FRANCHISE DISCLOSURE DOCUMENT

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The franchise offered is for the operation of a janitorial and building maintenance services business providing comprehensive commercial cleaning and maintenance services under the JANI-KING® trade name and business system (a "JANI-KING® Business").

The total investment necessary to begin operation of a JANI-KING® Business ranges from $16,000 to $57,000 (plus $3,000 for each higher-level plan). These totals include the following amounts in Item 5 that must be paid to us or an affiliate: an initial franchise fee of $14,000 to $35,000 (plus $3,000 for each higher-level plan); and an initial required purchase of certain supplies and equipment prior to starting your business in an amount up to $3,000.

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

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 contracts 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. 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 for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 23, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit J.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 or Exhibit C summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Jani-King® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Jani-King® franchisee?	Item 20 or Exhibit J lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

1. **No Right to Reject Customer** The size, number, and location of accounts offered to you are solely within the franchisor's discretion. If you reject an account that the franchisor offers you, the franchisor is under no obligation to replace that account.
2. **Location of Customers** You may have to accept and service multiple customers even though the customers may be located far apart from each other or from you. You may lose any accounts you can't properly service, and the franchisor is under no obligation to replace them.
3. **Loss of Customers** If you lose a customer for any reason, the franchisor is under no obligation to replace it.
4. **Additional Customers** Once the franchisor's contractual obligation to offer you initial customer accounts has been fulfilled, the franchisor is under no contractual obligation to expand your business with additional customers, even if you are willing to pay for them.
5. **Mandatory Minimum Payments** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
6. **Billing for Customers** The franchisor performs billing and collection for all services that you provide to your customers, whether you obtain the customer, or the franchisor provides that customer to you. If customers you service do not pay, you suffer the loss of nonpayment.
7. **Pricing of Customer Accounts** The franchisor determines the amount to be charged for your services by bidding on customer accounts. You have no say in that determination. If the franchisor prices a customer account too low, even by mistake, you still must service the customer under the price the franchisor negotiates, even if you will lose money doing so.
8. **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 you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

State Effective Date

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

To be determined

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

Exhibit A contains information about the Franchisor and its affiliates. To simplify matters, the Franchisor is referred to in this Disclosure Document as "**we**," **us**," or "**our**." We conduct business under our corporate name and under the trade and service marks "**JANI-KING®**" (with the dot on the letter "**i**" in "**JANI**" formed by an outline of a crown), the phrase "**THE KING OF CLEAN®**," and associated logos and designs (collectively, the "**Marks**"). The Owner of the JANI-KING® franchise system is JANI-KING FRANCHISING, INC., ("**JKF**"). "**You**" means a person who buys a franchise from us. If you are a corporation or limited liability company, our Franchise Agreement also will apply to your owners, officers, directors, and members. If you are married and your spouse is not a partner or owner of the JANI-KING® Business, we will require your spouse to sign a personal guaranty (the "**Guaranty**") and all provisions of our Franchise Agreement will apply to your spouse.

JKF is a Texas corporation, incorporated on October 1, 1985. Its principal business address is 16885 Dallas Parkway, Addison, Texas 75001. JKF has no predecessors. JKF began offering regional franchises in 1985. JKF has established a network through which JANI-KING® franchises are sold through several independent Regional Subfranchisors. We are a Regional Subfranchisor of JKF.

Our Franchise Program. We grant franchises for janitorial businesses that perform comprehensive cleaning and/or maintenance related services, including commercial, industrial, and institutional cleaning and maintenance services and distribute related supplies and equipment under the name JANI-KING® ("**JANI-KING® Business**"). The services you will offer include carpet cleaning, floor cleaning and waxing, window washing, wall cleaning, and other specialty cleaning services in various industries, on a daily, weekly, or monthly schedule. We will offer business to you in consideration for the fees you pay under the Franchise Agreement. You will perform janitorial and/or maintenance services for the customers we find for you, or those you find for yourself. We provide administrative, franchise, and support services for you, including billing and collection. We offer franchises for JANI-KING® Businesses to be operated under our standard form of franchise agreement (the "**Franchise Agreement**"). A copy is attached as Exhibit D. We do not operate a JANI-KING® Business ourselves, but our affiliate(s) may perform commercial cleaning and maintenance services.

In operating your JANI-KING® Business, you must use our recommended methods, procedures, and products and operate under the Marks. We will provide certain support services for you in the Region. Initially, we will offer you varying amounts of cleaning contracts ("**Initial Business**") in exchange for payment of the Initial Franchise Fee. The more Initial Business we offer you, the higher the Initial Franchise Fee.

We will offer you cleaning contracts totaling the amount of Initial Business identified in the plan you select within a certain period of time (the "**Initial Offering Period**") which varies depending upon the plan. Typically, the more Initial Business to be offered under the plan, the longer the Initial Offering Period. The Initial Offering Period begins when you successfully complete our initial training program and acquire all required supplies and equipment. More information about the various franchise plans available is contained in Item 5.

To assist you in the purchase of the Franchise, we finance part of the Initial Franchise Fee (see Item 10). The Initial Franchise Fee and the financing arrangements we offer will also vary according to the particular plan purchased by you.

Due to the nature of the janitorial industry, you must recognize that the total billing for any specific month may not necessarily equal the total sum of the Initial Business because: (a) the Initial Business may be offered in stages during the Initial Offering Period; (b) you may not accept all of the customers we offer you; (c) customers may cancel the contract or request a change of franchisees due to

dissatisfaction with your performance; or (d) the customer may move or go out of business before the end of the contract period. To effectively service these customers, you must maintain the quality standards associated with the Marks at industry standard, commercial cleaning production rates. Under certain circumstances, if we do not offer you the total Initial Business by the end of the Initial Offering Period, we may refund all or part of the Initial Franchise Fee you have actually paid to us (see Items 5 and 11). All recurring contracts we offer you apply toward your Initial Business, whether or not you accept or decline them. Our only obligation is to secure and offer you the opportunity to service such customers within the specified time. However, you might choose not to accept some of the customers offered. We can only make a good faith effort to offer the amount of business for the plan specified, and you must choose to accept or decline the "offer." If you decline an offer of a customer, or if a customer cancels for poor performance, we are relieved of our obligation for that amount of your Initial Business. While declining an offer of a customer relieves us of our obligation to offer you that amount of your Initial Business, we will not begin charging Finders Fees on recurring contracts until you have accepted the opportunity to service contracts that equal your Initial Business (see Item 11).

Our Affiliates. We have 3 affiliates that are also Regional Subfranchisors of JKF. Exhibit A contains information about each of these affiliates. Otherwise, we do not have any affiliates that offer franchises or that provide products or services to our franchisees.

