required to provide onsite management or supervision during in-person client meetings as long as a trained manager is present. Any new Managing Owner you appoint must successfully complete initial training prior to managing your Business.

Except as ~~otherwise~~ provided above with respect to your Managing Owner, we do not require that your owners personally participate in the management or operation of your Business. If you are an entity, each ~~owner (i.e., each~~ person holding a direct or indirect ownership interest in the entity) and ~~the~~their spouse ~~of each owner~~ must sign the ~~Franchise~~ Owner Agreement attached to the Franchise Agreement ~~as ATTACHMENT "B". By signing the Franchise Owner Agreement, which requires~~ the owner (or spouse ~~of the owner~~) agrees to: (a) comply with all brand protection covenants (except to the extent prohibited by law), covenants that protect our intellectual property and transfer restrictions set forth in the Franchise Agreement; and (b) guarantee the franchisee's financial obligations.

### **Managers**

You may hire managers to assist the Managing Owner with the management of your Business. Any ~~person~~manager you hire ~~as a manager~~ must: ~~(a)~~ successfully complete all training programs we require; and ~~(b)~~ sign a Confidentiality Agreement. Either the Managing Owner or a trained manager must be present during all in-person client meetings. The Managing Owner must supervise the managers to ensure the Business is operated in accordance with the Franchise Agreement and Manual. We do not require that your managers own an equity interest in the franchise.

## **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

We must approve all goods and services you sell. You must offer all goods and services we require. You may not sell any goods or services we have disapproved. At any time, we may change the goods and services you sell and you must comply with the change.

## **ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**This table lists certain important provisions of the franchise agreement and related agreements. You**

should read these provisions in the agreements attached to this Disclosure Document.

| THE FRANCHISE RELATIONSHIP                      |   |   |
|---|---|---|
| PROVISION                                       | SECTIONS IN AGREEMENT                             | SUMMARY   |
| a. Length of franchise term                     | 1 (definition of Term) & 4.1                      | Term is equal to 5 years.   |
| b. Renewal or extension of the term             | 4.1 & 4.2   | If you meet our conditions for renewal, you can enter into 3 consecutive successor franchise agreements. Each renewal term is 5 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).   |
| c. Requirements for you to renew or extend      | 4.1 & 4.2   | You must: not be in default; give us timely notice; sign then-current form of franchise agreement; sign general release (subject to state law); pay renewal fee; and upgrade equipment to current standards.<br>If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.   |
| d. Termination by you                           | 20.1  | You can terminate if we default and fail to timely cure.  |
| e. Termination by us without cause              | 20.3  | We can terminate without cause if you provide your written consent.   |
| f. Termination by us with cause                 | 20.2  | We can terminate if you default.  |
| g. "Cause" defined - curable defaults           | 20.2  | You have the following cure periods: (a) 24 hours for health or safety hazards; (b) 10 days for financial defaults; (c) 20 days for loss of a required license or permit; and (d) 30 days for any other default (other than a default described below under "non-curable defaults").  |
| h. "Cause" defined - non-curable defaults       | 20.2  | The following defaults cannot be cured: insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to open in timely manner; abandonment; conviction of certain crimes; subject of certain administrative actions; violation of material law; actions that may adversely affect reputation of System or Marks; material misrepresentations; 2 <sup>nd</sup> underreporting of Gross Sales by 3% or more; unauthorized Transfers; unauthorized use of our intellectual property; breach of brand protection covenant, <del>Franchise</del> Owner Agreement or legal compliance representation;- failure to notify us of a matter described in §15.6; or termination of another agreement between you (or your affiliate) and us (or our affiliate) due to your default. |
| i. Your obligations on termination/ non-renewal | 21  | Obligations include: cease use of intellectual property; cancel fictitious names; return Manual and branded materials; assign telephone numbers, listings and domain names; assign client data, contracts and accounts; comply with data retention policies; and pay amounts due (also see "r", below).   |
| j. Assignment of contract by us                 | 19.1  | No restriction on our right to assign.  |
| k. "Transfer" by you – definition               | 1 (definition of Transfer) & 19.2                 | Includes ownership change or transfer of contract or assets.  |
| l. Our approval of transfer by you              | 1 (definition of Permitted Transfer), 19.2 & 19.3 | You may engage in a Permitted Transfer (defined in Note 2 in Item 6) without approval. We must approve other Transfers but will not unreasonably withhold approval.   |

**THE FRANCHISE RELATIONSHIP**

| PROVISION   | SECTIONS IN AGREEMENT | SUMMARY   |
|---|-----------------------|---|
| m. Conditions for our approval of transfer                                | 19.2                  | <p>Transferee must: meet our qualifications; successfully complete training (or arrange to do so); obtain required licenses and permits; assume your obligations under <a href="#">Business</a> contracts <del>relating to the Business</del>; sign then-current form of franchise agreement for <del>remainder of</del><a href="#">remaining</a> term or, at our option, assume your Franchise Agreement; and upgrade equipment to current standards within 90 days.</p> <p>You must: be <del>in compliance</del><a href="#">compliant</a> with Franchise Agreement; pay transfer fee (subject to state law); subordinate transferee's <del>ongoing</del> payments owed to you (if any) to transferee's <del>financial</del><a href="#">payment</a> obligations owed to us; and sign general release (subject to state law).</p> <p>We must notify you that we will not exercise our right of first refusal.</p> |
| n. Our right of first refusal to acquire your business                    | 19.5                  | We can match any offer for your business.   |
| o. Our option to purchase your business                                   | Not Applicable        | Not Applicable  |
| p. Your death or disability   | 19.4                  | Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers. We may designate a manager to operate the Business prior to Transfer.  |
| q. Non-competition covenants during the term of the franchise             | 14.3                  | No involvement in a competing business.   |
| r. Non-competition covenants after the franchise is terminated or expires | 14.3 & 21             | No involvement for 2 years in a competing business within your territory or any territory assigned to another Family Nest Business.<br><a href="#">Subject to state law.</a>  |
| s. Modification of the agreement  | 24.3 & 24.8           | Requires writing signed by both parties (except we may unilaterally change Manual or reduce scope of restrictive covenants). Other modifications to comply with state laws.   |
| t. Integration/ merger clause   | 24.8                  | Only the terms of the Franchise Agreement and its attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. 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 (a) waiving any claims under any applicable state franchise law including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.                       |
| u. Dispute resolution by arbitration or mediation                         | 22                    | Subject to state law, all disputes must be mediated or arbitrated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants or post-term obligations.   |
| v. Choice of forum  | 22                    | Subject to state law, mediation, arbitration and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently Cherokee County, Georgia).  |

| THE FRANCHISE RELATIONSHIP |                       |  |
|----------------------------|-----------------------|--|
| PROVISION                  | SECTIONS IN AGREEMENT | SUMMARY                                    |
| w.Choice of law            | 24.1                  | Subject to state law, Georgia law governs. |

**ITEM 18 PUBLIC FIGURES**

We do not use any public figures to promote our 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.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Federal Trade Commission, the appropriate state regulatory agencies, and our management by contacting ~~our Chief Executive Officer~~ [Dr. Kevin D. Corsini](#) at 105 Towne Lake Parkway, ~~Suite E,~~ Woodstock, Georgia 30188 or by ~~phone at (678) 503-7767~~ [calling \(770\) 766-3727](#).

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

| TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS <del>2022</del> 2023 TO <del>2025</del> 2024 |                      |                                  |                                |                  |
|---|----------------------|----------------------------------|--------------------------------|------------------|
| Outlet Type   | Year                 | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change       |
| Franchised  | <del>2023</del> 2022 | 0                                | 0                              | 0                |
|   | <del>2024</del> 2023 | 0                                | 0                              | 0                |
|   | <del>2025</del> 2024 | 0                                | <del>0</del> 13                | <del>0</del> +13 |
| Company-Owned   | <del>2023</del> 2022 | 0                                | 0                              | 0                |
|   | <del>2024</del> 2023 | 0                                | <del>0</del> 5                 | <del>0</del> +5  |
|   | <del>2025</del> 2024 | <del>0</del> 5                   | <del>5</del> 4                 | <del>+5</del> -1 |
| Total Outlets   | <del>2023</del> 2022 | 0                                | 0                              | 0                |
|   | <del>2024</del> 2023 | 0                                | <del>0</del> 5                 | <del>0</del> +5  |
|   | <del>2025</del> 2024 | <del>0</del> 5                   | <del>5</del> 17                | <del>+5</del> 12 |

| TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS <del>2022</del> 2023 TO <del>2025</del> 2024 |                      |                     |
|--|----------------------|---------------------|
| State  | Year                 | Number of Transfers |
| Total  | <del>2023</del> 2022 | 0                   |
|  | <del>2024</del> 2023 | 0                   |
|  | <del>2024</del> 2025 | 0                   |

**TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS ~~2022~~2023 TO ~~2025~~2024**

| State          | Year                               | Outlets at Start of Year | Outlets Opened        | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of Year |
|----------------|------------------------------------|--------------------------|-----------------------|--------------|--------------|--------------------------|-----------------------------------|------------------------|
| Totals Arizona | <del>2023</del><br>2022            | 0                        | 0                     | 0            | 0            | 0                        | 0                                 | 0                      |
|                | <del>2024</del><br><del>2023</del> | 0                        | 0                     | 0            | 0            | 0                        | 0                                 | 0                      |
|                | <del>2024</del><br>2025            | 0                        | <u>0</u> <sub>1</sub> | 0            | 0            | 0                        | 0                                 | <u>0</u> <sub>1</sub>  |
| California     | 2023                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2024                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2025                               | <u>0</u>                 | <u>1</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>1</u>               |
| Florida        | 2023                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2024                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2025                               | <u>0</u>                 | <u>3</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>3</u>               |
| Georgia        | 2023                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2024                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2025                               | <u>0</u>                 | <u>5</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>5</u>               |
| Ohio           | 2023                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2024                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2025                               | <u>0</u>                 | <u>1</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>1</u>               |
| Oklahoma       | 2023                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2024                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2025                               | <u>0</u>                 | <u>2</u>              | <u>0</u>     | <u>0</u>     | <u>1</u>                 | <u>0</u>                          | <u>1</u>               |
| Pennsylvania   | 2023                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2024                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2025                               | <u>0</u>                 | <u>1</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>1</u>               |
| Totals         | 2023                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2024                               | <u>0</u>                 | <u>0</u>              | <u>0</u>     | <u>0</u>     | <u>0</u>                 | <u>0</u>                          | <u>0</u>               |
|                | 2025                               | <u>0</u>                 | <u>14</u>             | <u>0</u>     | <u>0</u>     | <u>1</u>                 | <u>0</u>                          | <u>13</u>              |

**TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2022~~2023 TO ~~2025~~2024**

| State       | Year                               | Outlets at Start of Year | Outlets Opened        | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|-------------|------------------------------------|--------------------------|-----------------------|------------------------------------|----------------|----------------------------|------------------------|
| Connecticut | <del>2022</del><br>2023            | 0                        | 0                     | 0                                  | 0              | 0                          | 0                      |
|             | <del>2023</del><br>2024            | 0                        | <u>0</u> <sub>1</sub> | 0                                  | 0              | 0                          | <u>0</u> <sub>1</sub>  |
|             | <del>2024</del><br>2025            | <u>0</u> <sub>1</sub>    | <u>0</u> <sub>0</sub> | 0                                  | 0              | 0                          | 1                      |
| Florida     | <del>2022</del><br>2023            | 0                        | 0                     | 0                                  | 0              | 0                          | 0                      |
|             | <del>2024</del><br><del>2023</del> | 0                        | <u>0</u> <sub>2</sub> | 0                                  | 0              | 0                          | <u>0</u> <sub>2</sub>  |
|             | <del>2024</del><br>2025            | <u>0</u> <sub>2</sub>    | <u>0</u> <sub>0</sub> | 0                                  | 0              | <u>0</u> <sub>1</sub>      | <u>0</u> <sub>1</sub>  |

| TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS <del>2022</del> <u>2023</u> TO <del>2025</del> <u>2024</u> |                             |                          |                |                                    |                |                            |                        |
|--|-----------------------------|--------------------------|----------------|------------------------------------|----------------|----------------------------|------------------------|
| State  | Year                        | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|  | <u>025</u>                  |                          |                |                                    |                |                            |                        |
| Georgia  | <del>2022</del> <u>2023</u> | 0                        | 0              | 0                                  | 0              | 0                          | 0                      |
|  | <del>2023</del> <u>2024</u> | 0                        | <u>01</u>      | 0                                  | 0              | 0                          | <u>01</u>              |
|  | <del>2024</del> <u>2025</u> | <u>01</u>                | <u>+0</u>      | 0                                  | 0              | 0                          | 1                      |
| Oklahoma   | <del>2022</del> <u>2023</u> | 0                        | 0              | 0                                  | 0              | 0                          | 0                      |
|  | <del>2024</del> <u>2023</u> | 0                        | <u>01</u>      | 0                                  | 0              | 0                          | <u>01</u>              |
|  | <del>2024</del> <u>2025</u> | <u>01</u>                | <u>+0</u>      | 0                                  | 0              | 0                          | 1                      |
| Totals   | <del>2022</del> <u>2023</u> | 0                        | 0              | 0                                  | 0              | 0                          | 0                      |
|  | <del>2024</del> <u>2023</u> | 0                        | <u>05</u>      | 0                                  | 0              | 0                          | <u>05</u>              |
|  | <del>2024</del> <u>2025</u> | <u>05</u>                | <u>50</u>      | 0                                  | 0              | <u>01</u>                  | <u>54</u>              |

| TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, <del>2024</del> <u>2025</u> |   |  |   |
|---|---|--|---|
| State   | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
| <del>Alabama</del> <u>Arizona</u>   | <u>01</u>   | <u>21</u>  | 0   |
| <del>Colorado</del>   | 0   | 2  | 0   |
| <del>Connecticut</del> <u>California</u>                                    | <u>01</u>   | 1  | 0   |
| Florida   | <u>03</u>   | <u>53</u>  | <u>+0</u>   |
| Georgia   | <u>02</u>   | <u>32</u>  | 0   |
| Idaho   | <u>01</u>   | 1  | 0   |
| <del>Indiana</del> <u>Louisiana</u>   | <u>01</u>   | 1  | 0   |
| <del>Kentucky</del>   | 0   | 2  | 0   |
| Michigan  | <u>01</u>   | <u>21</u>  | 0   |
| <del>North Carolina</del> <u>Minnesota</u>                                  | <u>01</u>   | <u>21</u>  | 0   |
| <del>Ohio</del> <u>Nevada</u>   | <u>01</u>   | <u>21</u>  | 0   |
| Oklahoma  | <u>01</u>   | <u>21</u>  | 0   |
| <del>Pennsylvania</del>   | 0   | 2  | 0   |
| <del>South Carolina</del>   | 0   | 1  | 0   |
| Tennessee   | <u>02</u>   | <u>42</u>  | 0   |
| <del>Texas</del>  | 0   | 3  | 0   |
| Virginia  | <u>01</u>   | 1  | 0   |
| Total   | <u>016</u>  | <u>3616</u>  | <u>+0</u>   |

A list of all current franchisees is attached to this Disclosure Document as EXHIBIT "E" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, ~~2024~~2025. In addition, EXHIBIT "E" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

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

There are no: (a) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

## **ITEM 21 FINANCIAL STATEMENTS**

Our fiscal year ends on December 31<sup>st</sup>. ~~Attached to this Disclosure Document as EXHIBIT "F" is an audited opening balance sheet of Family Nest Franchise, LLC as of April 30, 2025, and December 31, 2024, and the related statements of operations, members' equity, and cash flows for the period from July 10, 2024 through December 31, 2024, and the period from January 1, 2025 through April 30, 2025. In addition, an unaudited balance sheet as of October 22, 2025 and a profit and loss statement from January 1, 2025 through October 22, 2025.~~ Audited financial statements of Family Nest Franchise, LLC for the fiscal years ended December 31, 2025 and December 31, 2024~~2025~~ are attached to this Disclosure Document as EXHIBIT "F". Because we have not been in existence for 3 years, we cannot provide all of the financial statements required by the FTC franchise disclosure guidelines.

## **ITEM 22 CONTRACTS**

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

### Exhibits to Disclosure Document

EXHIBIT "C" Franchise Agreement  
EXHIBIT "D"-1 State Addenda  
EXHIBIT "D"-2 General Release  
EXHIBIT "D"-~~2~~3 Promissory Note  
EXHIBIT "D"-4 ROFO Addendum  
EXHIBIT "D"-5 Territory Reservation Agreement

### Attachments to Franchise Agreement

ATTACHMENT "B" ~~Franchise~~-Owner Agreement  
ATTACHMENT "C" ACH Authorization Form  
ATTACHMENT "D" Confidentiality Agreement

## **ITEM 23 RECEIPT**

EXHIBIT "H" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

|   |  |   |
|---|--|---|
| <p><b><u>CALIFORNIA</u></b><br/>Commissioner of Financial Protection &amp; Innovation<br/>Department of Financial Protection &amp; Innovation<br/>320 West 4<sup>th</sup> Street, #750<br/>Los Angeles, CA 90013<br/>(213) 576-7500<br/>1-866-275-2677</p> <p><b><u>HAWAII</u></b><br/>Commissioner of Securities of the State of Hawaii<br/>335 Merchant Street, Room 203<br/>Honolulu, Hawaii 96813<br/>(808) 586-2722</p> <p><u>Agents for Service of Process:</u><br/>Commissioner of Securities of the State of Hawaii<br/>Department of Commerce and Consumer Affairs<br/>Business Registration Division<br/>335 Merchant Street, Room 203<br/>Honolulu, Hawaii 96813<br/>(808) 586-2722</p> <p><b><u>ILLINOIS</u></b><br/>Illinois Attorney General<br/>Chief, Franchise Division<br/>500 South Second Street<br/>Springfield, IL <del>62706</del><a href="tel:62701">62701</a><br/>(217) 782-4465</p> <p><b><u>INDIANA</u></b><br/>Secretary of State<br/>Securities Division<br/>Room E-018<br/>302 West Washington Street<br/>Indianapolis, IN 46204<br/>(317) 232-6681</p> | <p><b><u>MARYLAND</u></b><br/>Office of the Attorney General<br/>Securities Division<br/>200 St. Paul Place<br/>Baltimore, Maryland 21202<br/>(410) 576-6360</p> <p><u>Agent for Service of Process:</u><br/>Maryland Securities Commissioner<br/>200 St. Paul Place<br/>Baltimore, Maryland 21202-2020</p> <p><b><u>MICHIGAN</u></b><br/>Franchise Section<br/>Consumer Protection Division<br/>525 W. Ottawa Street, G. Mennen<br/>Williams Building, 1<sup>st</sup> Floor<br/>Lansing, MI 48913<br/>(517) 335-7567</p> <p><b><u>MINNESOTA</u></b><br/>Commissioner of Commerce<br/>Director of Registration<br/>85 Seventh Place East, Ste 280<br/>St. Paul, Minnesota 55101-3165<br/>(651) 539-1500</p> <p><b><u>NEW YORK</u></b><br/>NYS Department of Law<br/>Investor Protection Bureau<br/>28 Liberty Street, 21<sup>st</sup> Floor<br/>New York, NY 10005<br/>Phone: (212) 416-8222</p> <p><u>Agents for Service of Process:</u><br/>Secretary of State<br/>99 Washington Avenue<br/>Albany, NY 12231</p> <p><b><u>NORTH DAKOTA</u></b><br/>North Dakota <a href="http://www.nd.gov">Insurance &amp;</a> Securities<br/>Department<br/><del>State Capitol, 5<sup>th</sup> Floor, Dept 414</del>-600<br/>East Boulevard Avenue<br/><a href="tel:401">Dept. 401</a><br/>Bismarck, North Dakota 58505<br/>(701) 328-<del>4712</del><a href="tel:2910">2910</a></p> | <p><b><u>RHODE ISLAND</u></b><br/>Department of Franchise Regulation<br/>1511 Pontiac Avenue, John O. Pastore<br/>Complex, Bldg 69-1<br/>Cranston, Rhode Island 02920<br/>(401) 462-9527</p> <p><b><u>SOUTH DAKOTA</u></b><br/>Department of Labor and Regulation<br/>Division of Insurance Securities<br/>Regulation<br/>124 S Euclid, 2<sup>nd</sup> Floor<br/>Pierre, South Dakota 57501<br/>(605) 773-3563</p> <p><b><u>VIRGINIA</u></b><br/>State Corporation Commission<br/>Division of Securities and Retail<br/>Franchising<br/>1300 East Main Street, 9<sup>th</sup> Floor<br/>Richmond, Virginia 23219<br/>(804) 371-9051</p> <p><u>Agents for Service of Process:</u><br/>Clerk of the State Corporation<br/>Commission<br/>1300 East Main Street, 1<sup>st</sup> Floor<br/>Richmond, Virginia 23219</p> <p><b><u>WASHINGTON</u></b><br/>Department of Financial Institutions<br/>Securities Division<br/>150 Israel Road SW<br/>Tumwater, WA 98501<br/>(360) 902-8760</p> <p><u>Mailing Address:</u><br/>Department of Financial Institutions<br/>Securities Division<br/>PO BOX 41200<br/>Olympia, WA 98504-1200</p> <p><b><u>WISCONSIN</u></b><br/>Department of Financial Institutions<br/>Division of Securities<br/>201 W Washington Avenue, Suite<br/>500, Madison, WI 53703<br/>(608) 261-9555</p> |
|---|--|---|

**EXHIBIT "B"**

**TO DISCLOSURE DOCUMENT**

**FRANCHISOR'S AGENT FOR SERVICE OF PROCESS**

RCVRASGA, LLC  
455 Legends Place SE #504  
Atlanta, Georgia 30339

In states listed in EXHIBIT "A", the additional agent for Service of Process is listed in EXHIBIT "A".

**EXHIBIT "C"**  
**TO DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**

*[See Attached]*



# FRANCHISE AGREEMENT

FRANCHISEE: \_\_\_\_\_  
DATE: \_\_\_\_\_

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### ATTACHMENTS

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## FAMILY NEST FRANCHISE AGREEMENT

This Family Nest Franchise Agreement (this “Agreement”) is entered into as of \_\_\_\_\_, 202\_\_ (the “Effective Date”) between Family Nest Franchise, LLC, a Georgia limited liability company (“we” or “us”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“you”).

### 1. DEFINITIONS. Capitalized terms not defined above have the meanings given to them below:

“Account” means the checking account you designate from which we deduct fees and other amounts owed to us and our affiliates in accordance with §13.5.

“ACH Agreement” means the ACH Authorization Agreement attached as ATTACHMENT “C”, ~~which authorizes us to electronically debit your Account for amounts owed to us and our affiliates.~~

“AI Technology” means an engineered or machine-based system designed to simulate human intelligence that exhibits adaptiveness after deployment and/or generates outputs (e.g., predictions, recommendations or decisions) for a given set of inputs/objectives, including systems employing computation techniques to simulate intelligent behavior or automate complex tasks (e.g., machine learning, deep learning, natural language processing, computer vision, neural networks, generative artificial intelligence, predictive analytics, intelligent automation tools and algorithmic processing systems).

“Anti-Terrorism Law” means Executive Order 13224 issued by the U.S. President ~~of the United States of America~~ (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future ~~federal, state and local Laws, ordinances, regulations, policies, lists, orders and any other requirements of any Governmental Authority~~ Laws addressing or in any way relating to terrorist acts and acts of war.

“Business” means the franchised business you operate pursuant to this Agreement.

“Business Data” means, collectively or individually, Client Data and Operational Data.

“Claim” means any action, allegation, assessment, claim, demand, litigation, proceeding or regulatory procedure, investigation or inquiry.