Our affiliate, Ancient Oak Insurance Partners, LLC ("Ancient Oak") is a South Carolina limited liability company formed on September 6, 2023. Its principal business address is 498 Garlington Road, Suite A, Greenville, SC 29615. Ancient Oak assists in operating the Business Protection Plan described in Item 6 and Exhibit B. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

JKFs Business. JKF offers and supervises regional subfranchises utilizing the Marks. JKF has established a network through which JANI-KING® Businesses are sold and supported through several independent Regional Subfranchisors, like us. JKF does not engage in other business activities and has not offered franchises in other lines of business.

JKF offers franchises similar to our franchise program in territories where no regional support office has been established. JKF offers Regional Subfranchisors like us the right to conduct a business to sell, support and provide services to JANI-KING® Businesses under written franchise agreements. These Regional Subfranchisors offer franchises similar to the one we offer you.

JKI's Affiliates. JKF is a wholly owned subsidiary of JANI-KING INTERNATIONAL, INC. ("**JKI**"). JKI is a Texas corporation, incorporated on October 1, 1985, and is a wholly owned subsidiary of JAC Holdings, LLC, a Texas limited liability company. The principal business address of JKI and all of its and JKF's affiliates are the same, 16885 Dallas Parkway, Addison, Texas 75001. All of their affiliates are Texas corporations.

Table 1.1 JKF Affiliates

JKF Affiliate	Date Incorporated	Began Conducting Business	Selling Franchises Since
Jani-King of Buffalo, Inc.	11/02/1992	08/12/1996	08/12/1996
Jani-King of California, Inc.	06/08/1982	08/01/1982	08/01/1982*
Jani-King of Dayton, Inc.	05/13/2025	08/01/2025	08/01/2025
Jani-King of Hartford, Inc.	11/02/1992	01/01/1993	01/01/1993
Jani-King of Louisville, Inc.	05/13/2025	07/01/2025	07/01/2025
Jani-King of Miami, Inc.	06/14/1988	08/01/1988	08/01/1988

Table 1.1 JKF Affiliates

JKF Affiliate	Date Incorporated	Began Conducting Business	Selling Franchises Since
Jani-King of Michigan, Inc.	03/05/1987	04/08/1987	04/08/1987
Jani-King of Minnesota, Inc.	11/09/1987	12/01/1987	12/01/1987
Jani-King of New Jersey, Inc.	10/24/1990	07/01/1991	07/01/1991
Jani-King of New York, Inc.	05/29/1986	02/01/1988	02/01/1988
Jani-King of Oklahoma, Inc.	05/31/1979	06/01/1979	06/01/1979
Jani-King of Philadelphia, Inc.	06/15/1990	07/01/1990	07/01/1990
Jani-King of Pittsburgh, Inc.	09/29/2006	09/29/2006	09/29/2006
Jani-King of St. Louis, Inc.	09/07/1988	09/26/1988**	09/26/1988**
Jani-King of Tulsa, Inc.	06/29/2007	06/29/2007	06/29/2007
Jani-King of Washington, D.C., Inc.	04/28/1989	06/01/1989	06/01/1989

* Jani-King of California, Inc. did not offer franchises from April 21, 2021, through September 1, 2025. It resumed selling 90franchises on September 2, 2025.

** Jani-King of St. Louis, Inc. sold its assets to a Regional Franchisor (defined below) on March 1, 2017, and did not conduct business or sell franchises from March 2017 through July 2024. It resumed operations on August 1, 2024, and resumed selling franchises on May 29, 2025.

JAC Holdings, LLC is a holding company. JKI does not directly engage in the business of providing commercial cleaning services. JKI does not offer any franchises substantially similar to JANI-KING® Businesses. However, JKI does provide significant support and management services to its various operating affiliates who do offer franchises similar to the one we offer. JKI has not offered franchises in other lines of business.

JANI-KING, Inc. ("**JK INC**")is a wholly owned subsidiary of JKI. JK INC was incorporated on March 11, 1983. JK INC does not directly offer any franchise or engage directly in the business of providing commercial cleaning services similar to our business or JANI-KING® Businesses. But JK INC provides administrative and management services to each of its operating affiliates. JK INC has not offered franchises in other lines of business.

JK INC owns various wholly owned subsidiaries that operate businesses similar to ours in other territories ("Corporate Region Subs"). Each of these Corporate Region Subs are listed in Table 1.1. None of them have offered franchises in other lines of business, and, except for certain "in house" operations, they do not operate businesses which are the subject of this Disclosure Document.

JKFs affiliate, JANI-KING LEASING CORPORATION ("**JKL**"), is a Texas corporation. JKL was incorporated on December 21, 1981. Its principal business address is the same as all JKF affiliates. JKL leases janitorial equipment to franchisees operating JANI-KING® Businesses. It does not engage in any other business activities and does not offer or operate franchises.

JKFs affiliate, Jani-King Insurance Services, LLC ("**JK INSURANCE**") is a Texas limited liability company formed on June 15, 2010. Its principal business address is the same as JKF. JK INSURANCE is a licensed insurance producer that provides certain services relating to the Business Protection Plan offered by the regions listed in Table 1.1. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

JKFs affiliate, JKI Indemnity SPC, is a company formed under the laws of the Cayman Islands on December 15, 1999. Its principal business address is c/o Marsh Management Services Cayman Ltd, Governors Square, Building 4, 2nd Floor, 23 Lime Tree Bay Avenue, PO Box 1051, Grand Cayman KY1-1102, Cayman Islands. JKI Indemnity SPC assists in operating a Business Protection Plan offered in the regions listed in Table 1.1. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

Market and Competition. Your products and services will be offered to the general public for commercial, industrial, and institutional properties. The market for janitorial services is developed in some areas and developing in other areas, depending on the existing businesses in the particular area.

You will be competing with other businesses offering janitorial and maintenance services. Your competitors may be national chains, franchised businesses or local independent businesses. We may also conduct a JANI-KING® Business in the Region.

Regulations. You must be familiar with local, county, state and federal laws which apply generally to the janitorial and cleaning industries. These laws may include federal, state and local regulations concerning health, discrimination, employment, sexual harassment and advertising. In addition, the laws, rules and regulations which apply to businesses in general will affect you. Consult your lawyer about them.

ITEM 2. BUSINESS EXPERIENCE

Our Management.

Exhibit A contains background information on our management team.

JKF's Management.

President, Chief Executive Officer, Secretary and Director: James A. Cavanaugh, Jr. Mr. Cavanaugh founded the JANI-KING® Business concept as a janitorial service company in 1969. Mr. Cavanaugh has served in various positions for JKI, JKF, and JK INC since their inception.. For more than 5 years prior to December 2021, Mr. Cavanaugh served as Vice-President and Secretary of JKI, JK INC, JKF, and JKL. He has also served as Vice-President of JK INSURANCE since its formation in 2010. Since December 2021, Mr. Cavanaugh has served a President, Chief Executive Officer, and Secretary for JKI, JK INC, JKF, and JKL, and each of the Corporate Region Subs, except for Jani-King of Pittsburgh, Inc (for which he serves only as President and Secretary).