“Competing Business” means any business that meets at least one of the following criteria: (a) a relocation business that offers any of the following services: packing services; moving services; move-management services; downsizing services; estate sales; online sales; and/or services to prepare a home for sale; (b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competing Business does not include any Family Nest Business operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

“Confidential Information” means and includes: (a) Know-How; (b) Business Data; (c) information in the Manual or comprising the System; (d) terms of Definitive Agreements and any amendments thereto; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, client information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you or your Owners, employees or other constituents); (b) you can demonstrate was rightfully possessed by you or an Owner, without obligation of nondisclosure, before we disclosed the information to you or the Owner; (c) is independently developed by you or an Owner without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose the information to you or an Owner without breaching a confidentiality covenant imposed on such third party.

“Confidentiality Agreement” means the Confidentiality Agreement attached as ATTACHMENT "D" ~~that your employees must sign.~~

“Copyrighted Materials” means all copyrightable materials for which we or our affiliate claim or secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Family Nest Business.

“Client Data” means and includes all data and information pertaining to a client including name, address, contact information, date of birth, property descriptions and other information collected for any purpose.

“Dedicated Website” means a stand-alone website for your Business that you may, but need not, purchase.

“Definitive Agreements” means, collectively: (a) this Agreement; (b) any other Franchise Agreement between you (or your affiliate) and us (or our affiliate) for a Family Nest Business or any other franchised concept; and (c) all ancillary agreements related to the foregoing, including ~~Franchise-Owner~~ Agreements.

“Dispute” means any Claim, or dispute ~~or disagreement~~ between the parties, ~~including any matter pertaining to: (a) the interpretation that involves or enforcement of this~~ relates to a Definitive Agreement; ~~(b),~~ the offer or sale of ~~the franchise;~~ rights ~~or (c)~~ the relationship between the parties.

“Entity” means a corporation, partnership, limited liability company or other form of association.

“Equity Interest” means a direct or indirect ownership or ~~beneficial interest in the capital stock of, partnership or membership interest in, or other equity, ownership or~~ beneficial interest in a business or Entity ~~(including voting rights).~~

“Excluded Claim” means any Claim that, according to §22, is not subject to mandatory mediation or arbitration.

“Family Nest Business” means any move-management business that we authorize to operate under the Marks and use our System.

“Family Nest Services” means and includes the various move-management and other services that we designate from time to time for a Family Nest Business, including:

- (a) preparing residences for sale (e.g., cleaning, decluttering, staging, minor repairs and renovations, etc.);
- (b) advertising residences for sale;
- (c) working with licensed real estate brokers to sell real properties, or referring the properties to a Red Barn Business (which may be you if you own a Red Barn Business) for purchase;
- (d) planning, coordinating and facilitating sales of personal belongings via online auctions or estate sales;
- (e) packing furniture and belongings for loading onto moving trucks;
- (f) selecting moving companies and coordinating and managing the moving process;
- (g) unloading and setting up furniture, electronics and other belonging at new residences;
- (h) assisting with the setup of utilities and other services;
- (i) identifying and organizing important or useful information pertaining to new residences (e.g., utilities providers, emergency services, local places of worship, dining options and other attractions, etc.);
- (j) referring or introducing relevant senior service providers (e.g., social workers, estate planners, senior financial planners, senior placement agents, etc.) to clients who may be in need of their services; and
- (k) any other services we designate or authorize from time to time.

“Force Majeure” means acts or circumstances ~~that are~~ beyond a party’s control, including fire, storm, flood, earthquake, explosion or accident, acts of war or terrorism, rebellion, insurrection, sabotage, epidemic, failures or delays of transportation and strikes, provided that: (a) the non-performing party promptly notifies the other party of the Force Majeure event; (b) the non-performing party is without fault and ~~the delay or failure~~ could not have ~~been~~ prevented ~~by~~ the delay or failure with reasonable precautions ~~by the non-performing party~~; (c) nothing herein shall excuse or permit any delay or failure to pay fees or

other amounts owed on the applicable due date; (d) insolvency, lack of required funds or financing, currency fluctuations, currency devaluations, foreign exchange controls or inflation shall never be deemed Force Majeure; and (e) an epidemic or pandemic of a contagious illness or disease, or economic or financial changes caused by an epidemic or pandemic of a contagious illness or disease, shall never be deemed Force Majeure except to the extent a Governmental Authority mandates closure (or prevents the opening) of the Family Nest Business as a result of such epidemic or pandemic.

~~“Franchise Owner Agreement” means the Franchise Owner Agreement attached as ATTACHMENT "B" that your Owners and their spouse must sign.~~

“Franchisee Entity” means an Entity that: (a) signs this Agreement as the franchisee (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

“General Release” means our then-current form of Waiver and Release of Claims you and your Owners must sign pursuant to §4.2 in connection with a franchise renewal or §19.2 in connection with a Transfer.

~~“Government Official” means any: (a) officer or employee of a Governmental Authority; (b) commercial or similar entity owned or controlled by a Governmental Authority, including state owned and state operated companies or enterprises; (c) public international organization (e.g., United Nations, World Bank); (d) political party or official thereof; or (e) candidate for political office.~~

“Governmental Authority” means any national, provincial, state, county, local, municipal or other government, or any ministry, department, agency or subdivision thereof, whether administrative or regulatory, or any other body that exercises similar functions, including a court or taxing authority.

“Gross Sales” means the total gross sums: (a) collected from all goods and services sold from or in connection with your Business; or (b) that otherwise relate to Business, including advertising revenue, sponsorship fees and business interruption insurance proceeds. Gross Sales excludes: (a) sales or use taxes ~~you pay~~ paid to a Governmental Authority; and (b) revenue you refund to a client in a bona fide refund transaction. The Manual may include policies governing ~~the~~ calculation of Gross Sales relating to gift card sales proceeds ~~from the sale of gift cards~~.

“Improvement” means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Family Nest Business, (b) method of operation of a Family Nest Business, (c) processes, systems or procedures utilized by a Family Nest Business, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Family Nest Business or (e) trademarks, service marks, logos or other intellectual property utilized by a Family Nest Business, whether developed by you, an Owner, an employee or any other Person.

“Indemnified Parties” means and includes us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parents, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

“Intellectual Property” means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

“Interim Term” means a month-to-month Term extension under the circumstances described in §4.3.

“IP Dispute” means any: (a) actual or suspected infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any Person, other than us or our affiliate, of any rights in or to the Intellectual Property.

“Know-how” means and includes our (and our affiliates’) trade secrets and other proprietary information relating to the development, marketing or operation of a Family Nest Business including: methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; and information comprising the System or included in the Manual.

“Law” means and includes ~~all~~ laws, rules, regulations and ordinances as well as judgments, decrees, orders, ~~rules, regulations, ordinances,~~ advisory opinions, directives, interpretive statements and releases issued by Governmental Authorities.

“Licenses” means and includes any and all licenses, permits, certifications, accreditations and other

authorizations or ~~official legal interpretations of any~~ approvals that (a) are issued by a Governmental Authority or national accreditation organization and (b) are required Law (or are required by us) for the operation of a Family Nest Business.

~~“Losses and Expenses” means and includes any of the following: costs, expenses, liabilities and financial loss; actual, compensatory, exemplary and punitive and other damages; (including damage to reputation or goodwill); fines and penalties; settlement amounts; judgments; attorneys’ fees; experts’ fees; court costs; Travel Expenses and other costs associated with investigating and defending a Claim; settlement amounts; judgments; damage to reputation or goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or otherwise incurred by an Indemnified Party or defending a Claim.~~

“Management Training” means our then-current franchise operations and management training program.

“Managing Owner” means the Owner you designate and we approve with primary responsibility for the overall management and supervision of your Business in accordance with §8.1.

“Manual” means our Brand Standards Manual described in §11.1 for a Family Nest Business.

“Marks” means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Family Nest Businesses to use, including FAMILY NEST™, FAMILY NEST ESTATE SOLUTIONS™ and the associated logos.

“Nest Central” refers to our proprietary FAMILY NEST™ Central technology platform used to manage and operate a Family Nest Business, as further described in §6.2.

“Operational Data” means and includes all data and information pertaining to the operation of your Business, including employee data, expense data, auction data, accounting data and Gross Sales data.

“Owner” means a Person who either: (a) directly signs this Agreement as the franchisee, either alone or in conjunction with one or more other Persons; or (b) directly or indirectly through one or more intermediaries owns an Equity Interest in the Business or Franchisee Entity.

“Owner Agreement” means the Owner Agreement attached as ATTACHMENT "B".

“PCI-DSS” means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at <https://www.pcisecuritystandards.org> as of the Effective Date.

“Permitted Transfer” means a Transfer: (a) between existing Owners; (b) by the Owners to a new Franchisee Entity for which such Owners collectively own and control 100% of the Equity Interests; or (c) of less than 20% of the Equity Interests in the Business or Franchisee Entity; *provided, however*, that a Permitted Transfer does not include a Transfer that results in the Managing Owner owning less than 10% of the Equity Interests in the Business or Franchisee Entity.

“Person” means an individual, Entity, unincorporated organization, joint venture, Governmental Authority, estate (or executor thereof) or trust (or trustee thereof).

“Post-Term Restricted Period” means, with respect to you, the two-year period after the termination, expiration or Transfer of this Agreement; *provided, however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Post-Term Restricted Period means the one-year period after the termination, expiration or Transfer of this Agreement.

“Post-Term Restricted Period” means, with respect to an Owner, the two-year period after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the date on which the Owner no longer owns an Equity Interest in the Business or Franchisee Entity; *provided, however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Post-Term Restricted Period means the one-year period after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the date on which the Owner no longer owns an Equity Interest in the Business or Franchisee Entity.

“Program Participation Rules” means the policies, procedures, fees and other requirements pertaining to any gift card or other system-wide program we implement pursuant to §11.9.

“Prohibited Activities” means and includes any of the following: (a) owning, operating or having any other interest (e.g., as a director, officer, employee, manager, consultant, creditor, representative, agent or in any similar capacity) in a Competing Business, other than owning less than 5% of the Equity Interests in a Competing Business that is a publicly-traded company; (b) disparaging or otherwise making negative comments about us, our affiliate, the System or any Family Nest Business (this provision does not prohibit disclosure of truthful information to Governmental Authorities); (c) diverting or attempting to divert any business from us, our affiliate or another franchisee; and/or (d) inducing any Person to transfer their business from a Family Nest Business to a competitor.

“Referral Source” means and includes hospitals, assisted living facilities, funeral homes, attorneys, financial planners, bank trust departments and other Persons who are in a position to refer clients in need of Family Nest Services.

“Reportable Event” means any event or occurrence described in §15.6 that you must report to us.

“Restricted Territory” means the geographic area within: (a) your Territory; and (b) each territory assigned to another Family Nest Business as of the date the Post-Term Restricted Period begins; *provided, however*, that if a court of competent jurisdiction determines the foregoing Restricted Territory is too broad to be enforceable then Restricted Territory means the geographic area within your Territory.

“Successor Agreement” means our then-current form of Franchise Agreement you must sign pursuant to §4.2 in connection with a renewal of your franchise rights.

“System” means our system for the operation of a Family Nest Business, the distinctive characteristics of which include: comprehensive training programs; proprietary Nest Central technology platform; client assessment tools and techniques; advertising and marketing strategies; and operating system.

“Targeted Marketing” means any advertising or marketing directed into a specific territory for the primary purpose of soliciting clients or Referral Sources. Marketing and advertising that is distributed, circulated or received in both the territory of the Person conducting the advertising and a territory assigned to another Family Nest Business is not Targeted Marketing if: (a) the Person conducting the advertising uses reasonable efforts to limit circulation or distribution of the advertising to areas within that Person’s territory; and (b) most recipients of the advertising are located in the territory of the Person conducting the advertising and there is only incidental circulation or distribution outside that Person’s territory. Targeted Marketing does not include any marketing or advertising we conduct as part of our administration of the Brand Fund or other system-wide marketing or advertising efforts. The meaning of “Targeted Marketing” that is “directed into a territory” may be further defined in the Manual.

“Technology Systems” means and includes Nest Central and all other information and communication technology systems we specify from time to time, including, ~~without limitation,~~ computer ~~systems,~~ and point-of-sale systems, telecommunications systems, AI Technology, security systems and similar systems, together with the associated hardware, software ~~(including cloud-based software)~~ and related equipment, ~~software~~ applications, ~~mobile apps~~, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“Term” means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the fifth (5<sup>th</sup>) anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated.

“Territory” means the geographic area described in Part D of ATTACHMENT "A".

“Third-Party Technology” means any Technology Systems (or components thereof) that are not owned by us or our affiliates, as further described in §11.8(e).

“Transfer” means any direct or indirect, voluntary or involuntary, assignment, sale, ~~conveyance,~~ ~~subdivision,~~ sublicense or other transfer or disposition of:

~~(a) — (a)~~ this Agreement ~~(or any interest therein);~~

~~(b) — (b)~~ the franchise or intellectual property rights granted by this Agreement ~~(or any interest therein);~~

~~(e) — the; (c) your~~ Business ~~you conduct pursuant to this Agreement (or any interest therein);~~

~~(d) — (d)~~ your Business assets, excluding the sale of furniture, fixtures or equipment in the ordinary course;  
or

~~(e) — (e)~~ an Equity Interest in the Business or Franchisee Entity;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests (including public and private offerings); foreclosure of a security interest by a lender; or operation of Law, will or a trust upon an Owner's death (including via the Laws of intestate succession).

“*Travel Expenses*” means and includes all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Territory; or (b) by you and your personnel to attend training or conferences.

“*Webpage*” means a local webpage we create for your Business that is linked to our corporate website.

2. **GRANT OF FRANCHISE.** We hereby grant you the right, license and obligation to own and operate one (1) Family Nest Business using our Intellectual Property within your Territory. You will develop and operate a business that offers comprehensive move-management and related services, including all Family Nest Services described in the Manual. We reserve all rights not expressly granted to you.

### 3. **TERRITORY.**

3.1. **Territory Description.** We hereby grant to you the territory described in Part D of ATTACHMENT "A" (your ~~“Territory.”~~ ~~“Your.”~~) ~~that includes~~ ~~Territory will include~~ a minimum population of 200,000 ~~as of on~~ the date we designate ~~you~~ the Territory. We may use data from any source we deem appropriate to determine the population in an area. We do not modify your Territory based on population changes during the Term. Upon renewal, we reserve the right to modify your Territory in accordance with our then-current territory guidelines and criteria. You may not relocate to a new Territory during the Term without our approval.

3.2. **Territorial Protections & Limitations.** ~~During the Term, you will~~ You have exclusive marketing rights to the Territory during the Term, meaning we will not direct, or authorize any other Family Nest Business to direct, Targeted Marketing into your Territory. While you have exclusive marketing rights to your Territory, other Family Nest Businesses may service clients who reside in your Territory and/or help clients move from or into residences located in your Territory as long as they do not obtain the clients as a result of Targeted Marketing directed into your Territory.

3.3. **Extraterritorial Operations.** You must operate your Business solely within your Territory, except as otherwise permitted by §3.3. You may service clients who reside in a territory assigned to another Family Nest Business, and help clients move from or into residences located in a territory assigned to another Family Nest Business, as long as you do not obtain those clients as a result of Targeted Marketing directed into a territory assigned to another Family Nest Business. You can market and advertise outside your Territory subject to, and only in compliance with, §10.3(d). You may also operate within, and engage in Targeted Marketing to solicit clients and Referral Sources within, specific areas outside your territory that we designate or approve (an “Expansion Territory”) subject to the following requirements: (a) the Expansion Territory must be adjacent to your territory; (b) no part of the Expansion Territory may be included within a territory assigned to another Family Nest Business; and (c) you must demonstrate that you are reasonably capable of consistently providing Family Nest Services to clients in the Expansion Territory in accordance with our standards, policies and procedures. You have no territorial rights or protections whatsoever with respect to an Expansion Territory. We may revoke your authorization to operate within and direct Targeted Marketing into an Expansion Territory at any time for any reason (or for no reason). If we revoke our authorization you must: (a) immediately discontinue all Targeted Marketing within the Expansion Territory; and (b) upon request, transition clients and Referral Sources in the Expansion Territory either to us or to another Family Nest Business that we designate.

3.4. **Territory Fee.** At no additional charge, we provide you with a Territory that includes a minimum population of 200,000 and maximum population of 250,999 as of the date we designate your

Territory. If your Territory includes a population equal to or greater than 251,000 as of the date we designate your Territory, you agree to pay us a territory fee calculated as \$200 for every population increment of 1,000 in excess of 250,000. For example, a territory with a population of 265,000 has 15 population “increments” of 1,000 in excess of 250,000, which requires a territory fee of \$3,000 (15 X \$200). Your territory fee, if applicable, is listed in Part D of ATTACHMENT "A". We do not charge you additional territory fees, or refund any previously paid territory fee, based on population changes that occur during the Term.

#### 4. TERM AND RENEWAL.

4.1. **Generally.** This Agreement grants you the right to operate your Business during the Term. You may renew your franchise rights by signing a Successor Agreement for a five (5) year renewal term. You may enter into a maximum of three (3) Successor ~~Agreement(s)~~ Agreements. The parties may agree to further renewals after expiration of the third (3<sup>rd</sup>) renewal term, but neither party is obligated to do so (unless required by applicable Law, in which case the same renewal terms and conditions set forth in this Agreement shall apply to subsequent renewals). In order to sign a Successor Agreement you must satisfy all renewal conditions specified in this Agreement or in the Successor Agreement you wish to renew, as applicable. The Successor Agreement ~~shall~~ will be the current form of franchise agreement we use to grant franchises as of the expiration of the Term or renewal term, as applicable, the terms of which may vary materially and substantially from the terms of this Agreement. If this Agreement is a Successor Agreement, the Term of this Agreement and your remaining renewal rights, if any, shall be governed by your original franchise agreement.

4.2. **Renewal Requirements.** In order to renew, you and the Owners (as applicable) must:

- (a) send us a notice of your intent to enter into a Successor Agreement not less than 240 days nor more than one (1) year before the expiration of the Term or renewal term, as applicable;
- (b) not be in default under any Definitive Agreement at the time you send the renewal notice or sign the Successor Agreement;
- (c) sign the Successor Agreement and all ancillary documents we require franchisees to sign;
- (d) sign a General Release;
- (e) pay us a \$1,000 renewal fee; and
- (f) upgrade all of your equipment to conform to our then-current standards and specifications.

If we elect not to renew or offer you the right to renew, we will send you a notice of non-renewal at least 180 days prior to before the expiration date, which shall set that sets forth the basis for our decision. If you have any objection object to our notice of non-renewal, including a notice or dispute as to the basis for our decision, you must send us a notice of objection that sets forth the basis for your objection. Your notice of Failure to send us an objection must be sent to us no later than notice within 30 days after you receive our notice of non-renewal. Your failure to send us a notice of objection during such 30-day period notice constitutes your consent to the non-renewal of your franchise. Our failure to send you a notice of non-renewal notice at least 180 days prior to before the expiration date constitutes our offer to renew your franchise in accordance with, and subject to, your compliance with the renewal terms and conditions set forth above.

4.3. **Interim Term.** If you do not sign a Successor Agreement but continue to operate your Family Nest Business after the Term expires, we may either treat this Agreement as: (a) expired as of the Term expiration date with you operating in violation of our rights; or (b) continued on a month-to-month basis (the “Interim Term”) until either party provides the other party with 30 days’ prior notice of termination of the Interim Term. All your obligations remain in full force and effect during the Interim Term, ~~if applicable~~, as if this Agreement had not expired, and all obligations imposed on you upon expiration of the Term will take effect upon termination of the Interim Term.

#### 5. TRAINING AND CONFERENCES

5.1. **Initial Training.** The Managing Owner and all initial managers must successfully complete our

franchise operations and management training program (“Management Training”) ~~before your Business opens within 180 days after the Effective Date (and prior to opening)~~. As part of initial training, your Managing Owner and managers must attend a quarterly FAMILY NEST™ event where we share best business practices and other information relevant to a Family Nest Business. You must either attend: (a) a quarterly event held prior to your opening date; or (b) the first quarterly event held after your opening date.

- 5.2. **Post-Opening Training.** Any new Managing Owner or manager appointed or hired after your Business opens must successfully complete Management Training prior to managing your Business. We may offer periodic refresher or supplemental training courses for your Owners and managers. We may designate each course as mandatory or optional. If we determine your Business is not operating in full compliance with this Agreement or the Manual, we may require that your Managing Owner and managers attend remedial training relevant to your operational deficiencies. We may, but need not, provide additional assistance or training requested by you at a mutually convenient time.
- 5.3. **Training Locations.** Our training programs may take place at any location we designate. We reserve the right to conduct training programs virtually.
- 5.4. **Training Fees & Expenses.** The Initial Fees include our preopening Management Training program. We may charge a training fee of up to \$500 per Person per day for any Person who attends: (a) initial training after your Business opens; (b) remedial training; (c) additional training you request; or (d) refresher or supplemental training. If we provide training or assistance in your Territory, you must also reimburse all Travel Expenses we incur (this reimbursement obligation does not apply to any pre-opening training we conduct in your Territory). You are responsible for all wages and Travel Expenses you and your personnel incur to attend training.
- 5.5. **Quarterly Events.** We currently host a quarterly event where we share best practices and other information relevant to a Family Nest Business. You must attend a quarterly event prior to opening or the first quarterly event that takes place after opening. Attendance at subsequent quarterly events is optional. We may choose the venue for each quarterly event in our discretion. We may charge you a registration fee of \$300 per Person per quarterly event. You are also responsible for wages and Travel Expenses you and your personnel incur to attend quarterly events.
- 5.6. **Conferences.** We may hold periodic conferences to discuss business and operational matters relevant to Family Nest Businesses. Attendance is mandatory unless: ~~(a)~~ we designate attendance as optional; or ~~(b) we~~ waive your obligation to attend ~~based on showing of~~ for good cause. We may charge you a conference registration fee of \$500 per Person per conference. You are still responsible for the conference registration fee if you fail to attend a required conference without a waiver. You are also responsible for wages and Travel Expenses you and your personnel incur to attend conferences.

## 6. OTHER FRANCHISOR ASSISTANCE.

- 6.1. **Manual.** We provide you with access to our Manual during the Term. The Manual will help you develop and operate your Business. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.
- 6.2. **Nest Central.** We hereby grant you a limited, revocable, non-transferable license to utilize our proprietary FAMILY NEST™ Central technology platform (“Nest Central”) during the Term solely in connection with the operation of your Business. We developed Nest Central specifically for the management and operation of a Family Nest Business. Nest Central includes all required operational and financial management software and online tools necessary to operate the Business, including online auction software, estimator software and other calculators and tools. Nest Central also serves as your point-of-sale system to track and record sales. The technology fee imposed pursuant to §11.8(g) covers the licensing fee for Nest Central and all associated updates, maintenance and support. We reserve the right to increase the license fee for Nest Central (which would result in a corresponding increase to the monthly technology fee) based on additional features or functionality added and/or additional costs we incur (either directly or indirectly due to price increases that third-

party licensors impose on us for Third-Party Technology that we incorporate into Nest Central). We also apply a portion of the Initial Fees described in §13.1 to cover the pre-opening support we provide with respect to Nest Central training and setup services. At any time during the Term we reserve the right to: (a) require you to sign a software license agreement governing your use of Nest Central; and/or (b) modify or discontinue Nest Central.

**6.3. Tools, Resources & Support.** We currently provide you with access to the following tools, resources and support:

- (a) Weekly Live Training Programs;
- (b) Personalized Coaching;
- (c) Use of Proprietary Nest Central;
- (d) Done-For-You Marketing Program;
- (e) Access to Lender(s);
- (f) National Material Discount Program;
- (g) Estate Sale & Online Auction Support;
- (h) Exclusive Financial Management System; and
- (i) National and Regional Member Events.

The Initial Fees in §13.1 cover some of these services. We do not charge additional fees for other services above. We may periodically change the tools, resources and support that we offer to you.

**6.4. General Guidance.** We will periodically review and evaluate your Business, and reports you send us, and provide our guidance and recommendations on ways to improve ~~the operation of your~~ Business operations. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by phone, email or other means of communication.