Chief Operating Officer: John Crawford Mr. Crawford was the District/Area Sales Manager of Eli Lilly & Company in Indianapolis, Indiana from May 1998 to May 2021. In April 2021, Mr. Crawford became Co-President and Secretary of Opportunity Franchising, Inc. and C&C Nevada, LLC. In May 2021, Mr. Crawford joined JKI as Chief Operating Officer. He has been the Chief Operating Officer of JK INC and the Corporate Region Subs (except Jani-King of Pittsburgh, Inc.) since December 2021. Mr. Crawford was also appointed Chief Operating Officer of JK INSURANCE in May 2025.

Assistant Secretary: Lauren M. Rambo Ms. Rambo joined JANI-KING in February 1994 and currently serves as the Executive Assistant to the Chairman. Ms. Rambo was appointed Assistant Secretary of JKI, JK INC, JKF, JKL, and the Corporate Region Subs in September 2009.

ITEM 3. LITIGATION

Claims Against Us or Our Affiliates.

Past Litigation

None

Claims Against JKF.

Pending Litigation

On September 29, 2016, a Complaint entitled ***United States Department of Labor vs. Jani-King of Oklahoma, Inc.*** (Civil Action No. CIV-16-1133-W) was filed in United States District Court, District of Western Oklahoma. The Department of Labor ("DOL") alleged that the Defendant has mischaracterized its franchisees as independent contractors, and thus violated the recordkeeping requirements of the Fair Labor Standards Act. The DOL is seeking a permanent injunction relating to such allegations and a monetary award for the DOL's costs relating to the action. On March 20, 2017, the Court granted Defendant's motion to dismiss the claims without prejudice and granted the DOL 21 days' leave to amend its complaint. The Department of Labor filed an Amended Complaint on April 20,2017. On June 9, 2017, the Court granted Defendant's motion to dismiss the Amended Complaint with prejudice. The Department of Labor has appealed the ruling to the 10th Circuit Federal Court of Appeals and oral arguments were held in May 2018. On October 3, 2018, the 10th Circuit reversed the ruling and remanded the case back to the District Court. After discovery was conducted, each party filed a Motion for Summary Judgement. On November 25, 2020, the Court granted Defendant's motion to stay the case after a proposed new rule was issued by the U.S. Department of Labor regarding independent contractor status. Although a final rule was published in January 2021 and was scheduled to take effect in March 2021, the rule was later postponed and ultimately withdrawn on May 6, 2021, without taking effect. On June 23, 2021, the Court vacated the stay and indicated the Court would take up the pending motions for summary judgment in due course. As of April 1, 2026, the summary judgment motions are still pending before the court. Defendant denies all allegations and continues to defend itself against the claim.

On December 7, 2022, a complaint entitled ***James Beard v. Jani-King Corporation and River City Franchising, LLC*** (Case No. CT-4883-22) was filed in Tennessee Circuit Court, 13th Judicial District. Plaintiff is the owner of Genesis Unlimited Corporation, which purchased a Jani-King franchise in 2019 from River City Franchising, LLC ("River City"), a former Jani-King regional franchisor. Plaintiff filed for breach of contract against River City and "Jani-King Corporation." Although there is no entity named Jani-King Corporation, in February 2025 Plaintiff directed a Summons to Jani-King International, Inc. Jani-King International, Inc. denied all allegations and filed a Motion for Summary Judgment on January 6, 2026. During a hearing on February 20, 2026, the Court indicated that it would grant Jani-King International's Motion for Summary Judgment, however, as of March 31, 2026, the Court has not entered an order on the motion.

Past Litigation

On March 20, 2009, a class action entitled ***Pamela Myers, Darryl Williams, Wyatt Seals v. Jani-King International, Inc., Jani-King, Inc., and Jani-King of Philadelphia, Inc***. was filed in the United States District Court, Eastern District of Pennsylvania (Case No. 090303550), alleging violation of Pennsylvania minimum wage act, violation of Pennsylvania wage payment and collection law, breach of contract, breach of the duty of good faith and fair dealing, and unjust enrichment. Defendants deny all allegations and have filed a Notice of Removal of this action under 28 U.S.C. §§1441, thereby removing this matter from the Court of Common Pleas in Philadelphia County to the United States District Court Eastern District of Pennsylvania. On December 5, 2012, the Court denied the Motion to Transfer, granted the Motion to Dismiss the breach of duty of good faith and fair dealing claim, and denied the Motion to Dismiss the breach of contract claim. On March 10, 2014, the Court granted Plaintiff's Motion for Class Certification. Defendants appealed the Class Certification ruling to the Third Circuit Court of Appeals, which court agreed to hear Defendants' appeal. Briefing and oral arguments were completed on January 20, 2016. On September 21, 2016, the Third Circuit Court of Appeals rejected Defendants' appeal challenging class certification. On October 31, 2016, the Third

Circuit Court of Appeals rejected Defendants' petition for an en banc rehearing of their appeal. On August 27, 2019, the Court approved the parties' settlement agreement pursuant to which certain Jani-King of Philadelphia franchisees agreed to enter into revised franchise agreements, Jani-King of Philadelphia agreed to offer a limited buy-out period for franchisees servicing less than $5,000 in monthly revenue, Jani-King agreed to make a total payment of $3.7 million to the Plaintiff's class, and the case was dismissed with a release of all claims.