**6.5. Personal Coaching & Transactional Support.** We provide you with personal coaching designed to help guide you through the first 20 client projects. The Initial Fees described in §13.1 cover the coaching we provide for the first 20 client projects. We may charge you a coaching and support fee of \$100 per hour for any personal coaching you request in connection with any additional client projects. If we agree to provide personal coaching, guidance or other support onsite within your Territory, you must also reimburse all Travel Expenses we incur.

**6.6. Field Visits.** We ~~have the right~~ may, but need not ~~the obligation to~~ conduct periodic field visits ~~for purposes of providing to provide~~ onsite consultation, assistance and guidance ~~pertaining to the operation and management of your~~ regarding Business operations. We will provide a report detailing any problems or concerns observed during the ~~field~~-visit together with our instructions to address or resolve them. You must implement all mandatory corrective measures in the time and manner we specify.

**6.7. Website.** We currently maintain a corporate website for our brand. We will also create and host a Webpage that includes basic information about your Business. We control all content on your Webpage. We may use a portion of the technology fee to cover our costs to develop, host, maintain and update your Webpage. We may change or discontinue our website and/or your Webpage at any time. You also have the option, but not the obligation, to purchase a Dedicated Website in accordance with §10.3(h). We will own your Webpage, Dedicated Website (if applicable) and the associated domain name(s) and URL(s).

**6.8. Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for franchisees. We will arrange for you to be able to purchase the goods or services directly from the supplier at the discounted prices we negotiate (subject to any rebates the supplier pays to us). We or our affiliate may also purchase goods from suppliers in bulk and resell them to you at our cost plus shipping fees and a markup. We apply a portion of the Initial Fees

described in §13.1 towards coordinating orientation meetings with vendor discount partners and facilitating training on the various vendor partner platforms.

**6.9. Call Center.** We may operate, or designate a third-party provider to operate, a call center to answer calls, set client appointments, route new client leads to an appropriate Family Nest Business and provide other related services. You must participate in the call center program and pay all reasonable setup and monthly fees designated by us or the third-party provider- (not to exceed \$250 per month if paid to us or our affiliate). Participation in the program may include, without limitation:

- ~~(a)~~ :(a) using and publishing a telephone number that we designate;
- ~~(b)~~ (b) engaging a designated service provider (which may be us, our affiliate, or a third party);
- ~~(c)~~ (c) acquiring, installing, and using related technology; and
- ~~(d)~~ (d) executing any related user or service agreement designated by us or the third-party provider.

At any time that we are not implementing a call center program, you must arrange for the answering of all incoming phone calls during regular business hours.

7. **COMMENCING OPERATIONS.** You must open your Business within 90 days after the Effective Date; *provided, however,* that we will extend your opening deadline for a reasonable period of time if: (a) you fail to open within 90 days after the Effective Date despite using diligent and good-faith efforts to do so; and (b) the only reason for your inability to open within the 90-day period is the delayed issuance of a required ~~permit or license~~ License by a Governmental Authority. You may not open your Business prior to receipt of our written authorization to open. ~~We, which we~~ will not issue ~~our authorization to open~~ before:

- ~~(a)~~ (a) the Managing Owner successfully completes our initial training program;
- ~~(b)~~ :(b) you secure all required licenses, permits and approvals from Governmental Authorities;
- ~~(c)~~ Licenses; (c) you purchase all required insurance policies and providesend us with evidence of coverage;
- ~~(d)~~ (d) you purchase and setup all required Technology Systems and other equipment and supplies; and
- ~~(e)~~ (e) you fulfill all of your other preopening obligations under this Agreement and the Manual.

Your Business is deemed “open” at the time we issue our authorization to open.

## 8. MANAGEMENT AND STAFFING.

8.1. **Owner Participation.** You must designate an Owner ~~(the “Managing Owner”)~~ with primary responsibility for the operation and management ~~and operation~~ of your Business. (the “Managing Owner”). The Managing Owner must: (a) be approved by us; (b) have binding decision-making authority on matters involving your Business; (c) successfully complete all training programs we require; and (d) at all times own at least 10% of the Equity Interests in the Business or Franchisee Entity, unless we waive this requirement.

8.2. **Managers.** You may hire a manager to assist the Managing Owner with the management of your Business. Any Personmanager you hire ~~as a manager~~ must: ~~(a)~~ successfully complete all training programs we require; and ~~(b)~~ sign a Confidentiality Agreement. The Managing Owner must supervise managers to ensure your Business is operated in compliance with this Agreement and the Manual. The Managing Owner or a trained manager must be present during all in-person client meetings.

8.3. **Employees.** You must determine appropriate staffing levels for your Business to ensure full compliance with this Agreement and our system standards. You ~~may~~ will hire, train and supervise

employees to assist you with the proper operation of ~~your~~the Business. You must pay all associated wages, commissions, benefits, worker's compensation premiums and payroll taxes (and other withholdings required by Law). These employees will be employees of yours and not of ours. We do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business Entity name (not our Marks or a fictitious name) on employee applications, paystubs, pay checks, employment agreements and similar documents. We do not control the hiring or firing of your employees. You have sole authority and responsibility for ~~all~~ employment-related decisions, including hiring, promotion, hours worked, rates of pay, benefits, work assignments, training and working conditions. We do not provide guidance or advice on these matters. You must ensure each employee signs ~~the~~our prescribed acknowledgment form ~~we prescribe that explains~~explaining the nature of the franchise relationship and ~~notifies the employee that~~clarifying you are his or her sole employer. You must also post a conspicuous notice for employees in the back-of-house area explaining your franchise relationship with us and that you (and not we) are ~~the employee's~~their sole employer. We may prescribe the form and content of this notice.

**9. FRANCHISEE ENTITY.** You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Franchisee Entity authorizing the execution of this Agreement, a copy of the Franchisee Entity's organizational documents and a current Certificate of Good Standing. Each Owner of the Franchisee Entity, and the spouse of each Owner who is a natural Person, must sign ~~a Franchisee~~an Owner Agreement.

## **10. ADVERTISING & MARKETING.**

**10.1. Brand Fund.** We may, but need not establish and maintain a brand and system development fund to promote public awareness of our brand and improve our System. On each royalty fee due date, you must pay us a monthly brand fund fee equal to the greater of: (a) 2% of Gross Sales for the prior month; or (b) \$100. We may use the fund to pay for any of the following:

- (a) developing, administering or distributing advertising and marketing materials and programs;
- (b) conducting and administering promotions, contests or giveaways;
- (c) public and consumer relations and publicity;
- (d) brand development;
- (e) sponsorships and charitable and non-profit donations and events;
- (f) research and development of technology, products and services;
- (g) website development and search engine optimization;
- (h) development, maintenance and promotion of an ecommerce platform;
- (i) development and implementation of quality control programs and client satisfaction surveys;
- (j) conducting market research;
- (k) changes and improvements to the System;
- (l) reimbursing us for costs we incur to host franchisee conferences;
- (m) fees and expenses charged by advertising agencies we engage to provide marketing services;
- (n) collecting and accounting for brand fund fees and preparing financial accountings of the fund;
- (o) any other programs or activities we deem appropriate to promote or improve the System; and
- (p) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates relating to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, employees or independent contractors based on time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to marketing or advertising activities. Any surplus in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. We will prepare, and make available to you upon request, an annual statement of fund operations, including deposits and disbursements. In terms of marketing activities paid for by the fund, we do not ensure that: (a) expenditures in (or affecting) a given geographic area are proportionate or equivalent to the brand fund fees paid by franchisees in that geographic area; or (b) franchisees benefit directly or in proportion to their brand fund fees. We may suspend or discontinue the fund at any time upon 30 days' prior notice.

**10.2. Marketing Assistance From Us.** We will provide reasonable marketing consulting, guidance and support throughout the Term on an as-needed basis. We will develop and host your local Webpage in accordance with §6.7. We will provide access to our recommended marketing plan for a Family Nest Business, which may be included in the Manual. You must comply with anyall aspects of our marketing plan ~~that~~ we designate as mandatory. We may create and provide you with access to local advertising assets such as print marketing materials, social media templates and stock photography. We may: (a) use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; and/or (c) contract with third-party suppliers to create and sell these materials to you.

**10.3. Your Marketing Activities.**

- (a) Grand Opening Advertising. You must implement a pre-opening marketing campaign that you develop and we approve. We recommend you spend at least \$2,000 on these marketing expenditures during the pre-opening period.
- (b) Post-Opening Advertising. You must participate in all advertising, promotional and marketing programs we require at your expense. In addition to your pre-opening marketing expenditures and brand fund fees, we strongly recommend (but do not require) that you spend the following minimum amounts on local advertising to promote your Business: (a) \$400 per month during the initial for six (6) month period months after your opening date; and (b) \$100 per month for the remainder of the Term.
- (c) Advertising Standards. All your advertising must be completely factual, conform to the highest standards of ethical advertising and comply with all Laws. You must ensure your advertising and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policies we establish.
- (d) Extraterritorial Advertising. You may advertise and market outside your Territory as long as you: (i) comply with all policies and procedures in the Manual governing extra-territorial marketing; and (ii) do not engage in Targeted Marketing directed into a territory assigned to another Family Nest Business.
- (e) Advertising Approval. Prior to use, we must approve all advertising and marketing programs and materials you intend to use, including all materials we did not prepare or previously approve, or that we prepare or approve and you modify. We must also approve the media you use. You may not use any advertising materials, programs or media that we have not approved or that we approve and later disapprove. We have 15 days to review and approve or disapprove advertising and marketing materials and programs you submit. Our failure to approve them within the 15-day period constitutes our disapproval. Any advertising you propose and we approve is an "Improvement" for purposes of §17.5.
- (f) Social Media. You may promote your Business using social media provided that: (i) you only utilize social media platforms we approve; (ii) you strictly comply with our social media policy; (iii) you immediately remove any post we disapprove; (iv) you contract with any social media company we designate upon request; and (v) we own all social media accounts relating to your

Business and retain full administrator rights.

- (g) Internet & Websites. We will create and host a Webpage for your Business in accordance with §6.7. You may purchase a Dedicated Website in accordance with §10.3(h). Without our prior approval, you may not: (i) develop, host, or otherwise maintain any other website (or other digital presence) that references our Marks; (ii) conduct digital or online advertising or marketing; or (iii) engage in ecommerce.
- (h) Dedicated Website. You may, but need not, purchase a Dedicated Website for your Business. If you choose to do so, you must:
- (i) contract with a website developer we designate or approve to create, host, manage and update the website;
  - (ii) ensure the website is consistent with our template website design and conforms to all of our standards, specifications, policies, procedures and other requirements for Dedicated Websites, whether set forth in the Manual or otherwise;
  - (iii) obtain our approval of: (A) the website's domain name (which we will own); (B) the website's design, layout and webpages; (C) all designs, artwork, graphics and images displayed on the website; (D) all content on the website and changes thereto; and (E) all uses and manner of display of our Marks;
  - (iv) ensure the website does not include any material owned by another Person, including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which a third party may claim intellectual property rights;
  - (v) establish and implement a privacy policy that complies with applicable Law; and
  - (vi) include all links we require in the manner we specify.

You are solely responsible for all costs to develop, host, maintain and update the Dedicated Website. However, we will be the exclusive owner of: (1) the Dedicated Website and all of its content; and (2) the Dedicated Website's domain name and associated URL. We may require you discontinue the Dedicated Website upon at least 30 days' notice.

## 11. OPERATING STANDARDS.

11.1. Brand Standards Manual~~Generally~~. You must develop and operate your ~~Family Nest~~ Business in full compliance with this Agreement, the Manual and our standards in order to maintain the goodwill associated with the Marks.

~~11.2.1.1. Brand Standards Manual~~. ~~You must develop and operate your Business in strict compliance with the Manual~~. The Manual may contain, among other things:

- ~~(a)~~ (a) a list of (i) goods and services (or specifications for goods and services) you must purchase to develop and operate your Business and (ii) designated and approved suppliers;
- ~~(b)~~ (b) a description of required and permitted Family Nest Services;
- ~~(c)~~ (c) specifications, techniques, methods, operating procedures and quality standards; and
- ~~(d)~~ (e) policies and procedures pertaining to: (i) any matters we deem appropriate, including: reporting and data entry; ~~(ii)~~ accounting and bookkeeping; ~~(iii)~~ insurance; ~~(iv)~~ marketing and advertising; ~~(v)~~ gift card programs; (vi) AI Technology; and data ownership, use, transfer and protection; ~~and (vii) any other matters we deem appropriate.~~

The Manual is designed to ~~establish and~~ protect our brand standards and ensure the uniformity and quality of the goods and services offered by Family Nest Businesses. We can modify the Manual at any time. Modifications are binding at the time we notify you of the change, subject to any "grace period" we provide to implement the change. All mandatory provisions in the Manual (whether included now or in the future) are binding on you. The Manual may consist of written text as well as videos, tutorials,

training modules, recordings and/or other means of communication.

**11.3.11.2. Authorized Goods & Services.** You must offer all goods and services we require from time to time in our commercially reasonable discretion, including all Family Nest Services. You may not offer any other goods or services without our prior approval. We may change authorized goods and services at any time and you must comply with our instructions regarding same. Any such change shall not constitute a termination of this Agreement.

**11.4.11.3. Sales Restrictions.** Unless you receive our prior approval, you may not use your Business, or permit your Business to be used, for any purpose other than offering Family Nest Services.

**11.5.11.4. Pricing.** We will provide you with our suggested retail pricing. You may deviate from our suggested retail pricing at your discretion.

**11.6.11.5. Client Payments.** You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from clients. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, Apple Pay and/or Google Wallet) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.

**11.7.11.6. Suppliers & Purchasing.**

- (a) **Generally.** You must purchase, lease or license, as applicable, all goods, services and other items required by the Manual. You must only purchase goods and services that satisfy all standards and specifications we designate. You must comply with all sourcing and supplier restrictions we impose from time to time.
- (b) **System Suppliers.** In accordance with the Manual, you must purchase certain goods and services exclusively from suppliers we designate or approve. The Manual may designate us or our affiliate as a designated or approved supplier. We and our affiliates may generate a profit from these purchases. We are currently the exclusive designated supplier: (i) the software, technology, email accounts and Webpage we provide in exchange for the monthly technology fee; and (ii) the training and other onboarding services we provide in exchange for the Initial Fees. Our right to specify the suppliers you use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and operation of Family Nest Businesses, protect our trade secrets, negotiate bulk purchase discounts and protect the reputation and goodwill associated with our System and Marks. You must immediately discontinue purchasing from any supplier we disapprove.
- (c) **Approval Process.** If you wish to purchase alternative goods or services or ~~you wish to~~ purchase from ~~an alternative~~ ~~suppliers~~ ~~suppliers~~, you must send us a request for approval that: (i) identifies the proposed supplier and the goods/services to be purchased; (ii) includes all information we require about the goods/services and the supplier (including the supplier's qualifications, reputation, financial strength and production capabilities); and (iii) includes product samples for examination and testing purposes. We may condition our approval on the supplier's agreement to comply with our minimum insurance, indemnification, reporting and confidentiality requirements for system suppliers. We will approve or disapprove your request within 30 days after we receive all required information and samples. Your request is deemed disapproved if we fail to issue our approval within the 30-day period. We need not consider substitute goods or alternative suppliers for goods that are proprietary or branded with our Marks.
- (d) **Payment Disputes.** You understand that: (i) your failure to timely pay a system supplier may jeopardize the supplier's relationship with us and other franchisees; and (ii) a supplier's termination of its relationship with us or refusal to supply goods or services to our franchisees may cause significant harm to us and our franchisees. Accordingly, you agree to promptly pay all amounts owed to system suppliers except as otherwise permitted by this Section. If you have a bona-fide dispute with a supplier that you believe justifies non-payment or partial payment,

you must promptly notify the supplier of the particulars of your Claim and diligently pursue resolution of the Claim or prosecution of appropriate legal action. Any trade debt that remains unpaid more than 30 days after its due date constitutes a material breach of this Agreement unless, before the end of the 30-day period: (i) you and the supplier agree to alternative payment terms; or (ii) you initiate appropriate legal action to contest the trade debt.

- (e) Supplier Payments. We may receive rebates, benefits and other consideration from suppliers based on your purchases, leases or licenses. We may retain these payments as compensation and reimbursement for time and expenses we incur to negotiate and manage supplier relationships. We have no obligation to pass them through to you or use them for any particular purpose (except as otherwise agreed to by us and a supplier).
- (f) Disclaimer of Liability. Provided that we designate or approve system suppliers in good faith, we have no liability to you for their acts, errors or omissions, including, ~~without limitation,~~ defective or tainted goods, delayed delivery or inability to meet demand. With respect to goods purchased from us or our affiliate, you acknowledge that we or our affiliate purchase the goods from third-party manufacturers or suppliers and resell them to you as a convenience. If you have any type of Claim relating to the purchase of goods or services from a system supplier, your sole recourse shall be against the supplier. If we or our affiliate are the supplier, your sole recourse shall be against the manufacturer or supplier from whom we or our affiliate acquired the goods unless both: (i) the Claim arises from our (or our affiliate's) failure to supply the goods in breach of our obligations under this Agreement; and (ii) our (or our affiliate's) failure to supply the goods is not caused by a Force Majeure event. ***We and our affiliates make no warranties or representations and expressly disclaim all warranties and representations, including the implied warranties of merchantability and fitness for a particular purpose, with respect to goods or services you purchase from system suppliers.***

**11.8.11.7. Equipment Maintenance and Changes**. You must maintain your equipment in good condition and promptly repair or replace ~~or repair equipment that is~~ damaged, ~~worn out~~ or obsolete equipment. We may require that you change your equipment. Our right to require these changes is critical to our ability to administer and change the System and you must comply with these changes within the time period we reasonably specify.

**11.9.11.8. Technology Systems**.

- (a) Generally. You must acquire and utilize all Technology Systems we require from time to time. Technology Systems may relate to matters such as: purchasing; pricing; accounting; order entry; inventory control; security; data storage, retrieval and transmission; client information; client loyalty; marketing; communications; copying, printing and scanning; or any other business purpose we deem appropriate. We may require that you acquire new or substitute Technology Systems and/or replace, upgrade or update existing Technology Systems at your expense upon reasonable prior notice. You are solely responsible for: (i) the acquisition, operation, maintenance, updating and upgrading of your Technology Systems; (ii) the manner in which your Technology Systems integrate and interface with our computer system and those of third parties; and (iii) any consequences resulting from improper use or operation, or failure to properly maintain, update or upgrade, Technology Systems.
- (b) Use & Access. You must use Technology Systems in accordance with the Manual and comply with all associated data entry policies. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure your employees are adequately trained in the use of the Technology Systems. You agree to take all steps necessary to provide us with independent and unlimited access to data collected by or through your Technology Systems, including Gross Sales data for purposes of calculating fees owed. You must also obtain any necessary signed consents from clients in order for us to access Client Data. Upon request, including upon termination or expiration of this Agreement, you must provide us with user IDs and passwords for your Technology Systems.

(c) AI Technology. ~~Except as~~ otherwise provided below or in the Manual, you may not use AI

Technology without our approval. You do not need our approval to use commercially available off-the-shelf productivity software with embedded AI Technology features (e.g., Microsoft Office with Copilot or Google Workspace with Gemini) for internal business purposes provided that: (i) you only use commercially available standard features and configurations (e.g., no beta, preview, experimental or custom features, third-party plugins, extensions or integrations); (ii) you do not input, upload, submit, expose or otherwise make available to AI Technology any Confidential Information; (iii) you do not authorize, permit or enable training, fine-tuning, grounding or improvement of any AI models, algorithms, products or services based on Confidential Information (if available, you must affirmatively opt out of any such training or improvement features and send us confirmation of same upon request); (iv) you do not use AI Technology (1) for consumer-facing, client-facing or other external communications, content or materials, (2) for marketing analytics, targeting, lead qualifying, profiling or other activities involving clients or third parties, (3) in violation of any Law, (4) in a manner that may cause physical or psychological harm or materially impact the health, safety or fundamental rights of any natural Person or (5) in any other manner prohibited by the Manual; and (v) you maintain commercially reasonable security measures to prevent unauthorized access to or disclosure of any data processed through such AI Technology and immediately notify us of any suspected or actual data breach, security incident or unauthorized use involving AI Technology.

- (c)(d) Disruptions. You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems and attacks by unauthorized Persons. Upon request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions. *We and our affiliates: (i) make no representations or warranties that the Technology Systems will be free from defects or that your use of the Technology Systems will be uninterrupted or error-free; and (ii) have no liability for any indirect, consequential, incidental, special or punitive damages (including damages associated with loss of use, interruption of business, loss of data or loss of profits) arising from or relating to the Technology Systems.*
- ~~(d)~~(e) Third-Party Technology. You understand and agree that we and our affiliates: (i) do not own certain Technology Systems (or components thereof) that you must use to operate your Business (i.e., Third-Party Technology); and (ii) have no liability to you for any ~~losses, damages or expenses~~ Losses you incur as result of Third-Party Technology not functioning properly. Accordingly, you hereby: (i) waive any and all Claims against us or our affiliates relating to Third-Party Technology; and (ii) acknowledge your sole recourse for any ~~liabilities, losses, damages or expenses~~ Losses you incur due to improperly functioning Third-Party Technology ~~shall~~ will be against the owner or licensor of such Third-Party Technology.
- (e)(f) Email Accounts. We will provide you with FAMILY NEST™ email addresses. The cost is included in the technology fee described in §11.8(g) below. You must exclusively use these email addresses for all communications with us, clients, suppliers and other Persons relating to your Business. You may not use them for any purpose unrelated to your Business. We own the email addresses and accounts but allow you to use them during the Term.
- (f)(g) Fees & Costs. You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading Technology Systems. Certain Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary Technology Systems (or components thereof) that become part of our System. If this occurs, you agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, sign our prescribed form of license agreement governing use of proprietary Technology Systems (or components thereof). We may enter into master agreements with licensors of Third-Party Technology and charge you for amounts we pay them based on your use of their Third-Party Technology. The technology fee includes all amounts you pay us and our affiliates relating to Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to suppliers of Third-Party Technology. The technology fee may change based on changes to Technology Systems or

prices charged by third parties with whom we enter into master agreements. The technology fee may include a reasonable administrative fee for the time, money and resources we invest to administer the technology platform and associated components, negotiate and manage contracts with third-party licensors, and collect and remit technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The technology fee does not include amounts you pay directly to third-party suppliers. The technology fee is due 10 days after invoicing or as we otherwise specify. We list the current technology fee in the Manual (currently a \$500 one-time implementation fee and a \$200 monthly fee), which we may increase up to a maximum of \$400 per month.

**11.10.11.9. System Programs.** We may periodically develop and implement gift card or other system-wide programs. You must fully participate in all programs we designate as mandatory. In order to participate you must: (i) comply with all policies and procedures we establish for program participation; (ii) purchase or license and utilize all equipment, software, mobile applications, technology and others items we designate as being necessary for program participation and pay all associated fees and costs; and (iii) pay us, our affiliate, or a third party we designate, all program fees, contributions or other amounts we require for program participation (collectively, "Program Participation Rules"). Program Participation Rules may be set forth in the Manual. We may change Program Participation Rules at any time and you must comply with the change. We may develop and implement new or successor programs and/or modify or terminate existing programs at any time.

**11.11.11.10. Hours of Operation.** Your Business must be open during the minimum days and hours of operation set forth in the Manual, subject to any conflicting requirements imposed by Law.

**11.12.11.11. Standards of Service & Professionalism.** You must treat your employees and clients, and our staff, with honesty and respect. You and your staff must provide prompt, courteous, friendly and efficient service to all clients and ensure all client interactions are conducted in a dignified, professional and ethical manner. If you receive a client complaint, you must follow the complaint resolution process we specify to protect the goodwill associated with the Marks.