On June 22, 2009, a class action entitled ***Alejandro Juarez, Maria Juarez, Luis A. Romero, and Maria Portillo v. Jani-King International, Inc., Jani-King, Inc. and Jani-King of California, Inc.*** was filed in the United States District Court, Northern District of California (Case No. CV-09-3495), alleging violations of California Corporations Code §§31201 and 31202, intentional misrepresentation, concealment, negligent misrepresentation, breach of contract, violation of labor code §§510, 1182, 1194, 1197, 1198, 2801, 2810, wage order 5-2001, and business and professions code §17200. Defendants denied all allegations and filed a Notice of Removal of this action under 28 U.S.C. §§1446 and 1453, thereby removing this matter from the Superior Court of the State of California in and for the County of Alameda to the United States District Court Northern District of California. On October 5, 2009, the court granted the Defendants' motion to dismiss with respect to Plaintiffs' causes of actions related to fraud, Plaintiffs' contract claim, and Plaintiffs' claim under California Labor Code section 2810.3. On March 4, 2011, Plaintiffs' Motion to Certify the Class was denied by the Court. On August 17, 2011, Defendants made an Offer of Judgment to Luis A. Romero in which Defendants made no admission that Defendants were liable in this action or that Romero experienced any damages and offered to settle all of Romero's claims for a total sum of $50,000. Romero accepted the Offer of Judgment and on September 23, 2011, a Stipulated Entry of Final Judgment was issued as to Plaintiff Luis A. Romero. On January 23, 2012, the Court granted Defendants' Motion for Summary Judgment on Plaintiff's labor code claims, fraud claims, claims that Jani-King violated the California Franchise Investment Law and fraudulent practices under business and professions code §17200, and the Juarezes claim for breach of contract. The Court denied Defendants' Motion for Summary Judgment on Plaintiff's claims for breach of implied covenant, and unlawful practices and unfair business practices under §17200, Portillo's claim for breach of contract, and Defendants' counterclaims against Juarez. On February 16, 2012, the Court granted Plaintiffs' motion for certification of its appeal from the decision on Summary Judgment to the Ninth Circuit Court of Appeals and stayed the case pending resolution of the interlocutory appeal before the Ninth Circuit. On May 10, 2012, the Ninth Circuit denied Plaintiffs permission for interlocutory appeal. On October 31, 2012, without admitting any wrongdoing or liability, Defendants and Maria Escobar (formerly Portillo) entered into a settlement whereby Escobar's franchise agreement with Jani-King of California, Inc. was terminated, and Escobar dismissed all claims against Defendants, except the employment mischaracterization claims, in exchange for payment in the amount of $50,000. On October 31, 2012, without admitting any wrongdoing or liability, Defendants, and Alejandro and Maria Juarez entered into a settlement whereby the Juarez's' franchise agreements with Jani-King of California, Inc. were terminated and the Juarezes dismissed all claims against Defendants, except for the employment mischaracterization claims, in exchange for a release of Defendants counterclaims and a payment in the amount of $15,000. On December 14,2012, Escobar and the Juarezes filed a Notice of Appeal of the Court's Summary Judgment Order with the Ninth Circuit Court of Appeals. In June 2018, the case was remanded back to the United States District Court for the Northern District of California in light of the California Supreme Court's decision in *Dynamex Operations West, Inc. v. Superior Court*, 4 Cal. 5th 903 (2018). On November 21, 2019, the Court stayed this case pending a decision from the California Supreme Court on the certified question of whether *Dynamex Operations West, Inc. v. Superior Court*, 416 P.3d 1 (C. 2018) applies retroactively. On January 14, 2021, the California Supreme Court ruled in Vasquez v. Jan-Pro Franchising International, Inc., 478 P.3d 1207 (Cal. 2021) that its decision in Dynamex applies retroactively and the Court lifted its stay of this case the

following day. In September 2021, Defendants agreed to pay $150,000 to settle the Juarezes' individual claims. The parties also agreed to a Class Action Settlement Agreement encompassing both this lawsuit and Jose Chavez and Emilio Montero v. Jani-King of California, Inc., Jani-King, Inc., Jani-King International, Inc., with the agreement that the Class Action Settlement Agreement would be filed in the Chavez case. The Class Action Settlement Agreement is described below in the summary of the Chavez case. The parties filed a Stipulation of Dismissal on September 21, 2021.

On March 26, 2015, a complaint entitled ***Meseret Ayele d/b/a MAE Solutions, LLC v. Jani-King of Houston, Inc.*** (Cause No. 2015-17798) was filed in the 55th District Court, Harris County, Texas. Plaintiff is a franchisee of Jani-King of Houston, Inc. alleging breach of contract, violation of the Texas Deceptive Trade Practices Act, fraud, fraudulent inducement, and negligent misrepresentation. Plaintiff was seeking $487,000 in damages. On October 13, 2015, the Court granted Defendant's Motion for Summary Judgment, dismissing all of the Plaintiff's claims. In December 2015, Plaintiff filed a Motion to Vacate the Court's ruling and for a new trial, which the Court denied. On December 24, 2015, Plaintiff moved for the Court to reconsider its decision to deny the Motion to Vacate and for a new trial, which the Court again denied. Plaintiff appealed the Court's ruling to the First Court of Appeals. On February 28, 2017, the First Court of Appeals reversed and remanded the case. On January 20, 2018, the parties agreed to settle all of the claims in exchange for a payment of $34,250 by the Defendant. However, the Plaintiff refused to dismiss its claims as agreed and accept the settlement payment and breached the settlement agreement. In its Second Amended Counterclaim, filed April 19, 2018, the Defendant added a new party to the lawsuit and alleged claims against the Plaintiff and Cross-Defendant for breach of contract. Plaintiff filed Plaintiff's Third Amended Original Petition on October 4, 2018, adding claims for promissory estoppel, and intentional infliction of emotional distress. On February 7, 2019, the Court granted Defendant's Motion to Bifurcate the trial of the parties' claims. A trial took place on the breach of the settlement agreement by Plaintiff on August 20, 2019 and the jury rendered a verdict in favor of Jani-King of Houston and ordering the court clerk to tender the $34,250 deposited by Jani-King to Plaintiff in accordance with the settlement agreement.

On October 19, 2015, a complaint entitled ***John Fuller, Maqunair, Rodrigues de Freitas, and Adilson Dos Santos v. Syatt Franchising, Inc. d/b/a Jani-King of Greater Rhode Island, Jani-King International, and Jani-King, Inc.*** (Case No. 1:15-cv-00438-M-LDA) was filed in the United States District Court, District of Rhode Island. Plaintiffs (who are unit franchisees of the Jani-King master franchisee, Defendant Syatt Franchising, Inc.) filed a purported class action against Defendants alleging unjust enrichment, worker misclassification, and wage violations in connection with Syatt Franchising, Inc.'s operations in the Commonwealth of Massachusetts. Jani-King International, Inc. and Jani-King, Inc. were not served with notice of the lawsuit until February 2016. On Tuesday, December 6, 2016, the parties reached a tentative settlement agreement pursuant to which, and without admitting liability, the Defendants would agree to pay a class settlement totaling $450,000 over a two-year period. The Court approved the settlement on August 17, 2017.

On December 5, 2016, a purported class action entitled ***Simon Mujo and Indrit Muharremi vs. Jani-King International, Inc., Jani-King, Inc., and Jani-King of Hartford, Inc.*** was filed in United States District Court, District of Connecticut (Case 3:16-cv-01990). Plaintiffs (who are franchisees of Jani-King of Hartford, Inc.) allege violation of the Connecticut Minimum Wage Act and unjust enrichment. On March 31, 2018, the Court granted Defendants' motion to dismiss the Connecticut Minimum Wage Act claims. On January 9, 2019, the Court certified a class on the remaining unjust enrichment claims. On December 21, 2019, the Court granted Defendants' Motion for Summary Judgment. On December 30, 2019, Plaintiffs moved for reconsideration of the judgment, which the Court denied on January 3, 2020. On January 10, 2020, Plaintiffs appealed to the Second Circuit Court of Appeals. On October 9, 2020, Plaintiffs filed a Motion to Certify Questions to the Connecticut Supreme Court. On September

9, 2021, the Second Circuit affirmed the District Court's dismissal of Plaintiffs' claims and denied Plaintiffs' Motion to Certify. On September 24, 2021, Plaintiffs moved for rehearing En Banc, which the Second Circuit denied on October 14, 2021

On May 5, 2017, a complaint entitled ***Tomas Fernandez, Beatriz Martinez, and Corina Martinez vs. Jani-King International, Inc., Jani-King, Inc., Jani-King of Houston, Inc., Rocket Franchising, Inc., and SCT Enterprises, Inc***. was filed in United States District Court, Southern District of Texas, Houston Division (Civ. Action No. 4:17-CV-1401). Plaintiffs, who are franchisees of Rocket Franchising, Inc., filed this action against Defendants alleging that Defendants violated the Fair Labor Standards Act and seeking damages for unpaid overtime and minimum wage. On June 22, 2017, Defendants moved to dismiss Plaintiff's complaint. On January 23, 2018, the Court conditionally granted Defendants' motion to dismiss, but allowed Plaintiffs the opportunity to amend their complaint. On February 6, 2018, Plaintiffs dismissed Defendants, Jani-King International, Inc., Jani-King, Inc., and SCT Enterprises, Inc. and amended their complaint such that only Plaintiffs Beatriz Martinez and Corina Martinez made claims against Jani-King of Houston, Inc. On August 2, 2019, Jani-King of Houston, Inc. filed a counterclaim against Corina Martinez. On September 24, 2019, Jani-King of Houston, Inc. filed a third-party complaint against Martinez 5 Enterprise, LLC. In November 2019, without admitting any wrongdoing or liability, the parties reached a settlement whereby Plaintiffs Beatriz Martinez and Corina Martinez dismissed all claims against Jani-King of Houston, Inc. in exchange for a total payment of $17,500 and Jani-King of Houston, Inc. dismissed the counterclaim and third-party claim.

On January 15, 2019, a complaint entitled ***Constance Mouanda v. Jani-King International, Inc., Jani-King Leasing Corporation, Jani-King Franchising, and Cardinal Franchising, Inc. d/b/a Jani-King of Louisville*** was filed in Jefferson Circuit Court, Division 12 (Case No. 19-CI-00283. Plaintiff, who is the sole member of The Matsoumou's,LLC, a franchisee of Jani-King of Louisville, filed this action against Defendants alleging that Defendants engaged in fraud, failed to pay her the minimum wage under Kentucky law, and breached her franchise agreement. Plaintiff is seeking compensatory and punitive damages, and attorneys' fees and costs. On June 25, 2019, the Court granted the Defendant's Motion to Dismiss due to Plaintiff's lack of standing to bring claims. Plaintiff appealed the Court's ruling to the Kentucky Court of Appeals on October 21, 2019. On February 5, 2021, the Kentucky Court of Appeals affirmed the lower court's dismissal. Plaintiff filed a Motion for Discretionary Review with the Supreme Court of Kentucky on March 9,2021. On September 22, 2021, the Supreme Court of Kentucky granted discretionary review. On August 18, 2022, the Supreme Court of Kentucky reversed and overturned the dismissal of Plaintiff's claims of fraud and failure to pay minimum wage, while allowing the dismissal of Plaintiff's claim for breach of the franchise agreement to stand. On October 25, 2022, Plaintiff filed an Amended Complaint and added Jani-King Franchising, Inc. as an additional Defendant. On October 31, 2022, Jani-King International, Inc., Jani-King Leasing Corporation, and Jani-King Franchising, Inc. filed a Motion to Dismiss the Amended Complaint for lack of personal jurisdiction. On February 24, 2023, the Court denied the Motion to Dismiss and allowed further discovery. On June 7, 2023, the parties entered into a settlement. Without admitting any liability, Cardinal Franchising, Inc. agreed to pay Plaintiff $55,000, the franchise agreement between The Matsoumou's LLC and Cardinal Franchising, Inc. was terminated, and Plaintiff released the Defendants from all claims and dismissed the litigation with prejudice.

On November 11, 2019, a complaint entitled ***Jose Chavez and Emilio Montero v. Jani-King of California, Inc., Jani-King, Inc. and Jani-King International, Inc.*** was filed in Superior Court of California, Alameda County (Case No. RG19043517). Plaintiffs, who are individuals who purchased franchises from Jani-King of California, Inc. through business entities they owned, filed this action against Defendants alleging that Defendants mischaracterized Plaintiffs as independent contractors in violation of the California Labor Code. Defendants deny all accusations. In September 2021, the

parties agreed to a Class Action Settlement Agreement encompassing both this lawsuit and the Juarez case described above. Pursuant to the Class Action Settlement Agreement, without admitting liability, Defendants agreed to terminate the franchise agreements between Jani-King of California, Inc. and class members, facilitate the transfer of all existing cleaning contracts in California to active class members who elected to continue servicing those cleaning contracts, cease selling new franchises in California until January 1, 2024, and pay a class settlement totaling $15,350,000 payable over a two-year period. The Court granted final approval of the settlement on July 7, 2022, and the settlement became effective on September 7, 2022.

On May 8, 2020, a complaint entitled ***O'Brien Enterprises, LLC and A&A Enterprises, LLC v. B&B Franchising, LLC, Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc***. was filed in the Court of Common Pleas, Hamilton County, Ohio (Case No. A2001829). Plaintiffs were unit franchisees of B&B Franchising, LLC, which owned and operated the Jani-King master franchise territory. On May 8, 2020, Plaintiffs filed this purported class action against Defendants alleging breach of contract, fraud in the inducement, and negligent misrepresentation and fraud against B&B Franchising, LLC, negligent supervision against Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc, and tortious interference against all of the Defendants. On June 11, 2020, B&B Franchising, LLC filed a Notice of Removal, thereby removing this matter to the United States District Court for the Southern District of Ohio. Plaintiffs sought unspecified damages, declaratory and injunctive relief, and reformation of their franchise agreements. On April 20, 2021, Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc. filed a motion to dismiss Plaintiffs' claims of tortious interference and claims for declaratory and injunctive relief pursuant to Rule 12(b)(6) for failure to state a claim upon which relief can be granted. On September 9, 2021, B&B Franchising, LLC filed an Unopposed Motion to Dismiss all claims of O'Brien Enterprises, LLC. On November 4, 2021, the remaining parties entered into a Settlement Agreement in which B&B Franchising, LLC agreed to pay $23,500 to A&A Enterprises, LLC and A&A Enterprises agreed to dismiss its claims against all Defendants and executed mutual releases with all Defendants.