**11.13.11.12. Failure to Comply with Standards.** You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and goodwill associated with the Marks. If we notify you of a breach of our standards or operating procedures (including failure to submit required reports in a timely manner) and you fail to cure within the time period we prescribe, we may (in addition to our other remedies under this Agreement) impose a noncompliance fee of \$500 per occurrence. We may impose a separate \$500 fee every 48 hours the same noncompliance issue remains uncured after we impose the initial fee. Any noncompliance fees we collect are paid in consideration of us refraining from exercising our contractual right to terminate this Agreement. If you fail to cure a breach before the expiration of the cure period (if any) and we take steps to cure the breach (for example, obtaining required insurance coverage on your behalf or paying amounts you owe to system suppliers), then you must reimburse all costs and expenses we directly or indirectly incur in connection with our efforts to cure the default. Your payment of noncompliance fees and default expense reimbursements does not preclude us from terminating this Agreement in accordance with §20.2 if the default continues after we collect these amounts.

**12. FRANCHISE ADVISORY COUNCIL.** We may, but need not, create a franchise advisory council (FAC) to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We consider all suggestions in good faith but are not bound by them. The FAC would be established and operated according to rules and regulations we periodically prescribe or approve, including procedures governing the selection of FAC representatives to communicate with us on matters raised by the FAC. You are eligible to be appointed as an FAC member as long as you comply with this Agreement and do not act in a disruptive or abusive manner. As a member, you would be entitled to all voting rights and privileges granted to other FAC members. Each member would have one vote on all matters on which members are authorized to vote.

### 13. FEES

- 13.1. Initial Fees.** You must pay us non-refundable initial fees (“Initial Fees”) for the training, coaching and other onboarding services described below. The amount of your Initial Fees is listed in Part B of ATTACHMENT "A" and a description of the specific Initial Fees and the associated training and services we provide is listed in Part C of ATTACHMENT "A". Initial Fees are due in full upon execution of this Agreement or as financed by our affiliate, and are fully earned and nonrefundable once this Agreement is signed.
- 13.2. Royalty Fee.** On the 10<sup>th</sup> day of each month (the “royalty fee due date”) you must pay us a royalty fee equal to the greater of: (a) 4% of Gross Sales generated during the immediately preceding month; or (b) the minimum royalty fee. The minimum royalty fee is: (a) \$0 per month for the first two (2) months (including partial month) after opening; (b) \$250 per month for the third (3<sup>rd</sup>) through the 12<sup>th</sup> month after opening; and (c) \$400 per month for the remainder of the Term.
- 13.3. Other Fees & Payments.** You must pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in §13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based on goods or services you sell or goods or services we furnish to you, excluding income taxes imposed on us based on fees you pay us under this Agreement.
- 13.4. Due Date & Late Fee.** Payments are due 10 days after invoicing unless otherwise specified. If any sum due under this Agreement is not received by us when due or there are insufficient funds in your Account to cover the sum when due, then in addition to this sum you must pay us default interest on the amount past due at a rate equal to the lesser of 18% per annum (pro-rated on a daily basis) or the highest rate permitted by applicable Law. We will not impose a late fee for any amount paid pursuant to §13.5 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payment when due; *provided, however*, that if we are unable to determine the amount due because you fail to record sales or submit Gross Sales reports in a timely manner, we may assess a late fee on the entire amount that was due. This §13.4 ~~shall~~does not constitute our agreement to accept late payments or extend credit to you. Fees are nonrefundable unless otherwise noted.
- 13.5. Method of Payment.** No later than 15 days after the Effective Date, you must complete and send us a signed ACH Agreement authorizing us to electronically debit your designated Account for all amounts owed to us and our affiliates on the applicable due date, excluding amounts due less than 15 days after the Effective Date. You must sign all other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all Gross Sales into the Account and ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts you owe will be payable upon demand together with any late fee imposed pursuant to §13.4. If (a) there are insufficient funds in your Account to cover amounts owed when due or (b) a check you issue to us is returned due to insufficient funds, we may impose (in addition to any applicable late fee) an NSF fee equal to the lesser of \$75 or the maximum NSF fee permitted by applicable Law.
- 13.6. CPI Adjustments.** We may periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the U.S. Consumer Price Index (CPI). We may periodically review and increase these fees ~~based on up to the increase in the~~ CPI-changes, but only if the then-current CPI (“Current CPI”) is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments) (“Baseline CPI”). The adjusted fee is calculated by multiplying the current fee by the sum of one (1) plus a fraction: (a) the numerator of which is Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. We may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that we deem appropriate. We currently use the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), “All Items”. We will notify you of any CPI adjustment at least 60 days before it becomes effective. We may implement no more than

one (1) fee adjustment during any five (5) year period. If we decline to exercise our right to increase fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied ~~in connection with~~to a subsequent fee adjustment.

#### 14. BRAND PROTECTION COVENANTS.

- 14.1. **Reason for Covenants.** The Intellectual Property, training and assistance we provide would not be acquired except through implementation of this Agreement. You agree that competition by you, the Owners or Persons associated with you or the Owners (including family members) could seriously jeopardize our franchise system because you and the Owners receive an advantage through knowledge of our day-to-day operations and Know-how. You and the Owners agree to comply with the covenants in §14 to protect the Intellectual Property and our franchise system.
- 14.2. **Intellectual Property & Confidential Information.** You and the Owners agree to: (a) refrain from using any Intellectual Property or Confidential Information in any business or for any purpose other than the operation of your Family Nest Business pursuant to this Agreement; (b) maintain the confidentiality of our Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) stop using the Intellectual Property and Confidential Information immediately upon the expiration, termination or Transfer of this Agreement (any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement must stop using the Intellectual Property and Confidential Information immediately at the time he or she ceases to be an Owner).
- 14.3. **Unfair Competition.** You and the Owners may not engage in any Prohibited Activities during the Term or Post-Term Restricted Period. Notwithstanding the foregoing, during the Post-Term Restricted Period you and the Owners may have an interest in any Competing Business ~~during the Post-Term Restricted Period as long as the Competing Business~~that is not located (and does not operate) within the Restricted Territory. If you or an Owner engage in a Prohibited Activity during the Post-Term Restricted Period (~~other than having an interest in a Competing Business~~except as permitted by this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity. For purposes of clarity, you and the Owners remain bound by any non-competition covenants in other Definitive Agreements that remain in effect for a period of time that extends beyond the expiration of the Post-Term Restricted Period under this Agreement, and the expiration of the Post-Term Restricted Period under this Agreement does not in any way diminish your or the Owners' obligation to comply with such covenants.
- 14.4. **Family Members.** Because (a) an Owner could circumvent the intent of §14 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child or grandchild) and (b) it would be difficult for us to prove whether the Owner disclosed Confidential Information to the family member, each Owner agrees that he or she will be presumed to have violated the terms of §14 if any member of his or her immediate family engages in any Prohibited Activity during the Term or Post-Term Restricted Period or uses or discloses Confidential Information. However, the Owner may rebut this presumption with evidence conclusively showing he or she did not disclose Confidential Information to the family member.
- 14.5. **Employees.** All employees, officers, directors, independent contractors and other Persons associated with you or your Business must sign and send us a Confidentiality Agreement before accessing our Confidential Information. You must: (a) use best efforts to ensure these individuals comply with the Confidentiality Agreements; (b) immediately notify us of any breach that comes to your attention; and (c) reimburse all expenses we incur to enforce a Confidentiality Agreement, including attorneys' fees and court costs.
- 14.6. **Covenants Reasonable.** You and the Owners agree that: (a) the covenants in §14 are reasonable both in duration and geographic scope; (b) our use and enforcement of similar covenants with other

franchisees benefits you and the Owners by preventing them from unfairly competing with your Family Nest Business; and (c) you and the Owners have sufficient resources, business experience and opportunities to earn an adequate living while complying with the covenants in §14.

- 14.7. Breach of Covenants.** You and the Owners agree that: (a) any breach of §14 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at Law; and (b) we are entitled to injunctive relief if you or an Owner breach §14, together with any other relief available at equity or Law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires us to post a bond despite our agreement to the contrary, the bond amount may not exceed \$1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at Law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

## 15. YOUR OTHER RESPONSIBILITIES

**15.1. Insurance.** For your protection and ours, you agree to maintain the following insurance policies:

- (a) “all risk” property insurance, including coverage for fire, vandalism and malicious mischief, with minimum coverage for full replacement cost, covering all assets including inventory, furniture, fixtures, equipment and other property used to operate your Business;
- (b) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with ~~the operation of~~ your Business, with minimum liability protection of \$1,000,000 combined single limit per occurrence and \$1,000,000 in the aggregate;
- (c) professional liability insurance with minimum liability protection of \$250,000;
- (d) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased or used by you or your officers, directors, employees, partners or agents in the operation of your Business, with minimum liability protection of \$1,000,000 combined single limit per occurrence;
- (e) employee theft and dishonesty insurance with minimum liability protection of \$25,000 per occurrence;
- (f) bailee customer insurance with minimum liability protection of \$25,000;
- (g) employer’s liability insurance with minimum liability protection equal to the greater of \$100,000 or the minimum coverage required by Law;
- (h) worker’s compensation insurance as required by Law;
- (i) any other insurance required by Law or that we specify in the Manual from time to time.

These policies reflect our minimum requirements and may not be adequate to fully protect your interests. You may wish to procure additional coverage. You must provide us with proof of coverage: (a) prior to opening; (b) within 10 days after a policy renewal; and (c) any other time on demand. You must obtain these policies from licensed insurance carriers rated A or better by AM Best. Each policy must satisfy all requirements in the Manual and be endorsed to: (a) name us and our owners, officers and directors as additional insureds; (b) waive all subrogation rights against us; and (c) provide us with at least 30 days’ prior written notice of the termination, expiration, cancellation or modification of the policy. We may disapprove any policy that fails to meet these criteria, and you must immediately secure a new policy meeting our criteria. Upon 10 days’ notice, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance, including excess liability (umbrella) insurance, due to inflation, special risks, changes in Law or standards of liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain a required policy, we may, at our option, obtain the policy on your behalf. If we do so, you must promptly sign any application or other form required to obtain the policy and reimburse all premiums and other costs we incur.

**15.2. Books & Records.** You must prepare complete and accurate books, records, accounts and tax returns pertaining to your Business and keep copies for at least five (5) years after their preparation. We may require you to prepare your books and records in compliance with our bookkeeping and accounting standards and policies in the Manual. You must maintain a client list and send a copy to us upon request. You must send us copies of your books and records within seven (7) days of our request.

**15.3. Reports.**

- (a) Generally. You must prepare all reports we require ~~including, without limitation, the reports described below. Reports must be prepared~~ in the form and manner we specify. You must send us ~~a copy~~ copies of ~~any~~ required ~~report~~ reports upon request. We may independently access your Technology Systems to retrieve and compile Business Data and generate any reports we deem appropriate, including Gross Sales reports.
- (b) Report of Initial Investment Costs. To ~~assist~~ help us ~~in updating~~ update our Franchise Disclosure Document, you must complete and send us a report, in the form we designate, listing all expenses you incur ~~in connection with the development~~ to develop and ~~opening of~~ open your ~~Family Nest~~ Business. You must send us the completed report within 60 days after the opening date of your Family Nest Business.
- (c) Gross Sales Reports. No later than each royalty fee due date, you must prepare and send us a ~~monthly~~ statement of ~~your~~ Gross Sales for the prior reporting period. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next reporting period. Otherwise, you will not be entitled to a refund or credit of fees paid to us based on previously reported Gross Sales.
- (d) Advertising Expenditure Report. No later than 30 days after the expiration of your opening date, you must prepare and send us a report detailing your expenditures on your pre-opening marketing campaign in accordance with §10.3(a). The advertising expenditure report must include copies of receipts for the reported expenditures.

**15.4. Financial Statements.** No later than the 15<sup>th</sup> day of each month, you must prepare and send us a monthly balance sheet and profit and loss statement for your Business for the prior month. Within 90 days after the end of each calendar year, you must prepare and send us a balance sheet (as of the end of the calendar year) and profit and loss statement for the prior calendar year. Financial statements must be: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant if you submit materially inaccurate financial statements on a prior occasion. You must send us a copy of any financial statement required by this Section upon request. You hereby authorize us to disclose Operational Data to prospective franchisees, Governmental Authorities and other Persons for any reasonable business purpose, provided the disclosure is not prohibited by applicable Law.

**15.5. Legal Compliance.** You must secure, and maintain throughout the Term, all required ~~licenses, permits and regulatory approvals~~ Licenses and operate your ~~Family Nest~~ Business in compliance with all applicable Laws.

**15.6. Reportable Events.** You must notify us within two (2) business days after you become aware of any of the following (each, a “Reportable Event”):

- ~~(a)~~ (a) the occurrence of an incident involving your Business and significant personal injury;
- ~~(b)~~ (b) the issuance of a citation or notice of violation by a Governmental Authority (or the commencement of an inquiry you believe is reasonably likely to lead to a citation or notice of violation) relating to a health or safety matter involving your Business;
- ~~(c)~~ (c) the commencement (or written threat) of an action, suit or proceeding against you, your Owners and/or your ~~Family Nest~~ Business that is reasonably likely to materially and adversely

affect you, your Business or the goodwill associated with the Marks; ~~or~~

~~(d)~~ (d) a cancellation, termination or non-renewal of a required License; or (e) the conviction or indictment of any Owner or employee for a felony or other crime reasonably likely to materially and adversely affect you, your Business or the goodwill associated with the Marks.

### 15.7. **Data Ownership & Protection of Business Data.**

- (a) Ownership & Use. We are the exclusive owner of all Business Data, whether collected by you, us or any other Person. We hereby grant you a license to use the Business Data solely for purposes of operating your Business in compliance with this Agreement.
- (b) Protection. You must protect ~~all~~ Client Data with a level of control proportionate to the sensitivity of data. ~~You must adhere to applicable privacy Laws with respect to data which, if compromised, could have a negative impact on our image or consumer confidence.~~ You must comply with all applicable privacy Laws, data protection Laws and our data processing and data privacy policies in the Manual (if any). Upon request, you must sign any data processing or data privacy agreement required by ~~us~~ Law (or required by Law.us). You ~~further~~ may not enter Business Data into public/open AI models or any other AI model that uses such information to train the AI without our prior approval.
- (c) PCI-DSS. You agree to: ~~(a) obtain, maintain and~~ (i) adhere to all applicable compliance standards established by PCI-DSS; ~~(b) i~~ establish appropriate administrative, technical and physical controls consistent with Law and PCI-DSS to preserve the security and confidentiality of all credit card information (in any form) ~~that you store, process, transmit or come in contact with;~~ ~~(c) access;~~ (iii) promptly notify us ~~if you suspect~~ of any suspected or ~~there has been, a~~ actual security breach or potential compromise of credit card information; ~~(d) provide~~ (iv) send us ~~with~~ updates regarding the status of PCI-DSS via completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other mutually-agreed method; and ~~(e) v~~ promptly notify us of any PCI-DSS noncompliance to discuss your remediation efforts and timeline.
- (d) Data Breach. In the event of a data breach, we reserve the right to exclusively control the response, but we have no liability to you for any damages arising from the data breach. You must cooperate with us and follow our instructions relating to the data breach.

## 16. INSPECTION AND AUDIT

- 16.1. **Inspections.** For quality control purposes and to ensure compliance with this Agreement, we (or our representative) may evaluate your operations and inspect your books, records, accounts and tax returns. We will determine the scope of the inspection, which may include, among other things: (a) examining and copying your books, records, accounts and tax returns; (b) monitoring and speaking with your staff; (c) auditing your use of AI Technology and ~~(e) related data handling practices;~~ and (d) contacting your clients and their families. We may conduct inspections at any time without prior notice. We (or our representative) will use reasonable efforts to minimize any interference with the operation of your Business. You and your employees must cooperate and not interfere with the inspection. You consent to us accessing your Technology Systems to retrieve Business Data.
- 16.2. **Audit.** We may audit your books and records at any time. You must fully cooperate with us and any Person we hire to conduct the audit. If an audit reveals an understatement of Gross Sales, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to §13.4. You must reimburse us for the cost of any audit (including reasonable accounting and attorneys' fees and Travel Expenses incurred by us or the auditor) that: (a) is required due to your failure to provide information we request, preserve records or file reports as required by this Agreement; or (b) reveals an understatement of Gross Sales by at least 3%. We bear the cost of all other audits. Your reimbursement of our audit costs does not preclude us from terminating this Agreement.

## 17. INTELLECTUAL PROPERTY

- 17.1. **Ownership & Use.** You acknowledge that: (a) we are (or our affiliate is) the exclusive owner of the

Intellectual Property and the associated goodwill; and (b) your right to use the Intellectual Property is derived solely from this Agreement and is limited to a license to operate your ~~Family Nest~~ Business during the Term pursuant to, and only in compliance with, this Agreement and the Manual. You may not use the Intellectual Property ~~in connection with~~ relating to the sale of ~~any~~ unauthorized ~~product~~ goods or ~~service~~ services or in any ~~other~~ manner not expressly authorized by us. Any unauthorized use of the Intellectual Property ~~constitutes~~ is an infringement of our rights. You must comply with all provisions in the Manual governing use of the Intellectual Property. You will not acquire any goodwill, title or interest in or to the Intellectual Property. Any goodwill arising from your use of the Marks insures exclusively to us (or our affiliate) with no obligation to pay you compensation attributable to any goodwill from your use of the Marks.

- 17.2. Intellectual Property Changes.** We may change the Intellectual Property at any time in our sole discretion, including the Copyrighted Materials, Know-how, Marks and/or System. You must, at your expense, implement all Intellectual Property changes we require in accordance with our instructions. We are not liable for any ~~expenses, losses or damages~~ Losses you incur (including loss of goodwill associated with a Mark) due to a change to the Intellectual Property.
- 17.3. Use of Marks.** You agree to: (a) use the Marks as the sole identification of your Business; *provided, however,* that you must identify yourself as the independent owner of your Business in the manner we prescribe; (b) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, displays, receipts, stationery and forms we designate to give notice of trademark and service mark registrations and copyrights; and (c) obtain any fictitious or assumed name registrations required by applicable Law. You may not: (a) use the Marks in any modified form or as part of a corporate or trade name or with any prefix, suffix, or other modifying words, designs or symbols (other than logos we license to you); (b) use the Marks when signing a contract, lease, check or other agreement or in any other manner that may cause confusion or imply we are liable for your obligations; (c) register or attempt to register a Mark, or a trademark confusingly similar to a Mark, with a Governmental Authority; or (d) challenge or contest the validity or ownership of our Marks.
- 17.4. Use of Know-how.** We disclose our proprietary Know-how to you during training programs, in the Manual and through other guidance furnished during the Term. You do not acquire any interest in the Know-how other than the right to utilize it, during the Term, solely for purposes of developing and operating your Family Nest Business in compliance with this Agreement and the Manual.
- 17.5. Improvements.** If you (or your Owner or employee) conceive of or develop an Improvement, you must send us a notice describing the Improvement. You must obtain our approval prior to using the Improvement. ~~Any Improvement we approve may be used by us and any Person we authorize to operate a Family Nest Business, without any obligation to pay royalties or other fees to you or any other Person.~~ You or your Owner or employee, as applicable, must assign ~~ownership of the Improvement~~ to us or our designee, without charge, ~~together with all associated intellectual property rights~~ to any Improvement we approve, including the right to grant sublicenses. If applicable Law precludes ~~you from~~ assigning ownership to us, ~~then you or your Owner or employee, as applicable,~~ must grant us a ~~perpetual~~ fully-paid, royalty-free license to use, ~~commercialize~~ and sublicense use of the Improvement anywhere in the ~~Improvement in any manner we deem appropriate~~ world for a term of 100 years.
- 17.6. IP Disputes.** You must immediately notify us of any IP Dispute. You may not communicate with any Person other than us and our counsel in connection with the IP Dispute. We have sole discretion in deciding what action, if any, to take in response to an IP Dispute. We exclusively control all litigation and other proceedings relating to IP Disputes. You must execute all documents, render all assistance, and perform all acts that our counsel deems necessary or advisable to protect or maintain our interest in the proceeding and/or protect the Intellectual Property.

**18. INDEMNITY.** You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses ~~and Expenses~~ they incur as a result of or in connection with:

- (a) the marketing, use or operation of your Family Nest Business;

- (b) the breach of a Definitive Agreement committed by you or your Owner or affiliate;
- (c) the breach of an agreement with a third party committed by you or your Owner or affiliate;
- (d) any representations ~~made by~~ you or your Owner make to a transferee in connection with a Transfer;
- (e) any Claim relating to taxes or penalties a Governmental Authority assesses against us as a direct result of your failure to pay or perform functions required of you under this Agreement;
- (f) libel, slander or disparaging comments made by you or your Owners, officers, employees or independent contractors regarding the System, a Family Nest Business or an Indemnified Party (this provision does not apply to disclosure of truthful information to Governmental Authorities);
- (g) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or
- (h) any actions, investigations, rulings or proceedings conducted by any Governmental Authority (including the United States Department of Labor, Equal Employment Opportunity Commission or National Labor Relations Board) relating to your employees.

You ~~and your Owners~~ must immediately notify us of any Claim or proceeding described above. The Indemnified Parties have the right, in their sole discretion, to: (a) retain counsel of their choosing to represent them ~~with respect to the Claim; and~~; (b) control the response thereto and ~~the~~ defense thereof; ~~including the right to;~~ and (c) settle the Claim. You may participate in the defense at your expense. You must ~~fully~~ cooperate ~~and assist~~ with the Indemnified Parties ~~with defense of the Claim~~ and reimburse all ~~costs and expenses~~ Losses they incur ~~in defending to defend~~ the Claim including, ~~without limitation~~, mediation, arbitration or court expenses, expert fees and Travel Expenses incurred by attorneys or expert witnesses to attend proceedings or hearings relating to the matter. Your indemnification obligations survive; and ~~continue~~ remain in ~~full force and~~ effect after; the Transfer, termination or expiration of this Agreement.

## 19. TRANSFERS

**19.1. By Us.** This We have the unrestricted right to assign this Agreement ~~is fully assignable by us (to any Person without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement;~~ provided, however, that we ~~shall, subsequent to any such assignment, will~~ remain liable for ~~any~~ obligations ~~incurred by us we incur~~ prior to the ~~effective~~ assignment date ~~of the assignment.~~ We may also delegate any of our obligations under this Agreement ~~to one or more Persons without assigning the Agreement.~~

**19.2. By You.** The rights and duties created by this Agreement are personal to you and the Owners. We are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold our approval of a proposed Transfer if all of the following conditions are satisfied:

- (a) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to own and operate the Business and meets our minimum criteria for franchisees;
- (b) you and your affiliates and Owners are in full compliance with all Definitive Agreements;
- (c) the transferee's owners successfully complete, or make arrangements to attend, the initial training program and the transferee pays us any applicable training fee;
- (d) the transferee and its owners obtain all ~~licenses and permits~~ required ~~by applicable Law~~ Licenses ~~to own and~~ operate the Family Nest Business;
- (e) the transferee: ~~(i) agrees to discharge and guarantee~~ assumes your obligations under this Agreement and other Business contracts; and ~~(ii) signs any agreement we require to confirm the~~

foregoing;

- (f) the transferee and its owners sign our then-current form of franchise agreement (unless we instruct you to assign this Agreement to the transferee) except that: (i) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement unless we specify otherwise; and (ii) the transferee need not pay separate Initial Fees;
- (g) the transferee agrees to upgrade all Technology Systems and equipment to conform to our then-current standards and specifications within 90 days after the Transfer;
- (h) you or the transferee pay us a transfer fee equal to 50% of our then-current, non-discounted, Initial Fees (~~in addition to if our broker finds the transfer fee~~ transferee, you must also reimburse ~~us for any commission we pay our broker if our broker finds the transferee~~);
- (i) you and your Owners sign a General Release;
- (j) you agree to subordinate the transferee's financial obligations owed to you to the transferee's financial obligations owed to us pursuant to the franchise agreement (we may require you to enter into a written subordination agreement);
- (k) we choose not to exercise our right of first refusal described in §19.5; and
- (l) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we reasonably require as a condition to approval of the Transfer.

Our consent to a Transfer ~~shall~~ does not constitute a waiver of any Claims we have against the transferor or our right to demand the transferee comply with all terms of the franchise agreement.

**19.3. Permitted Transfers.** You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior notice; and (b) upon our request, cause the former Franchisee Entity to sign a corporate guarantee in the format we require to secure performance of the new Franchisee Entity's financial obligations under all Definitive Agreements (if the Permitted Transfer results in a new Franchisee Entity). You and the Owners (and transferee) must sign all documents we reasonably request to effectuate and document the Permitted Transfer.

**19.4. Owner Death or Disability.** Within 180 days after an Owner's death or permanent disability, the Owner's Equity Interest in the Business or Franchisee Entity must be Transferred to another Person in compliance with §19.2 or §19.3. An Owner is deemed to have a "permanent disability" only if he/she has a medical or mental problem preventing him/her from substantially complying with his/her obligations under this Agreement or operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

**19.5. Our Right of First Refusal.** If you or an Owner wish to engage in a Transfer, you or the Owner, as applicable, must obtain and send us a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receiving the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have an additional 60 days to prepare for closing. You or the Owner, as applicable, must provide us with all customary representations and warranties regarding the title to and condition of the assets or Equity Interest that we purchase, or at our option, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject to the requirements of §19.2, including our approval of the transferee. If the sale is not completed within 120 days after we receive the offer, or there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

## 20. TERMINATION

**20.1. By You.** You may terminate this Agreement if we fail to cure a material breach within 90 days after you send us a default notice specifying the nature of the breach. If you terminate pursuant to §20.1,

you must still comply with your post-term obligations described in §21 and all other obligations that survive the termination of this Agreement.

**20.2. By Us.** We may terminate this Agreement, effective upon delivery of a notice of termination, for any of the following reasons, all of which constitute material events of default and “good cause” for termination, and without opportunity to cure except for any cure period expressly set forth below:

- (a) if you are insolvent due to your inability to pay your debts as they become due;
- (b) if you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any Law, or you are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);
- (c) if your Business, or substantially all of its assets, are seized by a ~~Government Official~~ government official or taken over or foreclosed upon by a creditor, lienholder or lessor;
- (d) if a final judgment against you remains unsatisfied for 30 days unless a supersedes or other appeal bond has been filed;
- (e) if a levy of execution has been made upon the license granted by this Agreement or any property used in your Business and is not discharged within five (5) days of the levy;
- (f) if the Managing Owner fails to satisfactorily complete initial training as required by §5.1;
- (g) if you fail to open your Business before the deadline set forth in §7;
- (h) if you abandon or fail to operate your Business for three (3) consecutive business days unless due to Force Majeure (in which case §24.6 governs) or another reason we approve;
- (i) if a Governmental Authority suspends or revokes a ~~license or permit~~ License required to lawfully operate the Business unless the suspension/revocation is overturned within 20 days thereafter;
- (j) if you operate the Business in a manner that presents a health or safety hazard to your clients, employees or the public and fail to cure within 24 hours after notice from us;
- (k) if you underreport Gross Sales by at least 3% on two (2) or more occasions;
- (l) if you fail to pay any amount owed to us, our affiliate or an approved or designated supplier within 10 days after demand for payment (subject to your right to dispute, in good faith, amounts owed to third-party suppliers in accordance with §11.6(d));
- (m) if you fail to timely notify us of a Reportable Event in accordance with §15.6;
- (n) if you (or an Owner) (i) are subject to a material administrative disciplinary action or (ii) plead no contest to, or are convicted of, a felony or other material crime;
- (o) if you (or an Owner) fail to comply with a material Law applicable to your Business;
- (p) if you (or an Owner) commit an act that can reasonably be expected to materially and adversely affect the reputation of the System or goodwill associated with the Marks;
- (q) if you (or an Owner) make a material misrepresentation to us at any time;
- (r) if you (or an Owner) make an unauthorized Transfer;
- (s) if you (or an Owner) use the Intellectual Property in an unauthorized manner;
- (t) if you (or an Owner) breach a brand protection covenant in §14 or representation in §23.3;
- (u) if an Owner (or their spouse) breaches a ~~Franchise~~ an Owner Agreement;
- (v) if we (or our affiliate) terminate any Definitive Agreement due to a default committed by you (or your affiliate or an Owner); or
- (w) if you (or an Owner) breach any other provision of this Agreement, including any mandatory

provision in the Manual, and fail to cure within 30 days after receipt of a default notice.

If we send you a default notice we may cease to perform our obligations under this Agreement until you cure the breach, unless our failure to perform would materially impair your ability to cure.

**20.3. By Mutual Agreement.** If you and we mutually agree in writing to terminate this Agreement, any notice or cure period that might otherwise apply shall be deemed waived.

**21. POST-TERM OBLIGATIONS.** After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

- (a) immediately cease use of the Intellectual Property;
- (b) comply with all post-term covenants described in §14; [or an Owner Agreement](#);
- (c) cancel all fictitious or assumed name registrations relating to your use of the Marks;
- (d) pay us all amounts you owe;
- (e) cease all use of Nest Central;
- (f) comply with our data retention policies relating to Business Data;
- (g) provide us with a list of current, former and prospective clients;
- (h) transfer Client Data (and if we so request, assign all client contracts) to us or our designee;
- (i) comply with our instructions to return, destroy or transfer all copies of the Manual and Copyrighted Materials and all signs, brochures, advertising and promotional materials, forms and other materials bearing the Marks or containing Confidential Information;
- (j) notify all telephone, listing and domain name registration companies of the termination or expiration of your right to use: (i) any telephone numbers and/or domain names associated with your Family Nest Business; and (ii) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the foregoing companies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct these companies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and
- (k) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

Subsections (h) (i) and (j) ~~above shall do~~ not apply if you Transfer your Business to an approved transferee ~~or we exercise our right to purchase your Business~~. If an Owner transfers his or her entire Equity Interest in the Business or Franchisee Entity but you continue to operate the Business pursuant to this Agreement, then this Section ~~shall does~~ not apply to you (or ~~to~~ any remaining Owner) and the former Owner ~~shall be is~~ subject only to the obligations set forth in subsections (a) and (b).

**22. DISPUTE RESOLUTION.**

**22.1. Negotiation & Mediation.** Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, either party may submit the Dispute to mediation before a mutually-agreeable mediator prior to arbitration. All negotiations and mediation proceedings (including ~~all discovery conducted therein and~~ statements and settlement offers ~~made by either party or the mediator in connection with the mediation~~): (a) ~~shall be are~~ strictly confidential; (b) ~~shall~~ constitute “settlement negotiations” for purposes of federal and state rules of evidence; and (c) ~~shall may~~ not be ~~admissible admitted~~ or ~~otherwise~~ used for any purpose in any court or arbitration proceeding (except evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in mediation). The mediator may not be called as a witness for any purpose in any court or arbitration proceeding. Any Dispute involving Claims alleging a breach ~~of~~ §14, §17 and/or §21 (referred to as “Excluded Claims”) is not subject to mandatory negotiation or mediation unless both parties agree otherwise.

- 22.2. **Arbitration.** If a Dispute is not resolved by mediation within 60 days after a party makes a demand for mediation, ~~then~~ either party may submit the Dispute to mandatory and binding arbitration conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrators will not have authority to award exemplary or punitive damages. Any Dispute involving an Excluded Claim is not subject to mandatory arbitration unless both parties agree otherwise.
- 22.3. **Litigation.** If a Dispute involves an Excluded Claim, ~~then~~ either party may file a lawsuit in any state or federal court of general jurisdiction in accordance the choice of venue provision below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator or arbitrator, has exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an Excluded Claim (i.e., whether any Claim alleges a breach of §14, §17 or §21).
- 22.4. **Venue.** All mediation, arbitration and litigation ~~shall~~will take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently Cherokee County, Georgia). The parties irrevocably waive any objection to such venue and consent to the jurisdiction of such courts.
- 22.5. **Attorneys' Fees & Costs.** If a Dispute is resolved ~~through an~~via arbitration or a judicial proceeding, the substantially prevailing party is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees and arbitration or court costs. In addition, if you or an Owner breach ~~any term of~~ a Definitive Agreement, you must reimburse ~~us for~~ all reasonable legal fees and other expenses we incur as a result of the breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.
- 22.6. **Waivers.** ~~UNLESS PROHIBITED BY APPLICABLE LAW, ANY CLAIM (OTHER THAN FOR PAYMENT OF MONIES OWED OR AN EXCLUDED CLAIM) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO ARBITRATE OR LITIGATE A DISPUTE ON A CLASS ACTION BASIS~~Unless prohibited by applicable Law, any Claim (other than for payment of monies owed or an Excluded Claim) must be brought by filing a written demand for mediation (or if permitted, litigation) within one (1) year following the conduct, act, event or occurrence giving rise to the Claim, or the right to a remedy will be deemed forever waived and barred. We and you irrevocably waive: (a) trial by jury; and (b) the right to arbitrate or litigate a Dispute on a class action basis.

## 23. REPRESENTATIONS.

- 23.1. **Corporate-Representations.** You and the Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets are bound; (b) violate any order, injunction, decree, judgment or ruling of a Governmental Authority; or (c) violate any applicable Law. If the franchisee is an Entity, you and the Owners also jointly and severally represent and warrant to us that: (a) the Franchisee Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and perform its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement constitutes the legal, valid and binding obligation of, and is enforceable against, the Franchisee Entity in accordance with its terms.
- 23.2. **General-Representations.** You and the Owners jointly and severally represent and warrant to us that you and the Owners are aware that: (a) other franchisees may operate under different forms of agreement and our obligations and rights with respect to franchisees differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

**23.3. Anti-Terrorism-Compliance.** You and the Owners jointly and severally represent and warrant to us that, to the best of your and their knowledge: (a) no property or interest owned by you or any Owner is subject to being “blocked” under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of an Equity Interest in the Business or Franchisee Entity) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name, alias, pseudonym, nickname or address on any Terrorist List, including the list of “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (texts currently available at [www.home.treasury.gov](http://www.home.treasury.gov)); and (c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other U.S. Laws currently in effect, or enacted in the future, that prohibit corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government. The foregoing representations and warranties are ‘continuing’ representations and warranties for the duration of the franchise relationship. Accordingly, you must immediately notify us of the occurrence of an event or development of a circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

## 24. GENERAL PROVISIONS

**24.1. Governing Law.** Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship are governed by the Laws of Georgia without reference to its principles of conflicts of law, but any Georgia Law that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

**24.2. Relationship of ~~the~~ Parties.** Nothing in this Agreement creates a fiduciary relationship between the parties or is intended to make either party ~~a general or special~~an agent, legal representative, ~~joint venture, partner, or~~ employee ~~or servant~~ of the other ~~for any purpose~~party. Throughout the Term you must, in all dealings with third parties, conspicuously identify yourself as a franchisee and the independent owner of your ~~Family Nest~~ Business. You must include a written indication of independent ownership on all agreements, forms, letterhead, advertising materials, business cards and other materials that we specify. Neither party may: (a) make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other; or (b) represent that our relationship is other than franchisor and franchisee. Neither party is obligated by any agreement or representation made by the other party unless expressly authorized by this Agreement.

**24.3. Severability.** Each section of this Agreement (and portion thereof) is severable. If applicable Law imposes mandatory terms that conflict with this Agreement, the terms required by such Law ~~will~~shall govern to the extent of the inconsistency. If a court or arbitrator concludes any promise or covenant in this Agreement is unreasonable or unenforceable, we or the court or arbitrator may modify such promise or covenant to the minimum extent necessary to make it enforceable.

**24.4. Waivers.** Each party may waive any obligation imposed on the other party in writing. Neither party is deemed to have waived or impaired any of its rights under this Agreement, including the right to require strict compliance with all terms of this Agreement or terminate this Agreement if the other party fails to comply with such terms, by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by a party to exercise any right under this Agreement or require the other party to strictly comply with any term of this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other franchisees; or (d) our acceptance of payment from you after your breach.

**24.5. Approvals.** Whenever this Agreement requires our approval, you must make a timely written request for approval. Our approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we ~~shall be~~are deemed to have disapproved your request.

- 24.6. Force Majeure.** Neither party ~~shall be~~ is liable for loss or damage or deemed in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however,* that ~~an event of~~ Force Majeure ~~shall~~ will not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving notice of termination to the other party.
- 24.7. Binding Effect.** This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, ~~nor shall be or~~ deemed, to confer any rights or remedies upon any Person not a party to this Agreement; *provided, however,* that the additional insureds listed in §15.1 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to §15.1 and §18, respectively.
- 24.8. Integration.** THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY §11.1 AND §24.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. ~~Any~~ No email or informal electronic communication ~~shall not be deemed to~~ will modify this Agreement unless it is signed by both parties and expressly states it is intended to modify this Agreement. The attachments are part of this Agreement, which together with any Amendments or Addenda executed on or after the Effective Date, constitute the entire understanding and agreement of the parties. There are no other oral or written understandings or agreements between the parties about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) 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.
- 24.9. Good Faith Covenant.** If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant may not imply any right or obligation inconsistent with the express terms hereof. This Agreement, and the relationship of the parties inherent in this Agreement, grants us discretion to make decisions, take actions or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment to exercise this discretion based on our assessment of our own interests and balancing our interests against the interests of our franchisees, but without considering the individual interests of you or any other franchisee.
- 24.10. Rights are Cumulative.** The rights of the parties under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy under this Agreement precludes any other right or remedy available to such party under this Agreement or by Law.
- 24.11. Survival.** All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an Equity Interest in the Business or Franchisee Entity, ~~shall continue in full force and~~ remain in effect subsequent to and notwithstanding its termination, expiration or Transfer ~~and~~ until they are satisfied in full or by their nature expire, including, ~~without limitation,~~ §13, §14, §16, §18, §21, §22 and §24.
- 24.12. Construction.** Headings are for convenience only and do not affect the meaning of the Section. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. All references to "including" shall be construed as references to "including, but not limited to".
- 24.13. Time of Essence.** Time is of the essence in this Agreement and every term thereof.

**24.14. Notice.** All notices and notifications given under this Agreement must be in writing and must be delivered by: (a) hand delivery; (b) registered or certified air mail, postage prepaid, return receipt requested; (c) special delivery service (e.g., Federal Express, DHL, UPS, *etc.*); or (d) email, in each case to the following addresses (which may be changed upon 10 business days' prior notice):

YOU: As set forth in Part A of ATTACHMENT "A"  
US: Family Nest Franchise, LLC  
105 Towne Lake Parkway, Suite E  
Woodstock, Georgia 30188  
Attention: Kevin Corsini  
Email: [franchise@familynestestatesfamilynestfranchise.com](mailto:franchise@familynestestatesfamilynestfranchise.com)

Notice is deemed given on the earliest to occur of: (i) the date delivered by hand; (ii) the third (3<sup>rd</sup>) business day after placed in the mail or provided to special delivery services in accordance with clause (b) or (c) above; or (iii) the first (1<sup>st</sup>) calendar day after sent by email.

**24.15. Counterparts.** This Agreement may be signed in multiple counterparts, each of which ~~shall be~~ is deemed an original and all of which together ~~shall~~ constitute but one and the same document.

\* \* \*

The parties below have executed this Agreement effective as of the Effective Date first above written.

**FRANCHISOR:**

Family Nest Franchise, LLC, a Georgia limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**YOU (If you are an Entity):**

\_\_\_\_\_,  
a(n) \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**YOU (If you are not an Entity):**

\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_

**ATTACHMENT "A"**  
**TO FRANCHISE AGREEMENT**

**DEAL TERMS**

**A. Franchisee Details**

Name of Franchisee: \_\_\_\_\_ ]

Is the franchisee one or more natural Persons signing in their individual capacity? **Yes:** \_\_\_\_\_ **No:** \_\_\_\_\_

Type of Entity and State of Formation\* (if applicable): \_\_\_\_\_ ]

*\* If the franchisee is a business Entity, each Person holding a direct or indirect Equity Interest in the Franchisee Entity, and spouse of each such Person who is a natural Person, must sign the **Franchise Owner Agreement** concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect Equity Interest in the Business or Franchisee Entity, as applicable, along with a description of their Equity Interest.

| Owner's Name | % Equity Interest | Direct or Indirect<br>(if indirect, describe nature of interest) |
|--------------|-------------------|--|
|              |                   |  |
|              |                   |  |
|              |                   |  |
|              |                   |  |
|              |                   |  |

Notice Address: \_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_  
Email: \_\_\_\_\_

**B. Initial Fees**

You must pay us the following Initial Fees (we will check the appropriate box):

- \_\_\_ \$34,500 (standard)
- \_\_\_ \$31,050 (veteran's discount)
- \_\_\_ \$49,500 (combo discount for purchase of both a Red Barn Business & Family Nest Business)
- \_\_\_ \$44,550 (combo discount and veteran's discount combined)
- \_\_\_ \$10,000 (discounted Initial Fees for sale to an existing Red Barn franchisee before 12/31/25)
- \_\_\_ \$9,000 (discounted Initial Fees for sale to Red Barn franchisee who is a veteran before 12/31/25)
- \_\_\_ \$\_\_\_\_\_ (other)

### C. Initial Fees & Associated Services and Training

The table below includes a breakdown of the various Initial Fees and the associated services:

| Service Provided  | Initial Fee |
|---|-------------|
| <u>Franchise Orientation</u> : Our orientation outlines our senior relocation services, addressing challenges, client needs, and empathetic care in an unregulated industry. It also identifies and addresses various stakeholder interests and needs. The mission is highlighted, and strategic resources are previewed.   | \$3,000     |
| <u>Business Setup &amp; Administration</u> : Business Setup training covers LLC formation, Federal EIN, banking, bookkeeping, royalties, and reporting processes. It includes training on Nest Central platform which provides the essential tools to operate your Business. You create a first-year business plan and budget, focusing on goals, funding, work preferences, and services.  | \$3,500     |
| <u>Marketing and Branding</u> : Equips you to build your senior relocation brand and develop a marketing strategy, aligning with our mission through consistent branding, printed materials, and SEO/local marketing. Both online strategies and networking through referral partnerships, and community events are taught in this unit.  | \$3,500     |
| <u>Software Setup and Operation</u> : Software training equips you with the essential software tools to operate your Business, focusing on digital tools for estate management, lead tracking, estimates, and invoices via the Nest Central platform. Training also covers the tools used for marketing campaigns and direct mail strategies, guiding users to set up and navigate the platform for efficient operations and business growth.   | \$3,500     |
| <u>Client Consultations &amp; Sales</u> : Teaches rapport-building with seniors, their children, and communities through active listening, trust-building, and tailored solutions. You learn to assess needs, determine appropriate services, offer referrals, navigate family dynamics, and handle sensitive situations with empathy. This unit covers service agreements, expectation management, and communication plans, supported by case studies.   | \$3,500     |
| <u>Estate Sales Services</u> : Teaches you to maximize estate sales through preparation (inventory, pricing, staging, decluttering), execution (signage, layouts, payments), and post-sale steps. It distinguishes estate sales from yard sales using pricing, photos and rehoming to increase revenue, while avoiding common pitfalls. It compares estate sales to online auctions, highlighting their community-driven nature and business potential.   | \$3,500     |
| <u>Senior Move Management</u> : Training equips you for personalized senior relocations, covering collaboration with stakeholders/families, tailored consultations and mover coordination. It focuses on strategic downsizing, organization and space planning with a “keep/donate/discard” process, using quality packing materials and a strategic labeling system. It emphasizes identifying key stakeholders, ensuring transparency, scheduling dynamics, and expectation-setting, while maintaining integrity and profitability with third-party vendors.                              | \$3,500     |
| <u>Growing Your Business &amp; Improving Profit</u> : Training focuses on profitability through efficient practices, teaching you to create SOPs for inventory, pricing, staging, hiring, and operations, by using the Family Nest CRM and Nest Central for estimates, invoicing and workflows. It covers local market pricing and calculators for healthy margins, with emphasis on efficient systems and processes.   | \$3,500     |
| <u>Financial Management</u> : Training helps you maintain fiscal health using Nest CRM for sales, reporting, and royalties, and QuickBooks for bookkeeping. It focuses on maximizing cash flow, monitoring revenue and expenses, and automating payment reminders. Attention is given to quarterly budget reviews and using data analytics to identify growth opportunities.  | \$3,500     |
| <u>Client Satisfaction &amp; Continuous Improvement</u> : Focuses on client satisfaction and professional service delivery through quality control, using checklists and feedback channels via client surveys, senior community input and franchisee case studies. It tracks KPIs for jobs completed, income, consultations, and close rates to measure success, emphasizing communication for client relationships. Actionable steps include monthly team meetings, post-service surveys, competitor monitoring, and incentives for Google Business reviews to maintain high satisfaction. | \$3,500     |
| Total   | \$34,500    |

**D. Territory**

**Population in Territory:** [\_\_\_\_\_]

**Territory Fee (if applicable):** [\_\_\_\_\_] (write "N/A" if not applicable)

**Territory Description:** The Territory referenced in the Franchise Agreement consists of, and is limited to, the following geographic area (as may be further depicted on a map attached below or the following page):

[\_\_\_\_\_]

If the boundaries that define the Territory change during the Term, the boundaries of your Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date (as may be depicted on a map attached below).

*[Insert Map Below (if applicable)]*

**ATTACHMENT "B"**  
**TO FRANCHISE AGREEMENT**  
**FRANCHISE OWNER AGREEMENT**

*[See Attached]*

## FRANCHISE OWNER AGREEMENT

This ~~Franchise~~ Owner Agreement (this “Agreement”) is entered into by: (a) each of the undersigned Owners of Franchisee (defined below); and (b) the spouse of each such Owner who is a natural Person, in favor of Family Nest Franchise, LLC, a Georgia limited liability company, and its successors and assigns (“us”). Each signatory to this Agreement is referred to as “you”.

1. **DEFINITIONS.** Capitalized terms not defined above have the meanings given to them below, or if not defined below, the meanings given to them in the Franchise Agreement:

“Franchise Agreement” means the FAMILY NEST™ Franchise Agreement executed by Franchisee with an effective date of \_\_\_\_\_, 202\_\_.

“Franchisee” means \_\_\_\_\_.

“Restricted Period” means the two-year period after the earliest to occur of: (a) the termination or expiration of the Franchise Agreement; (b) the date Franchisee assigns the Franchise Agreement to another Person with respect to whom neither you nor your spouse own an Equity Interest; or (c) the date neither you nor your spouse own an Equity Interest in the Business or Franchisee Entity; *provided however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Restricted Period means the one-year period after the earliest to occur of: (a) the termination or expiration of the Franchise Agreement; (b) the date Franchisee assigns the Franchise Agreement to another Person with respect to whom neither you nor your spouse own an Equity Interest; or (c) the date neither you nor your spouse own an Equity Interest in the Business or Franchisee Entity.

2. **BACKGROUND.** In your capacity as an Owner (or the spouse of an Owner) ~~of Franchisee,~~ you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. In addition, you understand that certain terms of the Franchise Agreement apply to “Owners” and not just Franchisee. You agree to comply with this Agreement to: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to Owners.

3. **BRAND PROTECTION COVENANTS.**

(a) Intellectual Property and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any capacity or for any purpose other than the operation of Franchisee’s Family Nest Business in compliance with the Franchise Agreement and Manual; (ii) maintain the confidentiality of the Confidential Information at all times; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we ~~reasonably~~ require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are (or your spouse is) no longer an Owner. You ~~agree to~~ must assign to us or our designee, without charge, all rights to any Improvement ~~developed by you~~ develop, including the right to grant sublicenses. If applicable Law precludes you from assigning ownership to us, ~~then you agree to~~ perpetually must grant us a fully-paid, royalty-free license ~~the Improvement to us, free of charge, with full rights to use, commercialize~~ and sublicense use of the Improvement anywhere in the same world for a term of 100 years.