On May 19, 2022, a suit entitled ***Brian J. Schneider v. Jani-King of Buffalo, Inc.*** (Case No. SC15074, Town of Amherst Court) was filed. Plaintiff is the managing member of Abatis, LLC, a former franchisee of Jani-King of Buffalo, Inc. that was terminated for failure to pay minimum royalties and for abandonment and is seeking to recover the initial franchise fee. The parties agreed to a settlement in June 2022. Without admitting any liability, Jani-King of Buffalo, Inc. agreed to pay Plaintiff $4,000 in exchange for a release of all claims by Plaintiff and Abatis, LLC.

On June 7, 2022, a suit entitled ***Arcel Enterprises Limited Co. v. Jani-King Franchising, Inc***. (Case No. 22-S-00108, Fayette County District Court) was filed. The Plaintiff, a franchisee of Wildcat Franchising, Inc. d/b/a Jani-King of Lexington ("Wildcat"), alleges theft, fraud, and discrimination and is seeking to recover its initial franchise fee down payment. On July 26, 2022, JKF filed a Motion to Dismiss for lack of personal jurisdiction and because Plaintiff purchased its franchise from Wildcat and not JKF. On August 5, 2022, the Court postponed ruling on JKF's Motion to Dismiss and allowed Plaintiff time to add Wildcat as a Defendant. On August 9, 2022, Plaintiff reached a settlement with Wildcat. Pursuant to the settlement, Wildcat agreed to pay Plaintiff $3,000 and waive a $7,000 promissory note executed by Plaintiff, and Plaintiff agreed to return certain equipment and cleaning supplies to Wildcat, release all claims against Wildcat and JKF, and dismiss the lawsuit.

Administrative Orders and Decrees

On April 25, 1988, based upon an inquiry conducted by the California Department of Corporations (the "Department"), an order was issued which denied and revoked Jani-King of California, Inc.'s registration based upon the alleged failure by Jani-King of California, Inc. to comply with Sections 31123 and 31200 of the California Franchise Investment Law. The Department alleged that Jani-King

of California, Inc. failed to notify the Department of the issuance of an order dated January 20, 1988, described in the preceding paragraph regarding the counterclaims in two lawsuits. The Department also alleged that Jani-King of California, Inc. made certain misrepresentations in its franchise offering circular regarding the length and adequacy of franchisee training, the billing and collection practices of Jani-King of California, Inc., the types of customers a franchisee would service, the cost and availability of products offered by Jani-King of California, Inc., and general information about Jani-King Leasing Corporation and its relationship with Jani-King of California, Inc. An agreement was reached with the Department to reinstate Jani-King of California, Inc.'s registration upon satisfaction of certain conditions, including the amendment of the franchise offering circular, and the entry of a permanent injunction the terms of which required a temporary suspension of sales activity for a period of 45 days, retention of competent franchise counsel, completion of certain educational and reporting requirements and the payments of a Jani-King fine and costs incurred by the Department, and future compliance with the provisions of the California Franchise Investment Law. Jani-King of California, Inc. agreed to the entry of the permanent injunction solely for the purpose of settling the matter and does not admit that the allegations made by the California Department of Corporations are true or that it violated the California Franchise Investment Law. A permanent injunction was entered by the court on July 19, 1988.

On July 24, 1995, a complaint entitled ***United States of America v. Jani-King International, Inc.*** (Civ. No. 3-95-CV-1492-G) was filed in the United States District Court, Northern District of Texas, Dallas Division. Without admitting any liability, Jani-King International, Inc. ("JKI") agreed to a Stipulated Final Judgment and Order for Permanent Injunction ("the Final Judgment") with the Federal Trade Commission ("FTC"). The FTC alleged that JKI did not comply with the FTC's Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" (the "Franchise Rule") by not properly disclosing it's litigation history concerning violations of law during the previous 7 fiscal years, by not providing all of the information required concerning existing franchises, and by making earnings claims without a reasonable basis and without the disclosures required by the Franchise Rule. Under the Final Judgment, JKI is required to comply with the Franchise Rule, and they agreed to pay $100,000 to the FTC as a civil penalty. No guilt or innocence was determined and JKI admitted no liability for any of the matters alleged in the FTC complaint.

On September 18, 1998, the California Department of Corporations issued a Cease and Desist Order against Jani-King of California, Inc., and certain affiliates, ordering them to stop offering and selling franchises in the state of California. On February 16, 1999, the Department of Corporations and Jani-King of California, Inc. entered into a Stipulation and Proposed Order and on February 17, 1999, both parties jointly moved to modify the permanent injunction entered by the court on July 19, 1988, to provide for, among other things, 1) the appointment of an independent monitor and the imposition of procedures to verify and confirm future compliance with the California Franchise Investment Law, and; 2) certain training requirements for salespersons of Jani-King of California, Inc. The Cease and Desist Order was rescinded according to the terms of the Stipulation and Proposed Order. The court entered an order modifying the permanent injunction on February 19, 1999. In August 2002, the independent monitor determined that no significant violation of the California Franchise Investment law or decree had occurred during the last testing period and the monitoring was discontinued.

On September 12, 2013, in ***Commonwealth of Virginia, ex rel. State Corporation Commission v. Jani-King of Washington, D.C., Inc.***, (Case No. SEC-2012-00015), the Commonwealth of Virginia, *ex rel*. State Corporation Commission (the "State") alleged that Jani-King violated §13.1-563(2) of the Virginia Retail Franchising Act (the "Act") by selling franchises to be operated in Virginia while omitting certain disclosures concerning its corporate ownership and prior litigation settlements. Jani-King did not admit nor deny the State's allegations but, on September 12, 2013, entered into a

Settlement Order with the State whereby Jani-King: (i) paid to the treasurer of the State $62,000 in penalties; (ii) paid to the treasurer of the State $23,000 to defray the State's costs of investigation; (iii) provided a copy of the Settlement Order to all then-current Virginia franchisees; and (iv) agreed to not violate the Act in the future.

Franchisor Initiated Litigation Involving the Franchise Relationship in the Last Fiscal Year.

On January 7, 2025, a complaint entitled ***Jani-King of Harford, Inc. v. Savino Melluzzo, Mirka Melluzzo, Giancarlo Melluzzo, Casamell, LLC, and Clean Management, LLC*** (Case No. 3:25-CV-00031, was filed in United States District Court for the District of Connecticut). Jani-King of Hartford, Inc. filed suit against franchisees Savino and Mirka Melluzzo, an entity they own, Casamell, LLC, their son and former executive Giancarlo Melluzzo, and an entity Giancarlo owns, Clean Management, LLC, for breach of the non-competition and non-solicitation provisions of the franchise agreement, tortious interference with contractual relations, unfair trade practices, and declaratory relief. Discovery is being conducted.

Other than the forgoing actions, no other litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

There are no bankruptcies required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Initial Franchise Fee. We charge a varying Initial Franchise Fee depending on the plan you purchase, which is in turn based on the amount of Initial Business you want us to offer you. To assist you, we will finance part of the Initial Franchise Fee ("**Initial Franchise Fee**"). However, if you pay the entire Initial Franchise Fee when you sign the Franchise Agreement, we will reduce it by 5%. You must pay the amount of the Initial Franchise Fee that we do not finance (the "**Deposit Amount**") when you sign the Franchise Agreement. The following table shows the terms of the plans we currently offer.

Plan	Initial Business	Initial Franchise Fee	Deposit Amount	Financed Amount	Initial Offering Period (months)	Interest Rate	Term (yrs)	Monthly Payment
E-3	3,000	14,000	5,000	9,000	5	12%	3	298.93
E-4	4,000	17,000	8,000	9,000	6	12%	3	298.93
E-5	5,000	20,000	11,000	9,000	7	12%	3	298.93
E-6	6,000	23,000	14,000	9,000	8	12%	3	298.93
E-7	7,000	26,000	17,000	9,000	9	12%	3	298.93
E-8	8,000	29,000	20,000	9,000	10	12%	3	298.93
E-9	9,000	32,000	23,000	9,000	11	12%	3	298.93
E-10	10,000	35,000	26,000	9,000	12	12%	3	298.93

Note: The Initial Business increases by $1,000, the Initial Franchise Fee increases by $3,000, and the Initial Offering Period increases by one (1) month for each higher level plan.

This is the total Initial Franchise Fee due for each plan, except for any applicable sales tax payable by you. Sales tax is computed in accordance with state and local laws. See Item 11 for further information regarding the Initial Business offered to you and the circumstances when a customer might be replaced by us. We provide a limited guaranty for the Initial Business for a maximum of 12 months.

The Initial Franchise Fees paid us in 2025 are shown in Exhibit A. We offer uniform Initial Franchise Fees for each plan. In some instances, we may offer incentives that lower the Deposit Amount and allow a larger portion of the Initial Franchise Fee to be financed, based on geographic location, business experience, prior involvement with JANI-KING®, or financial circumstances.

In consideration for the Initial Franchise Fee we:

a) grant you a franchise to operate a JANI-KING® Business;

b) provide you with initial training;

c) provide a limited guarantee for the Initial Business; and

d) provide you with Supply and Equipment Package "A" as described in Exhibit F.

The Initial Franchise Fee for any plan is generally not refundable and is fully earned by us when paid. Nevertheless, if we do not offer you the amount of Gross Monthly Revenue representing the Initial Business within the appropriate Initial Offering Period, we have two options:

a) We can extend the Initial Offering Period to such time as you and we agree is appropriate and, depending on the circumstances, we may increase the amount of the Initial Business to an amount mutually agreed upon; or

b) We will credit you an amount equal to 3 times the amount of Initial Business that we have not offered you within the Initial Offering Period. We may apply the credit against any current, unpaid fees or charges otherwise due us, and any other outstanding balance you owe to us, including any promissory note, for the Initial Franchise Fee or otherwise. We will pay any remainder to you. If we provide a credit to you in this manner, we will then have fulfilled our obligation to you regarding the Initial Business.

Initial Supplies and Equipment. The Initial Offering Period will not begin until you show us that you have the items listed in Supply and Equipment Package "B" in Exhibit F. You may purchase the supply and equipment package from anyone, including us. You are not required to purchase any of it from us or our affiliates. If you choose to purchase Supply and Equipment Package “B” from us, the cost is $250.

Jani-King Vet-Fran Program. In order to provide additional support to the veterans of the United States military, we offer a 20% discount off the Initial Franchise Fee to qualifying veterans. The entire discount can be applied to the Deposit Amount. Any discount for cash payment cannot be combined with the 20%. The program is available for those veterans who have received a discharge (other than dishonorable) as well as any active-duty personnel. The JANI-KING® Business must be operated by a corporation or limited liability company, and the veteran participant must maintain at least a 51% ownership in such entity. A copy of Form DD-214, evidencing the status of a participating veteran, must be submitted with the Franchise Agreement.

ITEM 6. OTHER FEES

As a JANI-KING® franchisee, you will own and operate your own independent janitorial business that provides cleaning and maintenance services for customers under the JANI-KING® System and Marks. We handle the billing for your services. Payments are sent directly to us. We then send you the amounts we collect each month on the 10th day of the next calendar month, less any amounts you may owe us or our affiliates. The table below shows recurring or isolated fees or payments you must pay to us or our affiliates. All fees and expenses in this Item 6 are non-refundable and, unless otherwise indicated in the following chart, are imposed uniformly by us.

Type of Fee	Amount	Due Date	Remarks
Royalty[2]	10% of Gross Monthly Revenue[1]	Deducted on 10th day of each month	Subject to $50/month minimum for first 12 months and then $100/month minimum.[2,10]
Cash Flow & Accounting Plan[3,10]	8% of Gross Monthly Revenue[1] (up to 10% maximum). May be split into two separate fees at a future time.	Deducted on 10th day of each month	We will account for all revenue and expense transactions on a monthly basis. We disburse revenues to you for prior month's service less appropriate deductions.[3,10]
Advertising Fee[8,10]	2% of Gross Monthly Revenue[1]	Deducted on 10th day of each month	Can be increased up to 3%
Business Protection Plan[6] (Optional)	4.5% of Gross Monthly Revenue or a minimum of $25/month	Deducted on 10th day of each month	This is an optional plan which we may allow you to participate in. This plan provides the minimum insurance requirements as set forth in Item 7 and Exhibit B. May vary[10]
Finders Fee [4,5,10,11] (Optional)	An ongoing payment equal to a percentage of the actual monthly revenue or a one-time fee equal to 3 times the potential monthly revenue for any new or additional business offered[4,5]	At the time you accept the new or additional business. May be financed. See Item 10	Amount to be announced periodically; may vary[10]. You are not obligated to accept additional business. Generally, not refundable. See detailed notes below and Item 11.
Technology Licensing Fee[10,13]	Currently 0%	Deducted on 10th day of each month	May be deducted as consideration for hardware, software, or other equipment utilized in the Jani-King system[10,14]
Non-Compliance Fee[10,11,12]	$25 per incident; may vary[10]	Payable in the month the fee is incurred.	This fee may be assessed if you do not comply with the JANI-KING® Policies & Procedures Manual (the "**P&P Manual**"). May vary[10]
Meeting & Convention Fee[10.14]	$25/month[10]	Deducted on the 10th day of each month	This fee is assessed to cover the costs of periodic meetings and an annual convention. There is no refund if you fail to attend.[10]
Service Fee[7, 10]	$45/hour plus expenses; minimum of 2 hours; may vary[10]	Payable in the month the fee is incurred.	This fee is assessed if a customer complains and we have to correct the problem(s) on your behalf or if we have to transfer the customer to another franchisee. We charge for Operations Department time spent rectifying the complaint and satisfying the customer.