(b) Unfair Competition. You may not engage in any Prohibited Activities at any time: (i) that you are (or your spouse is) an Owner; or (ii) during the Restricted Period. Notwithstanding the foregoing, during the Restricted Period you may have an interest in any Competing Business ~~during the Restricted Period as long as the Competing Business that~~ is not located (and does not operate) within the Restricted Territory. If you engage in any Prohibited Activity during the Restricted Period (~~other than having an interest in a Competing Business~~ except as permitted by this Section) your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not constitute a waiver of your breach or impair any of our rights or remedies relating to your breach. For purposes of clarity, you remain bound by any non-competition covenants

in other Definitive Agreements that remain in effect for a period of time that extends beyond the expiration of the Restricted Period under this Agreement, and the expiration of the Restricted Period under this Agreement does not in any way diminish your obligation to comply with such other covenants.

- (c) Family Members. You could circumvent the purpose of §3 by disclosing Confidential Information to immediate family members (i.e., parent, sibling, child or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family member: (i) engages in a Prohibited Activity at any time you are prohibited from doing so; or (ii) uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.
- (d) Covenants Reasonable. You agree that: (i) the covenants in §3 are reasonable in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with these covenants. Although you and we believe the covenants in §3 are reasonable we may, upon written notice to you, unilaterally modify the brand protection covenants in §3 of this Agreement by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under §3 of this Agreement to ensure the covenants are enforceable under applicable Law.
- (e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed \$1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. **TRANSFER RESTRICTIONS.** We must approve all Persons who own an Equity Interest in the ~~Business or~~ Franchisee Entity. If you are an Owner, you agree that you will not Transfer an Equity Interest in the Business or Franchisee Entity except in accordance with §19 of the Franchise Agreement.

5. **FINANCIAL SECURITY.** In order to secure Franchisee's financial obligations under the ~~Franchise Agreement and all other~~ Definitive Agreements (~~collectively,~~ the "Secured Agreements") you hereby personally and unconditionally: (a) guarantee to us and our successors and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (i) acceptance and notice of acceptance by us of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness guaranteed; (iv) any right you may have to require that an action be brought against Franchisee or any other Person as a condition of liability; and (v) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (a) your direct and immediate liability under this guaranty is joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (c) your liability is not contingent or conditioned upon our pursuit of any remedies against Franchisee or any other Person; and (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence we grant to Franchisee or any other Person, including the acceptance of any partial payment or performance, or the compromise or release of any Claims, none of which shall in any way modify or amend this guarantee, which remains continuing and irrevocable during the term of each Secured Agreement and following the termination, expiration or transfer of each Secured Agreement to the extent any financial obligations under a Secured Agreement survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy of Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of

Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, released or limited in any manner whatsoever by any impairment, modification, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any ~~present or future~~ provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. **REPRESENTATION.** You represent to us that you received a copy of the executed Franchise Agreement.
7. **DISPUTE RESOLUTION.** Any ~~dispute~~Dispute between the parties relating to this Agreement shall be ~~brought~~resolved in accordance with the dispute resolution provisions ~~set forth~~ in the Franchise Agreement, which are incorporated into this Agreement by reference as if fully set forth herein. **You acknowledge and agree that your breach of this Agreement constitutes a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.**
8. **MISCELLANEOUS.**
  - (a) If either party hires an attorney or files suit against the other party for breach of this Agreement, the losing party must reimburse the prevailing party for its reasonable attorneys' fees and costs.
  - (b) This Agreement is governed by the Laws of Georgia.
  - (c) Any Claim or defense you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.
  - (d) Each section of this Agreement (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.
  - (e) We may deliver to you any notice contemplated by this Agreement in the same manner and to the same address listed in the notice provision of the Franchise Agreement and any such delivery ~~shall~~ ~~be~~is deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

Each of the undersigned has executed this Agreement as of the date or dates set forth below.

**OWNER / SPOUSE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**OWNER / SPOUSE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**OWNER / SPOUSE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT "C"**  
**TO FRANCHISE AGREEMENT**

**ACH AUTHORIZATION FORM**

*[See Attached]*

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**AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM**

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**Franchisee Information:**

Franchisee Name

Business No.

Franchisee Mailing Address (street)

Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different from above)

Franchisee Fax No.

Franchisee Email Address

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**Bank Account Information:**

Bank Name

Bank Mailing Address (street, city, state, zip)

Bank Account No.

Checking  Savings  
(check one)

Bank Routing No. (9 digits)

Bank Mailing Address (city, state, zip)

Bank Phone No.

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**Authorization:**

Franchisee hereby authorizes Family Nest Franchise, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

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**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.**

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**ATTACHMENT "D"**  
**TO FRANCHISE AGREEMENT**  
**CONFIDENTIALITY AGREEMENT**

*[See Attached]*

## CONFIDENTIALITY AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of Family Nest Franchise, LLC, a Georgia limited liability company, and its successors and assigns (“us”).

**1. DEFINITIONS.** Capitalized terms that are not defined above have the meanings given to them below:

“Business Data” means all data pertaining to Franchisee’s Family Nest Business, clients and business operations, whether collected by you, Franchisee, us or any other person.

“Confidential Information” means and includes: (a) Know-How; (b) Business Data, including the names, contact information and other data pertaining to current, former, or prospective Family Nest Business clients; (c) information in the Manual or comprising the System; (d) terms of the Franchise Agreement (and related agreements) signed by Franchisee in connection with the Family Nest Business; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, client information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee’s owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we (or any person associated with us) or Franchisee (or any person associated with Franchisee) disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose the information to you without breaching a confidentiality covenant imposed on such third party.

“Copyrighted Materials” means all copyrightable materials for which we or our affiliate claim or secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Family Nest Business.

“Family Nest Business” means any move-management business that we authorize to operate under the Marks and use our System.

“Franchised Business” means the Family Nest Business operated by Franchisee.

“Franchisee” means the FAMILY NEST™ franchisee for whom you are an employee or independent contractor.

“Improvement” means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Family Nest Business, (b) method of operation of a Family Nest Business, (c) processes, systems or procedures utilized by a Family Nest Business, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Family Nest Business or (e) trademarks, service marks, logos or other intellectual property utilized by a Family Nest Business, whether developed by you, Franchisee, us or any other person.

“Intellectual Property” means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

“Know-how” means and includes our (and our affiliates’) trade secrets and other proprietary information relating to the development, marketing or operation of a Family Nest Business including: methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; and information comprising the System or included in the Manual.

“Manual” means our confidential brand standards manual for the operation of a Family Nest Business.

“Marks” means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Family Nest Businesses to use, including FAMILY NEST™, FAMILY NEST ESTATE SOLUTIONS™ and the associated logos.

“*System*” means our system for the operation of a Family Nest Business, the distinctive characteristics of which include: comprehensive training programs; proprietary Nest Central technology platform; client assessment tools and techniques; advertising and marketing strategies; and operating system.

2. **BACKGROUND.** You are an employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to misuse our Intellectual Property or engage in unfair competition. To avoid such damage, you agree to comply with the terms of this Agreement.

3. **YOUR COVENANTS AND OBLIGATIONS.**

- (a) Protection of Confidential Information and IP. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the ~~operation of the Franchised Business;~~ (ii) ~~refrain from using the Intellectual Property or Confidential Information for any purpose or in any manner unrelated to the~~ performance of your responsibilities to Franchisee in accordance with the terms of your employment or engagement with Franchisee; ~~(iii)~~ maintain the confidentiality of Confidential Information at all times; ~~(iv)~~ refrain from making unauthorized copies of documents containing Confidential Information; ~~(v)~~ take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and ~~(vi)~~ immediately stop using the Intellectual Property and Confidential Information ~~at such time that~~ when you ~~are no longer an employee or independent contractor of Franchisee~~ work at the Franchised Business.
- (b) Improvements. You ~~agree to~~ must assign to us or our designee, without charge, all rights to any Improvement ~~developed by you~~ develop, including the right to grant sublicenses. If applicable law precludes you from assigning ownership ~~of any Improvement to us, then such Improvement shall be perpetually licensed by you to~~ must grant us a fully-paid, royalty-free of charge, with full rights license to use, ~~commercialize~~ and sublicense use of the same Improvement anywhere in the world for a term of 100 years.
- (c) Client Information. All data and information pertaining to clients and referral sources of the Franchised Business are exclusively owned by us and/or Franchisee and constitute Confidential Information and Know-How for purposes of this Agreement. You are strictly prohibited from using any such data or information for any purpose other than to perform your duties for the Franchised Business. You may not maintain a list of clients or referral sources. You acknowledge the list of clients and referral sources is a unique and valuable asset that constitutes a trade secret, and that we and Franchisee would be irreparably harmed if you were permitted to use the list for any purpose other than for the benefit of the Franchised Business in accordance with the terms of your employment or engagement with Franchisee.
- (d) Nonsolicitation of Clients. ~~You understand that all~~ All clients and referral sources are acquired through our, and Franchisee’s, marketing efforts and expenditures, the goodwill associated with our name and the training provided to you. Any solicitation of clients or referral sources or use of their information in an unauthorized manner constitutes a deceptive and unfair trade practice and a violation of our (and Franchisee’s) rights and ownership interest in the client relationship and associated data. ~~At such time that you no longer work at the Franchised Business, you are permitted to~~ You may compete with Family Nest Businesses in a fair and ethical manner after you cease to work at the Franchised Business. You may not, however, solicit clients or referral sources of the Franchised Business for any purpose at any time. You are strictly prohibited from soliciting clients or referral sources of the Franchised Business or initiating any communications with them regarding: (i) the discontinuance of your relationship with the Franchised Business; (ii) your contact information; or (iii) your future business activities or services.

4. **FAMILY MEMBERS.** You could circumvent the intent of this Agreement by disclosing Confidential Information to immediate family members (i.e., parent, sibling, child or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family member uses or discloses Confidential Information or engages in any actions or

activities prohibited by §3. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

5. **BREACH.** You agree that: (a) your breach of this Agreement is likely to cause substantial and irreparable damage to us and Franchisee for which there is no adequate remedy at law; and (b) we are entitled to injunctive relief if you breach this Agreement together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires us to post a bond despite our mutual agreement to the contrary, the bond amount may not exceed \$1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.
6. **THIRD-PARTY BENEFICIARY.** Franchisee is an express and intended third-party beneficiary of this Agreement with the right to directly enforce the terms of this Agreement against you.
7. **MISCELLANEOUS.**
  - (a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.
  - (b) This Agreement is governed by the laws of Georgia. Any legal proceedings arising out of this Agreement must be brought exclusively in a court of competent jurisdiction in Cherokee County, Georgia.
  - (c) Each section of this Agreement (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.

This Agreement is executed as of the date set forth below.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "D"**  
**TO DISCLOSURE DOCUMENT**  
**OTHER AGREEMENTS**

**EXHIBIT “D”-1**

**STATE ADDENDA**

*[See Attached]*

## STATE ADDENDA AND AMENDMENTS TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES

### **BACKGROUND AND PURPOSE**

The following modifications are made to the FAMILY NEST™ Franchise Disclosure Document (“FDD” or “Disclosure Document”) issued by Family Nest Franchise, LLC (“we” or “us” or “franchisor”) to franchisee (“you” or “franchisee”) and may supersede certain portions of the Franchise Agreement between you and us dated \_\_\_\_\_, 202\_\_ (the “Franchise Agreement”). When the term “Supplemental Agreements” is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum (“State Addendum”) will modify these agreements to comply with the applicable state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following state: Minnesota.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

## MINNESOTA

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commissioner of Securities, Minnesota Rule 2860.4400, et. seq., the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.
- ~~1-3.~~ Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C.21 (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- ~~2-4.~~ With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases):
  - (a) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and
  - (b) that consent to the transfer of the franchise will not be unreasonably withheld.
- ~~3-5.~~ Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights 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.
- ~~4-6.~~ Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- ~~5-7.~~ The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.
- ~~6-8.~~ The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
- ~~7-9.~~ NSF checks are governed by Minnesota Statute 60A.113, which puts a cap of \$30 on service charges.
- ~~8-10.~~ 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.

9.11. Based upon the franchisor's financial condition, the Minnesota Commissioner of Commerce has required a financial assurance as a condition to registration. The franchisor has posted a surety bond and a copy of the surety bond is on file with the Minnesota Commissioner of Commerce.

*(Signatures on following page)*

**APPLICABLE ADDENDA**

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement. We are responsible for checking the appropriate box or boxes.

Minnesota

Dated: \_\_\_\_\_, 202\_\_\_\_

**FRANCHISOR:**

Family Nest Franchise, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

[ \_\_\_\_\_ ]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT “D”-23**

**GENERAL RELEASE**

*[See Attached]*

## WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (this “Agreement”) is made as of \_\_\_\_\_, 202\_\_ (the “Effective Date”) by \_\_\_\_\_, a(n) \_\_\_\_\_ (“you”) and each individual holding a direct or indirect ownership interest in you (collectively “Owner”) in favor of Family Nest Franchise, LLC, a Georgia limited liability company (“us,” and together with you and Owner, the “Parties”).

### Background

- A. We signed a Franchise Agreement with you, dated \_\_\_\_\_, 202\_\_ (the “Franchise Agreement”) pursuant to which we granted you the right to own and operate a FAMILY NEST™ move-management business.
- B. You have notified us of your desire to [transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee,] [enter into a successor franchise agreement] and we have [consented to such transfer] [agreed to enter into a successor franchise agreement].
- C. As a condition to [our consent to the transfer] [your ability to enter into a successor franchise agreement], you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.
- D. In consideration of our [consent to the transfer] [entering into a successor franchise agreement], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, you and Owner hereby agree as set forth below.

### Agreement

1. Release. You, Owner, ~~you~~, and each of your officers, directors, ~~shareholders, members, owners,~~ employees, ~~agents,~~ representatives, affiliates, ~~parents, divisions,~~ successors and assigns, ~~and all persons or firms claiming by, through, under, or on behalf of any or all of them (the “~~ (“Franchisee Parties”),”) hereby release, acquit and forever discharge us, ~~any and all of our~~ affiliates, and our (and our affiliates) past and present ~~affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present owners,~~ officers, directors, ~~shareholders, members, owners,~~ employees, ~~agents,~~ representatives, affiliates, parents, divisions, successors and assigns, ~~and the spouses of such individuals (collectively, the “~~ (“Franchisor Parties”),”) from ~~any and all~~ claims, liabilities, damages, expenses, actions or causes of action ~~which that~~ any ~~of the~~ Franchisee Parties Party may now have or ~~has~~ ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, directly or indirectly arising out of or relating to the: (a) execution and performance (or lack thereof) breach of the Franchise Agreement; or the (b) offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and/or representations made in connection therewith). ~~The foregoing. This~~ release shall does not ~~be construed to~~ apply with respect to any obligations contained within in this Agreement.

2.(a) California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive §1542 of the California Civil Code, which provides the following:

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

[Section 2 Clause (a) only applies for California franchisees; otherwise it is omitted]

3.(b) Washington Franchise Law. The General Release This release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

[Section 3 Clause (b) only applies for Washington franchisees; otherwise it is omitted]

- 4.2. Nondisparagement. ~~Each of the~~ Franchisee Parties ~~expressly covenant and~~ agree not to: (a) disparage, or make false statements or negative comments regarding, a Franchisor Party; or (b) make any false representation of facts, or other statements to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner third parties intending to damage

~~any of the~~ Franchisor Parties, ~~the~~ Party's business conducted by any of the Franchisor Parties or the ~~or~~ reputation of any of the Franchisor Parties. For purposes of clarity, the obligations, The restrictions in this Section: (a) apply to all methods of communications, including ~~the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through online statements and~~ social media sites or through any other verbal, digital or electronic method of communication. ~~The obligations in this Section also~~ posts; and (b) prohibit ~~the~~ Franchisee Parties Party from indirectly violating this Section by influencing or encouraging ~~a~~ third parties party to engage in activities that would ~~constitute a violation of~~ violate this Section if ~~conducted directly~~ done by a Franchisee Party.

5.3. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, ~~or~~ transferred ~~or conveyed~~, either voluntarily or by operation of law, any ~~of their~~ rights or claims against any ~~of the~~ Franchisor Parties Party or any ~~of the~~ rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any ~~of the~~ Franchisor Parties ~~any~~ Party a legal proceeding of any kind, including ~~the~~ filing ~~of any~~ a claim or complaint with ~~any~~ a state or federal court or regulatory agency, alleging ~~any~~ a violation of ~~common~~ any law, statute, regulation or public policy ~~premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or~~ (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; ~~statements prohibited by §~~ **Error! Reference source not found.**; and (d) the ~~individuals~~ persons identified as ~~Owners~~ Owner on the signature ~~pages hereto together hold~~ page collectively own 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].

6.4. Communications with Governmental Authorities. Nothing in this Agreement shall restrict or be deemed to preclude you from disclosing truthful information to governmental authorities in response to any request for information you receive from them.

7.5. Miscellaneous.

- (a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.
- (b) This Agreement ~~shall be construed and is~~ governed by the laws of the State of Georgia.
- (c) ~~In the event that it shall be necessary for any~~ If either Party ~~to must~~ institute legal action to enforce, ~~or for the breach of, any of the terms and conditions or provisions of~~ this Agreement, the prevailing Party ~~in such action shall be is~~ entitled to recover all of its reasonable costs and attorneys' fees ~~from the non-prevailing Party.~~
- (d) ~~All of the provisions of this~~ This Agreement ~~shall be is~~ binding ~~upon on,~~ and ~~inure inures~~ to the benefit of, the Parties and their respective ~~current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals,~~ executors, administrators, heirs, assigns and successors, affiliates, and assigns. in interest.
- (e) This Agreement ~~contains~~ constitutes the entire agreement and understanding between the Parties ~~with respect to~~ regarding the subject matter hereof ~~and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof.~~ This Agreement may not be modified except in a writing signed by ~~each of the~~ both Parties.
- (f) ~~If one or more of the provisions~~ Each section of this Agreement ~~shall for (and portion thereof) is severable. If any reason be held invalid, illegal or~~ section (or portion thereof) is unenforceable in any respect, such invalidity, illegality or unenforceability, it shall not affect or impair the enforceability of any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein. section (or portion thereof).

- (g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.
- (h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

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

**FRANCHISEE:**

[ \_\_\_\_\_ ]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISE OWNERS:**

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

EXHIBIT “D”-~~34~~

PROMISSORY NOTE

*[See Attached]*

## PROMISSORY NOTE

| <b>KEY TERMS</b>                    |  |
|-------------------------------------|--|
| <b>Creditor</b>                     | Rock Springs Enterprises, Inc., a Georgia limited liability company  |
| <b>Payment Address</b>              | 12460 Crabapple Rd., Suite 202-377, Alpharetta, Georgia 30004  |
| <b>Debtor</b>                       | [REDACTED], a(n) [REDACTED]  |
| <b>Guarantor(s)</b>                 | [REDACTED] & [REDACTED]  |
| <b>Principal Amount of Loan</b>     | [\$REDACTED].00 USD  |
| <b>Loan Date</b>                    | [REDACTED], 202[REDACTED]  |
| <b>City &amp; State of Issuance</b> | [REDACTED], [REDACTED]   |
| <b>Stated Interest Rate</b>         | 0% per annum for initial 90-day period after Loan Date (“ <u>Interest Free Period</u> ”)<br>12% per annum commencing upon the expiration of the Interest Free Period |
| <b>Term of Loan</b>                 | 180 days   |

1. **KEY TERMS.** The terms and information set forth in the table above entitled “KEY TERMS” are hereby incorporated by reference and form an integral part of this Promissory Note (the “Note”).
2. **BACKGROUND.** Creditor’s affiliate, Family Nest Franchise, LLC, a Georgia limited liability company (“Franchisor”), grants franchises for the operation of a business that provides move management and related services under the FAMILY NEST™ name (a “Family Nest Business”). Concurrently with the execution of this Note, Franchisor and Debtor are entering into a Family Nest Franchise Agreement (the “Franchise Agreement”), pursuant to which Franchisor will grant Debtor the right and obligation to own and operate a Family Nest Business. Upon execution of the Franchise Agreement, Debtor is required to pay Franchisor initial fees for various training, coaching and other onboarding services in the total amount of **[\$49,500 OR \$34,500 OR \$31,050 OR \$10,000]** (“Initial Fees”). Debtor has requested a loan from Creditor in order to pay Initial Fees owed to Franchisor.
3. **EXTENSION OF CREDIT.** Subject to Debtor’s compliance with all of its obligations set forth herein, Creditor hereby agrees to loan to Debtor the sum of \$[REDACTED].00 USD (the “Loan Proceeds”). Debtor shall utilize the Loan Proceeds exclusively for purposes of payment of Initial Fees owed to Franchisor.
4. **PROMISE TO PAY.** Debtor hereby promises to pay to Creditor the principal amount of the Loan Proceeds, together with interest on the principal balance outstanding hereunder, from (and including) the Loan Date until (but not including) the date of payment in full, at a per annum rate equal to the Stated Interest Rate specified below in accordance with the terms and conditions set forth herein.
5. **CONTRACTED FOR RATE OF INTEREST.** The contracted for rate of interest consists of: (a) the Stated Interest Rate calculated monthly, applied to the principal balance from time to time outstanding hereunder (but excluding the Interest Free Period) and (b) all Additional Sums (as defined in §9), if any. Debtor agrees to pay an effective contracted for rate of interest which is the sum of the Stated Interest Rate plus any additional rate of interest resulting from the application of Additional Sums, if any.
6. **STATED INTEREST RATE.** The principal balance outstanding hereunder from time to time shall bear interest at the Stated Interest Rate. The Stated Interest Rate shall be equal to: (a) 0% per annum during the Interest Free Period; and (b) 12% per annum after the expiration of the Interest Free Period.
7. **LATE CHARGE.** If Creditor has not received the full amount of any interest or principal payment within 10 days after its due date, Debtor shall pay to Creditor a late charge in the amount of 10% of the overdue payment. Debtor will pay this late charge only once on any late payment. Any late charge incurred by Debtor will be paid upon demand by Creditor.
8. **PAYMENTS.** Debtor agrees to repay the Note in accordance with the following payment schedule:

| Payment | Payment Date | Beginning Balance | Scheduled Payment | Principal   | Interest    | Ending Balance |
|---------|--------------|-------------------|-------------------|-------------|-------------|----------------|
| 1       | __/__/202__  | \$____.____       | \$____.____       | \$____.____ | \$____.____ | \$____.____    |
| 2       | __/__/202__  | \$____.____       | \$____.____       | \$____.____ | \$____.____ | \$____.____    |
| 3       | __/__/202__  | \$____.____       | \$____.____       | \$____.____ | \$____.____ | \$____.____    |
| 4       | __/__/202__  | \$____.____       | \$____.____       | \$____.____ | \$____.____ | \$____.____    |
| 5       | __/__/202__  | \$____.____       | \$____.____       | \$____.____ | \$____.____ | \$____.____    |
| 6       | __/__/202__  | \$____.____       | \$____.____       | \$____.____ | \$____.____ | \$____.____    |

9. **ADDITIONAL SUMS.** For purposes of this Note “Additional Sums” means all fees, charges or other sums or things of value (other than the interest resulting from the Stated Interest Rate) that are: (a) paid or payable by Debtor pursuant to this Note or any other document or instrument relating to this Note; and (b) deemed to be “interest” charged by Creditor for purposes of any Georgia law that limits the maximum amount of interest that may be charged in connection with this Note (“Georgia Usury Law”). All Additional Sums shall be payable by Debtor as, and shall constitute, additional interest and the agreed upon “contracted for rate of interest” of this Note shall be deemed increased by the rate of interest resulting from the Additional Sums. It is the understanding and belief of both Debtor and Creditor that the financing transaction evidenced by this Note complies with Georgia Usury Law. If any interest or other charges imposed in connection with this Note are ever determined to exceed the maximum amount permitted by Georgia Usury Law, then Debtor agrees that: (a) the amount of interest or charges imposed in connection with this Note shall be reduced to the maximum amount permitted by Georgia Usury Law; and (b) any amount previously collected from Debtor in connection with this Note that exceeded the maximum amount permitted by Georgia Usury Law at the time such amount became payable hereunder will be credited against the principal balance then outstanding hereunder (or will be refunded to Debtor if the outstanding principal balance hereunder has been paid in full).
10. **APPLICATION AND MANNER OF PAYMENTS.** Payments received by Creditor with respect to the indebtedness evidenced hereby shall be applied in such order and manner as Creditor may elect in its sole discretion. Unless otherwise elected by Creditor, payments shall first be applied to any late charge imposed pursuant to §7, then to accrued and unpaid interest at the Stated Interest Rate, next to the principal balance then outstanding hereunder, and the remainder to any Additional Sums or other costs or added charges provided for herein. Payments shall be made at the Payment Address set forth above or such other address that Creditor specifies to Debtor in writing.
11. **PREPAYMENTS.** Payments of principal may be made at any time, in whole or in part, without penalty, provided that all previously matured interest and other charges accrued to the date of prepayment are also paid in full. Notwithstanding any partial prepayment of principal, there will be no change in the due date or amount of scheduled payments due hereunder unless Creditor, in its sole discretion, agrees in writing to such change.
12. **EVENTS OF DEFAULT.** The occurrence of any one or more of the following events shall constitute an “Event of Default”: (a) nonpayment of principal, interest or other amounts when due; (b) the calling of a meeting of the creditors of Debtor or any Guarantor; (c) the making by Debtor or any Guarantor of an assignment for the benefit of its creditors; (d) the appointment of a receiver of Debtor or any Guarantor, or the involuntary filing against or voluntary filing by Debtor or any Guarantor of a petition or application for relief under federal bankruptcy law or any similar state or federal law, or the issuance of any writ of garnishment, execution or attachment for service with respect to Debtor (or any assets owned by Debtor) or any Guarantor (or any assets owned by any Guarantor); (e) Debtor’s transfer of any right or obligation under this Note without Creditor’s prior written consent; or (f) termination of the Franchise Agreement for any reason by either Franchisor or Debtor. Upon the occurrence of an Event of Default, the entire principal balance outstanding hereunder, together with all accrued interest and other amounts payable hereunder, at the election of Creditor, shall become immediately due and payable upon notice to Debtor.
13. **PERSONAL GUARANTY.** If Debtor is a legal entity, the Guarantor(s) listed above (which shall include each person owning any equity interest in Debtor and the spouse of each such person) shall personally

guarantee Debtor's obligations under this Note pursuant to §5 of the ~~Franchise~~-Owner Agreement executed by Guarantor(s) in connection with the Franchise Agreement. For purposes of clarity, this Note shall be deemed a "Definitive Agreement" for purposes of the Franchise Agreement and the ~~Franchise~~-Owner Agreement. Except for the personal guarantee of the Guarantors, this Note and the indebtedness evidenced hereby is an unsecured obligation of Debtor.

14. **WAIVERS.** Except as set forth in this Note or the Franchise Agreement, to the extent permitted by applicable law, Debtor and the Guarantor(s) severally waive and agree not to assert: (a) demand, diligence, grace, presentment for payment, protest, notice of nonpayment, nonperformance, extension, dishonor, maturity, protest and default; and (b) recourse to guaranty or suretyship defenses, including, without limitation, the right to require Creditor to bring an action on this Note. Creditor may extend the time for payment of or renew this Note or release any party from liability hereunder, and any such extension, renewal, release or other indulgence shall not alter or diminish the liability of Debtor or any Guarantor except to the extent expressly set forth in a writing evidencing or constituting such extension, renewal, release or other indulgence.
15. **COSTS OF COLLECTION.** Debtor agrees to pay all costs of collection in the event any payment of interest, principal or other amount is not paid when due. If Creditor must enforce this Note in a judicial or arbitration proceeding, the substantially prevailing party is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees and arbitration costs. In addition, if Debtor breaches any of its obligations under this Note, Debtor must reimburse Creditor for all reasonable legal fees and other expenses Creditor incurs relating to such breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.
16. **MISCELLANEOUS.**
  - (a) **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the state of Georgia without reference to its principles of conflicts of law.
  - (b) **Jurisdiction and Venue.** Debtor and Guarantor(s) hereby expressly agrees that in the event any actions or other legal proceedings are initiated by or against Debtor, Creditor or Guarantor(s) involving any alleged breach or failure by any party to pay, perform or observe any sums, obligations or covenants to be paid, performed or observed by it under this Note or involving any other claims or allegations arising out of the transactions evidenced or contemplated by this Note, regardless of whether such actions or proceedings shall be for damages, specific performance or declaratory relief or otherwise, such actions shall be brought in the jurisdiction and venue specified in the Franchise Agreement. Debtor and Guarantor(s) consent to such jurisdiction and venue and waive any defenses related thereto. Any action arising under this Note shall be brought in accordance with the dispute resolution provisions contained within the Franchise Agreement.
  - (c) **No Waiver.** No delay or failure by Creditor to exercise any right hereunder shall affect such right, nor shall any single or partial exercise of any right preclude further exercise thereof.
  - (d) **Joint and Several Liability.** If Debtor is comprised of more than one person or entity, the obligations of each of the persons or entities of which Debtor is comprised shall be joint and several.
  - (e) **Time of Essence.** Time is of the essence of this Note and each and every provision hereof.
  - (f) **Amendments.** This Note constitutes the entire agreement between the parties and may not be changed except by a written document signed by both parties.
  - (g) **Severability.** If any provision hereof is invalid or unenforceable, the other provisions hereof shall remain in full force and effect and shall be liberally construed in favor of Creditor in order to effectuate the other provisions hereof.
  - (h) **Binding Nature.** The provisions of this Note are binding on Debtor and Debtor's owners, officers, heirs, personal representatives, successors and assigns, and shall inure to the benefit of Creditor and any subsequent holder of all or any portion of this Note, and their respective successors and assigns.
  - (i) **Assignment.** Debtor may not assign this Note or any of its rights or obligations hereunder without

Creditor's prior written consent, which consent may be withheld in Creditor's sole discretion. Creditor may from time to time transfer all or any part of its interest in this Note without prior notice to Debtor.

- (j) Notice. All notices and notifications given in connection with this Note must be in writing and must be delivered by: (i) hand delivery; (ii) registered or certified air mail, postage prepaid, return receipt requested; (iii) special delivery service (e.g., Federal Express, DHL, UPS, etc.); or (iv) email, in each case to the following addresses (which may be changed upon 10 business days' prior notice):

Creditor: Rock Springs Enterprises, Inc.  
12460 Crabapple Rd., Suite 202-377  
Alpharetta, Georgia 30004  
Attention: \_\_\_\_\_  
Email: \_\_\_\_\_

Debtor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Email: \_\_\_\_\_

Notice is deemed given on the earliest to occur of: (i) the date delivered by hand; (ii) the third (3rd) business day after placed in the mail or provided to special delivery services in accordance with clause (b) or (c) above; or (iii) the first (1st) calendar day after sent by email.

- (k) Construction. This Note shall be construed as a whole, in accordance with its fair meaning, and without regard to or taking into account any presumption or other rule of law requiring construction against the party preparing this Note. The section headings set forth in this Note are for convenience only and shall not have substantive meaning hereunder or be deemed part of this Note.

IN WITNESS WHEREOF, the parties have executed this Note as of the Loan Date set forth above.

**DEBTOR**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**CREDITOR**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ACKNOWLEDGED AND AGREED TO BY THE FOLLOWING GUARANTOR(S):**

By: \_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_

EXHIBIT “D”-45

**ROFO ADDENDUM**

*[See Attached]*

## RIGHT OF FIRST OFFER ADDENDUM

This Right of First Offer Addendum (this “Addendum”) is entered into as of \_\_\_\_\_, 202\_\_ (the “Addendum Effective Date”) between Family Nest Franchise, LLC, a Georgia limited liability company (“we” or “us”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“you” and together with us, the “Parties”).

### BACKGROUND

- A. On \_\_\_\_\_, 202\_\_, the Parties entered into a Family Nest Franchise Agreement (the “Franchise Agreement”), pursuant to which we granted you the right and obligation to develop, open and operate a Family Nest Business within the Territory identified therein.
- B. You have expressed interest in potentially acquiring another FAMILY NEST™ franchise for the geographic area described in ATTACHMENT “A” to this Addendum (the “ROFO Territory”).
- C. You wish to acquire a right of first offer for the ROFO Territory, and we are willing to grant you such right, subject to the terms and conditions set forth in this Addendum.
- D. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

### AGREEMENT

1. **DEFINITIONS.** Capitalized terms not defined above have the meanings given to them below, or if not defined below, the meanings given to them in the Franchise Agreement.

“ROFO” means the right of first offer granted by §3 of this Addendum that applies to any proposed sale of the ROFO Territory (or any portion thereof) during the ROFO Period.

“ROFO Acceptance Notice” means the written notice you must send us in accordance with §4 of this Addendum in order to exercise your ROFO.

“ROFO Fee” means the \$3,000 fee you must pay for the ROFO in accordance with §2 of this Addendum.

“ROFO Offer Notice” means the written notice we must send you in accordance with §4 of this Addendum to notify you of a proposed sale of the ROFO Territory (or any portion thereof) during the ROFO Period.

“ROFO Period” means the one (1) year period commencing upon the Addendum Effective Date.

2. **ROFO FEE.** Upon execution of this Addendum, you agree to pay us a nonrefundable \$3,000 fee (the “ROFO Fee”) in consideration of the rights granted to you pursuant to this Addendum. If the Parties sign a Franchise Agreement for the ROFO Territory, we will credit entire ROFO Fee towards the Initial Fees imposed under such Franchise Agreement. The ROFO Fee is not refundable under any circumstances, including if the Parties fail to sign a Franchise Agreement for any reason.

3. **GRANT OF RIGHTS.** Subject to the terms and conditions of this Addendum, we hereby grant you:

- (a) a right of first offer (the “ROFO”) during the ROFO Period, meaning we will not sell franchise rights for the ROFO Territory (or any portion thereof) to another franchisee without first offering you the right to purchase the ROFO Territory; and

- (b) an option to purchase the ROFO Territory at any time during the ROFO Period.

4. **ROFO PROCEDURE.** If we desire to sell franchise rights to another franchisee for the ROFO Territory (or any portion thereof) during the ROFO Period, we will send you: (i) a written notice (a “ROFO Offer Notice”) expressing our desire to sell such rights; (ii) a copy of the proposed Franchise Agreement for the ROFO Territory, which shall be our then-current form of Franchise Agreement; and (iii) if required by applicable franchise Law, a copy of our then-current Franchise Disclosure Document. In order to exercise the ROFO you must:

- (a) send us a written notice (a “ROFO Acceptance Notice”), confirming your desire to exercise the ROFO, no later than 10 days after receipt of the ROFO Offer Notice;

- (b) execute the Franchise Agreement for the ROFO Territory no later than the “Closing Date”; and

(c) pay us our then-current Initial Fees for the ROFO Territory no later than the “*Closing Date*”.

If we are required to send you a Franchise Disclosure Document in connection with your purchase of the ROFO Territory, then the “*Closing Date*” shall be the earliest date permitted by applicable franchise Law for execution of the Franchise Agreement and payment of the Initial Fees after we deliver the Franchise Disclosure Document to you. If we are not required to send you a Franchise Disclosure Document because the transaction is exempt from coverage under applicable franchise Law, because you previously received a copy of our then-current Franchise Disclosure Document, or for any other reason, then the “*Closing Date*” shall be the 10<sup>th</sup> day after the date you send us the ROFO Acceptance Notice.

5. **ROFO ELIGIBILITY.** You shall not be eligible to exercise the ROFO, and we need not comply with the ROFO procedures set forth in this Addendum, at any time that you (or any of your Owners or affiliates) are in default under any Definitive Agreement.
6. **FAILURE TO EXERCISE ROFO.** We have the unrestricted right to sell franchise rights for the ROFO Territory (or any portion thereof) to another franchisee if: (a) we send you a ROFO Offer Notice and you decline to exercise the ROFO; (b) we send you a ROFO Offer Notice and you fail to comply with any procedures for exercising the ROFO in §4 above; or (c) you (or any of your Owners or affiliates) are in default under any Definitive Agreement. Your ROFO shall automatically terminate upon the earlier to occur of: (a) the termination of a Definitive Agreement due to the default of you (or any of your Owners or affiliates); or (b) the expiration of the ROFO Period.
7. **MISCELLANEOUS.**
  - (a) Modification. This Addendum and the Franchise Agreement when executed constitute the entire agreement and understanding between the Parties with respect to the subject matter contained herein and therein. Any and all prior agreements and understandings between the Parties and relating to the subject matter contained in this Addendum and the Franchise Agreement, whether written or verbal, other than as contained within the executed Addendum and the Franchise Agreement (as previously amended), are void and have no force and effect. In order to be binding between the Parties, any subsequent modifications must be in writing signed by the Parties.
  - (b) Effect on Franchise Agreement. Except as specifically modified or supplemented by this Addendum, all terms and conditions set forth in the Franchise Agreement remain in full force and effect.
  - (c) Inconsistency. In the event of any inconsistency between the executed Franchise Agreement and this Addendum, this Addendum shall prevail.
  - (d) Counterparts. This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same document.

[Signature Page Follows]

The Parties have executed this Addendum effective as of the Addendum Effective Date first above written.

**FRANCHISOR:**

Family Nest Franchise, LLC, a Georgia limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YOU (If you are an Entity):**

\_\_\_\_\_,  
a(n) \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YOU (If you are not an Entity):**

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**ATTACHMENT A**  
**ROFO TERRITORY DESCRIPTION**

EXHIBIT “D”-56

**TERRITORY RESERVATION AGREEMENT**

*[See Attached]*

## TERRITORY RESERVATION AGREEMENT

This Territory Reservation Agreement (this “Agreement”) is entered into as of \_\_\_\_\_, 202\_\_ (the “Effective Date”) between Family Nest Franchise, LLC, a Georgia limited liability company (“we” or “us”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“you” and together with us, the “Parties”).

### BACKGROUND

- A. We offer franchises to qualified individuals for a business that offers comprehensive move-management and related services under the FAMILY NEST™ trademark (a “Family Nest Business”).
- B. You have applied to become a FAMILY NEST™ franchisee and we have accepted your application and intend to sign a Family Nest Franchise Agreement with you (the “Franchise Agreement”).
- C. Although you are not ready to sign the Franchise Agreement, you have requested that we reserve for you the geographic territory described in Attachment A to this Agreement (the “Territory”). We are willing to reserve the Territory for you, subject to the terms and conditions of this Agreement.
- D. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

### AGREEMENT

1. **TERRITORY RESERVATION FEE.** Upon execution of this Agreement, you agree to pay us a non-refundable \$5,000 territory reservation fee in consideration of our agreement to reserve the Territory for you during the Reservation Period (as hereafter defined). If you sign a Franchise Agreement we will credit the territory reservation fee towards the Initial Fees imposed under the Franchise Agreement. If you do not sign a Franchise Agreement for any reason, we keep the territory reservation fee.
2. **RESERVATION OF TERRITORY.** For the period of time commencing with the Effective Date of this Agreement and expiring 30 days thereafter (the “Reservation Period”), we will not grant franchise rights to all or any portion of the Territory to any person other than you (if you choose to execute the Franchise Agreement). This Agreement does not obligate you to enter into a Franchise Agreement with us. If you do not sign a Franchise Agreement for the Territory prior to the expiration of the Reservation Period, you will lose all rights and protections to the Territory and we will have the unrestricted right to operate, or grant franchise rights to other persons to operate, a Family Nest Business within the Territory.
3. **TERMINATION.** This Agreement shall terminate upon the earliest to occur of: (a) the expiration of the Reservation Period; (b) execution of the Franchise Agreement by the Parties for the Territory; or (c) upon written notice of termination from you to us. Under no circumstances shall you be entitled to a refund of all or any portion of the territory reservation fee.
4. **NO FRANCHISE RIGHTS.** This Agreement does not grant you any rights to use our intellectual property, which rights can only be granted under a Franchise Agreement signed by the Parties. This Agreement does not obligate you to sign a Franchise Agreement with us.
5. **FULL AGREEMENT.** This Agreement constitutes the entire agreement between the Parties and may not be changed except by a written document signed by both Parties. There are no other oral or written understandings or agreements between the Parties about the subject matter of this Agreement.
6. **ASSIGNMENT.** We have the unrestricted right to assign this Agreement without prior notice to you. You may not assign this Agreement.
7. **GOVERNING LAW.** This Agreement is governed by the Laws of the State of Colorado without reference to its principles of conflicts of law. Any legal proceeding arising out of this Agreement must be brought exclusively in a court of competent jurisdiction in Cherokee County, Georgia.

[Signature Page Follows]

The Parties have executed this Addendum effective as of the Effective Date first above written.

**FRANCHISOR:**

Family Nest Franchise, LLC, a Georgia limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**YOU (If you are an Entity):**

\_\_\_\_\_,  
a(n) \_\_\_\_\_

**YOU (If you are not an Entity):**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

**ATTACHMENT A**  
**TO TERRITORY RESERVATION AGREEMENT**

The Territory referenced in the Territory Reservation Agreement consists of, and is limited to, the following geographic area (as may be further depicted on a map attached below or the following page):

[ \_\_\_\_\_ ]

If the boundaries that define the reserved Territory change during the Reservation Period, the boundaries of the reserved Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date (as may be depicted on a map attached below).

*[Insert Map Below (if applicable)]*

**EXHIBIT "E"**

**TO DISCLOSURE DOCUMENT**

**LIST OF FRANCHISEES**

**Part A (Current Franchisees)**

The following table lists franchisees that were open as of December 31, ~~2024~~2025.

| <b>FRANCHISEES OPEN AS OF DECEMBER 31, <del>2024</del>2025</b> |                      |                                |                      |                         |
|--|----------------------|--------------------------------|----------------------|-------------------------|
| <b>State</b>   | <b>City</b>          | <b><u>Territory</u>Address</b> | <b>Phone</b>         | <b>Owner Name(s)</b>    |
| <del>None</del> Arizona  | <u>Chandler</u>      | <u>Scottsdale</u>              | <u>480-204-1812</u>  | <u>Ron Cahalan</u>      |
| <u>California</u>  | <u>Olivehurst</u>    | <u>Sacramento</u>              | <u>916-707-5131</u>  | <u>Vincent Dotts</u>    |
| <u>Florida</u>   | <u>Crestview</u>     | <u>Emerald Coast</u>           | <u>850-398-2739</u>  | <u>Krystal King</u>     |
| <u>Florida</u>   | <u>Milton</u>        | <u>Coastal Alabama</u>         | <u>251-244-7364</u>  | <u>Keith McCoy</u>      |
| <u>Florida</u>   | <u>Newberry</u>      | <u>North Central Florida</u>   | <u>352-317-3591</u>  | <u>Jessica Robinson</u> |
| <u>Georgia</u>   | <u>Canton</u>        | <u>Alpharetta</u>              | <u>770-687-5279</u>  | <u>Aj Blizzard</u>      |
| <u>Georgia</u>   | <u>Canton</u>        | <u>Roswell</u>                 | <u>470-646-3935</u>  | <u>Angie Shape</u>      |
| <u>Georgia</u>   | <u>Dallas</u>        | <u>Marietta</u>                | <u>678-499-7187</u>  | <u>Casey McManus</u>    |
| <u>Georgia</u>   | <u>Lawrenceville</u> | <u>North Gwinnett</u>          | <u>812-608-3324</u>  | <u>Jason Jones</u>      |
| <u>Georgia</u>   | <u>Woodstock</u>     | <u>Atlanta North</u>           | <u>678- 480-8765</u> | <u>Megan Kremer</u>     |
| <u>Ohio</u>  | <u>Batavia</u>       | <u>Cincinnati East</u>         | <u>513-540-1074</u>  | <u>Steve Ackermann</u>  |
| <u>Oklahoma</u>  | <u>Owasso</u>        | <u>Tulsa</u>                   | <u>918-393-5769</u>  | <u>Michael Slockers</u> |
| <u>Pennsylvania</u>  | <u>Erie</u>          | <u>Erie</u>                    | <u>814-821-1954</u>  | <u>Carrie Forsythe</u>  |

The following table lists franchisees with signed franchise agreements that were not open as of December 31, ~~2024~~2025.

| <b>FRANCHISEES NOT OPEN AS OF DECEMBER 31, <del>2024</del>2025</b> |                        |                                |                       |                      |
|--|------------------------|--------------------------------|-----------------------|----------------------|
| <b>State</b>   | <b>City</b>            | <b>Address<u>Territory</u></b> | <b>Phone</b>          | <b>Owner Name(s)</b> |
| <del>None</del> Arizona  | <u>Apache Junction</u> | <u>East Mesa</u>               | <u>602-793-8627</u>   | <u>Kladio Tuku</u>   |
| <u>California</u>  | <u>Fullerton</u>       | <u>North Orange County</u>     | <u>919-423-5022</u>   | <u>Jason Johnson</u> |
| <u>Florida</u>   | <u>Minneola</u>        | <u>Pinellas North</u>          | <u>352-603-0025</u>   | <u>Amy Hagar</u>     |
| <u>Florida</u>   | <u>Palm Harbor</u>     | <u>Winter Park</u>             | <u>610-608-6364</u>   | <u>Lisa Mondok</u>   |
| <u>Florida</u>   | <u>Seminole</u>        | <u>Pinellas West</u>           | <u>727-871-6987</u>   | <u>Drew Grubbs</u>   |
| <u>Georgia</u>   | <u>Chickamauga</u>     | <u>Northwest Georgia</u>       | <u>423-322-0161</u>   | <u>Jerry Lawson</u>  |
| <u>Georgia</u>   | <u>Jefferson</u>       | <u>Northeast Georgia</u>       | <u>678-488-5277</u>   | <u>Jody Porter</u>   |
| <u>Idaho</u>   | <u>Coeur D Alene</u>   | <u>Inland Northwest</u>        | <u>208-907-4711</u>   | <u>Jeff Edwards</u>  |
| <u>Louisiana</u>   | <u>Zachary</u>         | <u>Greater Baton Rouge</u>     | <u>225-485-7078</u>   | <u>Josh Jenkins</u>  |
| <u>Michigan</u>  | <u>East Lansing</u>    | <u>Greater Lansing</u>         | <u>517-648-6544</u>   | <u>Domenic Lee</u>   |
| <u>Minnesota</u>   | <u>Bloomington</u>     | <u>Twin Cities South</u>       | <u>763-647-9279</u>   | <u>Tricia Heagle</u> |
| <u>Nevada</u>  | <u>Henderson</u>       | <u>Southeast Nevada</u>        | <u>(702) 883-9402</u> | <u>Michael Hill</u>  |
| <u>Oklahoma</u>  | <u>Oklahoma City</u>   | <u>South Oklahoma City</u>     | <u>(405) 838-0406</u> | <u>DJ Gregory</u>    |

| FRANCHISEES NOT OPEN AS OF DECEMBER 31, <del>2024</del> 2025 |                           |  |                              |                                |
|--|---------------------------|--|------------------------------|--------------------------------|
| State  | City                      | <del>Address</del> Territory           | Phone                        | Owner Name(s)                  |
| <a href="#">Tennessee</a>                                    | <a href="#">Knoxville</a> | <a href="#">West Knoxville</a>         | <a href="#">423-747-6627</a> | <a href="#">Brittany Irick</a> |
| <a href="#">Tennessee</a>                                    | <a href="#">Lafayette</a> | <a href="#">Nashville East</a>         | <a href="#">615-359-2343</a> | <a href="#">Jeff Brewer</a>    |
| <a href="#">Virginia</a>                                     | <a href="#">Ridgeway</a>  | <a href="#">BlueRidge and Piedmont</a> | <a href="#">276-224-3838</a> | <a href="#">Justin Hite</a>    |

**Part B (Former Franchisees Who Left System During Prior Fiscal Year)**

| State                                    | City                  | Territory                     | Current Business Phone or Last Known Home Phone | Owner Name(s)                |
|--|-----------------------|-------------------------------|---|------------------------------|
| <del>None</del> <a href="#">Oklahoma</a> | <a href="#">Yukon</a> | <a href="#">Oklahoma City</a> | <a href="#">405-209-5095</a>                    | <a href="#">Eva Phillips</a> |

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

**EXHIBIT "F"**  
**TO DISCLOSURE DOCUMENT**

**FINANCIAL STATEMENTS**

*[See Attached]*

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



## FAMILY NEST FRANCHISE, LLC

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025



**Balance Sheet**  
**Family Nest Franchise LLC**  
As of October 22, 2025

| DISTRIBUTION ACCOUNT                         | TOTAL                    |
|--|--------------------------|
| <b>Assets</b>                                |                          |
| Current Assets                               |                          |
| Bank Accounts                                |                          |
| Business Checking® (WF-5288)                 | 97,206.78                |
| <b>Total for Bank Accounts</b>               | <b>\$97,206.78</b>       |
| Accounts Receivable                          |                          |
| Accounts Receivable (A/R)                    | 13,800.00                |
| <b>Total for Accounts Receivable</b>         | <b>\$13,800.00</b>       |
| Other Current Assets                         |                          |
| Undeposited Funds                            | 13,600.01                |
| <b>Total for Other Current Assets</b>        | <b>\$13,600.01</b>       |
| <b>Total for Current Assets</b>              | <b>\$124,606.79</b>      |
| Fixed Assets                                 |                          |
| Other Assets                                 |                          |
| <b>Total for Assets</b>                      | <b>\$124,606.79</b>      |
| <b>Liabilities and Equity</b>                |                          |
| Liabilities                                  |                          |
| Current Liabilities                          |                          |
| Accounts Payable                             |                          |
| Accounts Payable (A/P)                       | 0.00                     |
| <del><b>Total for Accounts Payable</b></del> | <del><b>\$0.00</b></del> |
| Credit Cards                                 |                          |
| AMEX Gold Card (AX-21009)                    | 92.00                    |
| <b>Total for Credit Cards</b>                | <b>\$92.00</b>           |
| Other Current Liabilities                    |                          |
| <b>Total for Current Liabilities</b>         | <b>\$92.00</b>           |
| Long-term Liabilities                        |                          |
| <b>Total for Liabilities</b>                 | <b>\$92.00</b>           |
| Equity                                       |                          |
| Family Nest Holdings                         | -1,000.00                |
| Family Nest Solutions                        | 1,600.00                 |
| Opening Balance Equity                       | 0.00                     |
| Red Barn Homebuyers                          | 30,200.00                |
| Retained Earnings                            |                          |
| Net Income                                   | 93,714.79                |
| <b>Total for Equity</b>                      | <b>\$124,514.79</b>      |
| <b>Total for Liabilities and Equity</b>      | <b>\$124,606.79</b>      |

**Profit and Loss**  
**Family Nest Franchise LLC**  
 January 1-October 22, 2025

| DISTRIBUTION ACCOUNT                | TOTAL               |
|-------------------------------------|---------------------|
| <b>Income</b>                       |                     |
| Sales                               | \$144,175.01        |
| Monthly Tech Fee                    | 1,400.00            |
| Quarterly Training Income           | 5,100.00            |
| Right of First Refusal Income       | 3,000.00            |
| Tech Implementation Fee             | 8,000.00            |
| <b>Total for Sales</b>              | <b>\$161,675.01</b> |
| <b>Total for Income</b>             | <b>\$161,675.01</b> |
| <b>Cost of Goods Sold</b>           |                     |
| Cost of Goods Sold                  |                     |
| Coaching                            | 8,228.00            |
| Franchise Sales Commission          | 2,500.00            |
| <b>Total for Cost of Goods Sold</b> | <b>\$10,728.00</b>  |
| <b>Total for Cost of Goods Sold</b> | <b>\$10,728.00</b>  |
| <b>Gross Profit</b>                 | <b>\$150,947.01</b> |
| <b>Expenses</b>                     |                     |
| Advertising & Marketing             | 4,357.53            |
| Bank Fee                            | -152.14             |
| Legal & Professional Fees           | 38,241.05           |
| <del>Membership Fee</del>           | <del>375.00</del>   |
| Merchant Fees                       | 597.95              |
| Office Expense & Software           | 12,326.49           |
| Purchases                           | 52.00               |
| Travel                              | 1,434.34            |
| <b>Total for Expenses</b>           | <b>\$57,232.22</b>  |
| <b>Net Operating Income</b>         | <b>\$93,714.79</b>  |
| <b>Other Income</b>                 |                     |
| Other Expenses                      |                     |
| <b>Net Other Income</b>             |                     |
| <b>Net Income</b>                   | <b>\$93,714.79</b>  |

FAMILY NEST FRANCHISE, LLC

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*Independent Auditor's Report*

To the Member  
Family Nest Franchise, LLC  
Woodstock, GA

***Opinion***

We have audited the accompanying financial statements of Family Nest Franchise, LLC, which comprise the balance sheet as of December 31, 2025, and the related statement of operations, member's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Nest Franchise, LLC as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Kezar  $\frac{1}{3}$  Dunlay

St. George, Utah  
April 15, 2026

**FAMILY NEST FRANCHISE, LLC**  
**BALANCE SHEET**  
 As of December 31, 2025

|   | <b>2025</b> |
|---|-------------|
| <b>Assets</b>                           |             |
| Current assets                          |             |
| Cash and cash equivalents               | \$ 144,336  |
| Accounts receivable                     | 119,650     |
| Deferred commissions, current           | 2,500       |
| Total current assets                    | 266,486     |
| Non-current assets                      |             |
| Deferred commissions, non-current       | 2,500       |
| Total non-current assets                | 2,500       |
| Total assets                            | \$ 268,986  |
| <b>Liabilities and Member's Deficit</b> |             |
| Current liabilities                     |             |
| Accounts payable                        | \$ 1,125    |
| Deferred revenue, current               | 169,950     |
| Total current liabilities               | 171,075     |
| Non-current liabilities                 |             |
| Deferred revenue, non-current           | 114,875     |
| Total non-current liabilities           | 114,875     |
| Total liabilities                       | 285,950     |
| Member's deficit                        | (16,964)    |
| Total liabilities and member's deficit  | \$ 268,986  |

The accompanying notes are an integral part of these financial statements

FAMILY NEST FRANCHISE, LLC  
STATEMENT OF OPERATIONS  
For the year ended December 31, 2025

|                             | <u>2025</u>          |
|-----------------------------|----------------------|
| Operating revenue           |                      |
| Franchise fees              | \$ 123,300           |
| Service revenue             | <u>23,750</u>        |
| Total operating revenue     | <u>147,050</u>       |
| Operating expenses          |                      |
| General and administrative  | 48,619               |
| Marketing and advertising   | 12,489               |
| Legal and professional fees | <u>85,706</u>        |
| Total operating expenses    | <u>146,814</u>       |
| Net income                  | <u><u>\$ 236</u></u> |

The accompanying notes are an integral part of these financial statements

FAMILY NEST FRANCHISE, LLC  
STATEMENT OF MEMBER'S DEFICIT  
For the year ended December 31, 2025

|                                 |                    |
|---------------------------------|--------------------|
| Balance as of January 1, 2025   | 5,000              |
| Member distributions            | (52,825)           |
| Member contributions            | 30,625             |
| Net income                      | 236                |
| Balance as of December 31, 2025 | <u>\$ (16,964)</u> |

The accompanying notes are an integral part of these financial statements

**FAMILY NEST FRANCHISE, LLC**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2025

|   | <b>2025</b> |
|---|-------------|
| Cash flows used in operating activities:  |             |
| Net income  | \$ 236      |
| Adjustments to reconcile net income to net cash provided by operating activities: |             |
| Change in operating assets and liabilities:                                       |             |
| Accounts receivable   | (119,650)   |
| Accounts payable  | 1,125       |
| Deferred revenue  | 284,825     |
| Deferred commissions  | (5,000)     |
| Net cash provided by operating activities   | 161,536     |
| <br>Cash flows from financing activities:   |             |
| Member distributions  | (52,825)    |
| Member contributions  | 30,625      |
| Net cash used in financing activities   | (22,200)    |
| <br>Net change in cash and cash equivalents                                       | 139,336     |
| Cash and cash equivalents at beginning of period                                  | 5,000       |
| Cash and cash equivalents at end of period  | \$ 144,336  |
| <br>Supplemental disclosures of cash flow   |             |
| Cash paid for interest  | \$ -        |
| Cash paid for income taxes  | \$ -        |

The accompanying notes are an integral part of these financial statements

**FAMILY NEST FRANCHISE, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2025

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

Family Nest Franchise, LLC (the "Company") was formed on July 10, 2024, as a Georgia Limited Liability Company. The Company provides comprehensive move-management and related services primarily to seniors moving from homes or apartments into assisted living facilities, nursing homes or other senior housing and who need assistance with: (a) selling a home and personal belongings; (b) packing furniture and other belongings; (c) identifying and coordinating with moving companies; and (d) setting up and moving into their new residence.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

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

*(d) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

*(e) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and marketing fees. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received.

As of December 31, 2025, the Company had no allowance for uncollectible accounts.

*(f) Revenue Recognition*

The Company has adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects

FAMILY NEST FRANCHISE, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025

the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees and service fees.

*Initial Franchise Fees*

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, Franchisors—Revenue from Contracts with Customers. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt. These pre-opening services include the following (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the fair value of pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to pre-opening services, which is then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

*(g) Income Taxes*

The entity is structured as a limited liability company ("LLC") under the laws of the State of Georgia. A limited liability company is classified as a partnership for federal and state income tax purposes and, accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, no tax years were subject to examination.

FAMILY NEST FRANCHISE, LLC  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2025

*(h) Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expenses for the fiscal year ended December 31, 2025, were \$12,489.

*(i) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

*(j) Concentration of Risk*

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Franchise Agreements

The Company's franchise agreements generally provide for payment of initial fees as well as continuing royalty and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Family Nest system for a period of fifteen years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

For the year ended December 31, 2025, the change in the Company's deferred commissions is as follows:

|                                   | 2025     |
|-----------------------------------|----------|
| Beginning deferred commissions    | \$ -     |
| Additions                         | 5,000    |
| Expenses recognized               | -        |
| Ending deferred commissions       | \$ 5,000 |
| Deferred commissions, current     | 2,500    |
| Deferred commissions, non-current | 2,500    |
|                                   | \$ 5,000 |

The following table represents the activity of the Company's deferred revenue for the year ended December 31, 2025:

|  | 2025       |
|--|------------|
| Beginning deferred revenue                                     | \$ -       |
| Additions  | 408,125    |
| Revenue recognized from beginning deferred revenue             | -          |
| Revenue recognized from contracts executed in the current year | (123,300)  |
| Ending deferred revenue  | \$ 284,825 |
| Deferred revenue, current                                      | 169,950    |
| Deferred revenue, non-current                                  | 114,875    |
|  | \$ 284,825 |

FAMILY NEST FRANCHISE, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025

(3) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through April 15, 2026, which is the date the financial statements were issued.

**FAMILY NEST FRANCHISE, LLC**

FINANCIAL REPORT

AS OF APRIL 30, 2025

FAMILY NEST FRANCHISE, LLC

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## Independent Auditor's Report

To the Members  
Family Nest Franchise, LLC  
Woodstock, Georgia

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying balance sheets of Family Nest Franchise, LLC as of April 30, 2025, and December 31, 2024, and the related statements of operations, members' equity, and cash flows for the period from July 10, 2024 (Inception) through December 31, 2024, and the period from January 1, 2025 through April 30, 2025, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Nest Franchise, LLC as of April 30, 2025, and December 31, 2024 and the results of their operations and their cash flows for the period from July 10, 2024 (Inception) through December 31, 2024, and the period from January 1, 2025 through April 30, 2025,, 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 Family Nest Franchise, LLC 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.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Nest Franchise, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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

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is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Family Nest Franchise, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Nest Franchise, LLC'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.

*Reese CPA LLC*

Ft. Collins, Colorado  
June 4, 2025

**FAMILY NEST FRANCHISE, LLC**  
**BALANCE SHEETS**  
**AS OF APRIL 30, 2025 AND DECEMBER 31, 2024**

|  | 2025     | 2024     |
|--|----------|----------|
| <b>ASSETS:</b>                               |          |          |
| <b>CURRENT ASSETS</b>                        |          |          |
| Cash and equivalents                         | \$ 4,000 | \$ 5,000 |
| <b>TOTAL CURRENT ASSETS</b>                  | 4,000    | 5,000    |
| <b>NON-CURRENT ASSETS</b>                    | -        | -        |
| <b>TOTAL ASSETS</b>                          | \$ 4,000 | \$ 5,000 |
| <b>LIABILITIES AND MEMBERS' EQUITY:</b>      |          |          |
| <b>CURRENT LIABILITIES</b>                   | \$ -     | \$ -     |
| <b>TOTAL CURRENT LIABILITIES</b>             | -        | -        |
| <b>NON-CURRENT LIABILITIES</b>               | -        | -        |
| <b>TOTAL LIABILITIES</b>                     | -        | -        |
| <b>MEMBERS' EQUITY</b>                       | 4,000    | 5,000    |
| <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> | \$ 4,000 | \$ 5,000 |

The accompanying notes are an integral part of these financial statements.

**FAMILY NEST FRANCHISE, LLC**  
**STATEMENTS OF OPERATIONS**  
**FOR THE PERIOD FROM JULY 10, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024**  
**AND THE PERIOD FROM JANUARY 1, 2025 THROUGH APRIL 30, 2025**

|                          | 2025 | 2024 |
|--------------------------|------|------|
| REVENUES                 | \$ - | \$ - |
| OPERATING EXPENSES       | -    | -    |
| TOTAL OPERATING EXPENSES | -    | -    |
| OPERATING INCOME         | -    | -    |
| OTHER INCOME (EXPENSE)   | -    | -    |
| NET INCOME               | \$ - | \$ - |

The accompanying notes are an integral part of these financial statements.

**FAMILY NEST FRANCHISE, LLC**  
**STATEMENTS OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE PERIOD FROM JULY 10, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024**  
**AND THE PERIOD FROM JANUARY 1, 2025 THROUGH APRIL 30, 2025**

|                                    | <u>Member<br/>Contributions</u> | <u>Accumulated<br/>(Deficit)</u> | <u>Total<br/>Members'<br/>Equity</u> |
|------------------------------------|---------------------------------|----------------------------------|--------------------------------------|
| BALANCE, JULY 10, 2024 (INCEPTION) | \$ -                            | \$ -                             | \$ -                                 |
| Member contributions               | 5,000                           | -                                | 5,000                                |
| Net income                         | -                               | -                                | -                                    |
| <b>BALANCE, DECEMBER 31, 2024</b>  | <b><u>5,000</u></b>             | <b><u>-</u></b>                  | <b><u>5,000</u></b>                  |
| Return of member contributions     | (1,000)                         | -                                | (1,000)                              |
| Net income                         | -                               | -                                | -                                    |
| <b>BALANCE, APRIL 30, 2025</b>     | <b><u>\$ 4,000</u></b>          | <b><u>\$ -</u></b>               | <b><u>\$ 4,000</u></b>               |

The accompanying notes are an integral part of these financial statements.

**FAMILY NEST FRANCHISE, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD FROM JULY 10, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024**  
**AND THE PERIOD FROM JANUARY 1, 2025 THROUGH APRIL 30, 2025**

|   | 2025     | 2024     |
|---|----------|----------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |          |          |
| Net income  | \$ -     | \$ -     |
| Adjustments to reconcile net income to net cash provided by operating activities: |          |          |
| Changes in assets and liabilities:  | -        | -        |
| Net cash provided by operating activities   | -        | -        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |          |          |
| Net cash used for investing activities  | -        | -        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |          |          |
| Member contributions  | -        | 5,000    |
| Return of contributed capital   | (1,000)  | -        |
| Net cash provided by financing activities   | (1,000)  | 5,000    |
| <b>NET INCREASE IN CASH</b>   | (1,000)  | 5,000    |
| <b>CASH, BEGINNING</b>  | 5,000    | -        |
| <b>CASH, ENDING</b>   | \$ 4,000 | \$ 5,000 |
| <b>SUPPLEMENTAL DISCLOSURES</b>   |          |          |
| Cash paid for interest  | \$ -     | \$ -     |
| Cash paid for taxes   | \$ -     | \$ -     |

The accompanying notes are an integral part of these financial statements.

FAMILY NEST FRANCHISE, LLC  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Family Nest Franchise, LLC (“Company”) was formed on July 10, 2024 (Inception) in the State of Georgia as a limited liability company. The franchise offered is for a business that provides comprehensive move-management and related services primarily to seniors moving from homes or apartments into assisted living facilities, nursing homes or other senior housing and who need assistance with: (a) selling a home and personal belongings; (b) packing furniture and other belongings; (c) identifying and coordinating with moving companies; and (d) setting up and moving into their new residence.

Affiliates

Red Barn Homebuyers, LLC (“RBH”) has offered franchises for a RED BARN HOMEBUYERS® business (an “RB Business”) since April 2022. An RB Business is a real estate investment business that involves (a) purchasing, renovating and selling real properties (traditional “house flipping”) and/or (b) wholesaling real properties. RBH does not offer franchises in this or any other line of business. RBH has never owned or operated a Family Nest Business.

Red Barn Realty Group LLC (“RB Realty”) is Georgia limited liability company that was organized on July 6, 2021. RB Realty is a licensed real estate company involved with the marketing and sale of properties owned by clients of Family Nest Businesses. RB Realty does not sell products or services to franchisees but helps sell properties owned by their clients. RB Realty has never operated a Family Nest Business.

Rock Springs Enterprises Inc. (“RS Enterprises”) offers financing for up to 85% of the Initial Fees (described in the Franchise Disclosure Document) a franchise must pay the Company. The financing terms are discussed in the Franchise Disclosure Document. RS Enterprises has never operated a Family Nest Business.

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

Preparation of the Company’s financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of April 30, 2025, and December 31, 2024.

FAMILY NEST FRANCHISE, LLC  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounts Receivable

The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any accounts receivable or allowance for doubtful accounts as of April 30, 2025, and December 31, 2024, and did not charge-off any accounts receivable for the period from July 10, 2024 (Inception) through December 31, 2024, and the period from January 1, 2025 through April 30, 2025.

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company had no property, plant & equipment as of April 30, 2025, and December 31, 2024.

Revenue Recognition Policies

The Company recognizes revenue under the guidance of ASC 606 “Contracts with Customers”. The Company’s revenue is principally generated through franchise agreements with the Company’s franchisees. Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each performance obligation, allocates the transaction price to each performance obligation, and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

When a franchisee purchases a franchise, the Company grants the franchisee the rights to operate in a designated area and to use the proprietary methods, techniques, trade dress, trademarks, and logos (“the license”). Revenues related to the license are continuing royalties of the greater of 4% of gross monthly sales or the minimum monthly royalty fee as defined in the franchise agreement. These revenues are used to continue the development of the Company’s brand, the franchise system and provide ongoing support for the Company’s franchisees over the term of the agreement. The royalties are billed on a transaction basis and are recognized as revenue when earned.

Revenue from initial fees is allocated to the performance obligations in the franchise agreement that are distinct from the territory and license rights. These primarily include client consultations, estate sale services, senior move management, system training services, and onboarding services that prepare the franchisee to successfully operate the Family Nest Business. These fees are billed prior to the delivery of these services and is recognized on the delivery of those services.

FAMILY NEST FRANCHISE, LLC  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition Policies (continued)

Ancillary Franchise Fees

Revenues from services provided for conferences, technology, call center functions and other services as defined in the franchise agreement are billed monthly and are recognized upon delivery of the service or monthly when earned.

Brand Fund Contribution

The Company has established a brand fund to provide regional and national advertising for the benefit of the franchisees. The brand fund fees are the greater of 2% of monthly gross sales or \$100 per month and are billed monthly and are recognized as revenue when earned up to the amount spent on marketing activities as defined in the franchise disclosure document. Funds collected, but not yet spent, are recorded as deferred revenue on the balance sheet. As of April 30, 2025, and December 31, 2024, \$0, and \$0 was included in deferred revenue.

The Company had no revenue from any source for the period from July 10, 2024 (Inception) through December 31, 2024, and the period from January 1, 2025 through April 30, 2025.

Income Taxes

The members of the Company have elected to be taxed as a Sub-chapter S Corporation under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of the Company's members and no provisions for federal or state income taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the taxable income.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the period from July 10, 2024 (Inception) through December 31, 2024, and the period from January 1, 2025 through April 30, 2025, was \$0 and \$0.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

FAMILY NEST FRANCHISE, LLC  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued Accounting Standards Updates (“ASU”). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

**NOTE 2 – COMMITMENTS AND CONTINGENCIES**

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

**NOTE 3 - SUBSEQUENT EVENTS**

Date of Management’s Evaluation

Management has evaluated subsequent events through June 4, 2025, the date on which the financial statements were available to be issued.

**EXHIBIT "G"**  
**TO DISCLOSURE DOCUMENT**

**STATE EFFECTIVE DATES**

**State Effective Dates**

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

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

| State     | Effective Date              |
|-----------|-----------------------------|
| Minnesota | <del>October 29, 2025</del> |

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

**EXHIBIT "H"**  
**TO DISCLOSURE DOCUMENT**

**RECEIPTS**

*[See Attached]*

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 Family Nest Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Family Nest Franchise, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

- Dr. Kevin Corsini; 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188; (678) 503-7767(770) 766-3727
- Ken Corsini; 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188; (678) 503-7767(770) 766-3727
- Kristina Wilson; 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188; (770) 766-9939
- Michele Sims; 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188; (770) 766-9939
- Kendra D'Eon; 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188; (770) 766-9939
- Phil Bell; 105 Towne Lake Parkway, Suite E, Woodstock, Georgia 30188; (770) 766-3727
- Adam Cerra; 57V8+95 - Business Bay-Dubai 4204, Fl. 42, Dubai, Dubai, UAE; +971 58584 9144
- Michael Hienrich; 57V8+95 - Business Bay-Dubai 4204, Fl. 42, Dubai, Dubai, UAE; +971 58584 9144

Issuance Date: ~~June 17,~~ April 20, 2026 (amended April 22, 2026)2025

~~Family Nest Franchise, LLC's agent to receive service of process is listed in EXHIBIT "A" to this Disclosure Document (for franchise registration states) or EXHIBIT "B" to this Disclosure Document (for all other states);~~

~~I received a Franchise Disclosure Document that included the following Exhibits:~~

- ~~EXHIBIT "A" — List of State Administrators and Agents for Service of Process~~
- ~~EXHIBIT "B" — Agent for Service of Process~~
- ~~EXHIBIT "C" — Franchise Agreement~~
- ~~EXHIBIT "D" — Other Agreements~~
- ~~EXHIBIT "D" 1 — State Addenda~~
- ~~EXHIBIT "D" 2 — General Release~~
- ~~EXHIBIT "D" 3 — Promissory Note~~
- ~~EXHIBIT "D" 4 — ROFO Addendum~~
- ~~EXHIBIT "D" 5 — Territory Reservation Agreement~~
- ~~EXHIBIT "E" — List of Franchisees~~
- ~~EXHIBIT "F" — Financial Statements of Family Nest Franchise, LLC~~
- ~~EXHIBIT "G" — State Effective Dates~~
- ~~EXHIBIT "H" — Receipts~~

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature) Prospective Franchise Owner

~~(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Family Nest Franchise, LLC)~~

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