Type of Fee	Amount	Due Date	Remarks
Additional or Refresher Training or Assistance	Standard fees, plus expenses (currently not charged)	10 days after billing	No additional training fee is currently charged. We provide the mandatory initial training for free. Additional training may be provided on an optional or mandatory basis or if requested by you. You are responsible for all travel and lodging costs. May vary[10]
Franchise Transfer Fee[9]	$1,500	Payable on date of transfer	Applies when you sell your JANI-KING® Business[9].
Franchise Transfer Administrative Fee[9]	$250[10]	Payable on date of transfer	May vary[10]; Payable on certain transfers.
Renewal	All our costs and expenses	On invoice	We do not currently charge a renewal fee. However, we have the right to charge you for services we render to you and expenses we incur in connection with the renewal process.
Non-Reported Business Fee	$25/day[10]	As incurred	Payable when you fail to report all gross revenue derived from your franchise
Interest	12%[10]	As incurred	Payable on all overdue amounts. We may increase to the maximum amount allowed by law on notice to you.[10]
Replacement of Manual	$50 [10,11]	10 days after billing	May vary[10]; Cost of replacement copy.
Audit	All our costs and expenses i.e., accounting and attorney fees	As incurred	Payable only if audit shows an understatement of at least 5% of Gross Monthly Revenues in any month.
Chargeback[15]	Varies, Depends on outstanding receivables[3]	Deducted on 10th day of each month	Receivables more than 30 days past due or deemed uncollectible by us are debited against amounts we owe you.
Costs and Attorneys' Fees	Actual costs and fees incurred by us. Will vary under circumstances	As incurred	Payable if you fail to comply with the Franchise Agreement and we have to enforce it.
Indemnification	Actual losses and damages incurred. Will vary under circumstances	As incurred	You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims or demands arising in connection with your JANI-KING® Business.

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages	$1,000/day	As incurred	Payable if you terminate or do not renew the Franchise Agreement and you do not surrender to us all property belonging to us, including but not limited to keys and contracts.

Explanatory Notes

(1) **Gross Monthly Revenue**: The term "Gross Monthly Revenue" is defined as all income, whether received by you or paid to another person for your benefit, for any cleaning or maintenance services whether for contract services, sales of supplies, equipment or other goods; initial cleans; one-time cleaning services; extra work performed; and any other revenue related to, connected with or derived from the provision of any janitorial, cleaning and maintenance services, whether performed or sold by you or your employees, including commercial, industrial, and institutional cleaning services. Cash refunded and credit given to customers will be deducted from Gross Monthly Revenues, but not credits for poor performance or lack of service.

(2) **Royalty**: The monthly royalty is non-refundable and will be paid on the 10th day of each month. It is subject to a minimum royalty payment of $50 per month for the first 12 months of operation and $100 per month thereafter. The minimum royalty payment is subject to annual adjustment for increases in the Consumer Price Index. We reserve the right to revise the minimum royalty with 30-days written notice. Also, we may increase the amount of the royalty (by percentage) to reflect any increases in royalties we must pay JKF.

(3) **Cash Flow & Accounting Plan ("CFAP")**: We perform all billing and accounting functions for the services provided by your JANI-KING® Business. We do so in order to provide customers with a consistent, professional and centralized approach to billing and collections activities and to improve your cash flow, morale and customer service levels.

We will invoice all of your customers for the cost of services rendered or supplies provided by you. We will pay you all monies due for properly rendered services, after we deduct any Chargebacks and all of the appropriate fees and charges due to us, JKI and its affiliates, and to third parties with special credit arrangements for your benefit.

(4) **Finders Fee**: We may charge a Finders Fee if and when we decide to offer you any new or additional business or contracts, whether or not the additional business or contracts result from an increase in price for existing customers, an expansion of service for existing customers at the same or other locations, or completely new business. Finders Fees are generally not refundable (see Item 11). You may accept or reject such offerings at the time they are made to you. Finders Fees are not assessed on the Initial Business we offer to you. **We have no obligation to offer you additional business or contracts beyond the Initial Business as determined by the plan purchased**.

When you accept any additional business or contracts, you agree to pay us the amount we assess as a Finders Fee when due. Upon acceptance of any additional business or contracts, you will sign a Receipt of Maintenance Agreement that will include the Finders Fee calculations. You are deemed to accept a customer if you do so verbally or provide services for that customer.

The Finders Fee owed on non-recurring contracts such as initial cleans or one-time cleaning services will vary, but will not exceed 25% of the total contract price. We may charge a Finders Fee on non-recurring contracts before you have been offered all of your Initial Business.

(5) **Finders Fee Payment Options**: There are two options for paying Finders Fees:

One-Time Payment: Under this method, you make a one-time payment equal to three (3) times the potential monthly revenue for the business being offered. At our option, you may finance the entire Finders Fee. The terms of the Promissory Note used for financing Finders Fees will be in substantially the same form as in Exhibit G (see Item 10 for financing information). If a contract is transferred, suspended or canceled for any reason, you are not entitled to any cancellation, reduction, abatement or refund of Finders Fees, regardless of why the contract was transferred, suspended or canceled and who was at fault. We don't offer financing on Finders Fees for non-recurring contracts or Finders Fees less than $150.

Ongoing Payment: Under this method, the potential monthly revenue for the new or additional business is used to determine the Finders Fee Payment Percentage. You make a monthly payment equal to a percentage of the actual monthly revenue generated by the new or additional business for as long as you service the contract. If the contract varies from month to month, your payments will vary also. The percentage charged depends on the size of the contract and is shown in the following table:

Gross Monthly Revenue	Finders Fee Payment Percentage	Gross Monthly Revenue	Finders Fee Payment Percentage
$0 to $4,000	12%	Over $8,000	6%
Over $4,000	10%	Over $10,000	4%
Over $6,000	8%	Over $20,000	2%

If a contract is transferred successfully or is canceled for a reason that is not considered non-performance (as described in the P&P Manual), the Finders Fee payments will stop. However, if a transfer in unsuccessful or a contract is canceled for non-performance (as described in the P&P Manual), or you are not in compliance with our quality control plan, Finders Fee payments will continue until you've paid a maximum of the One-Time Payment amount. We reserve the right to change future Finders Fees, Finders Fee Payment Options, and policies related to continued payments following a cancellation.

(6) **Business Protection Plan:** Before you begin operating your JANI-KING® franchise, you must obtain the insurance described in Exhibit B. The required insurance may be obtained through an independent insurance agent, or you can choose to participate in a contributory plan administered by us (the "**Business Protection Plan**" or "**BPP**"). You must also secure $1,000,000 of Business or Commercial Comprehensive Auto Insurance including coverage for vehicles owned by you (this coverage is not offered in the BPP) The current fee for participating in the Business Protection Plan in this Region is given in Table 6.1.

The cost of the Business Protection Plan may change occasionally, and we reserve the right to discontinue offering the Business Protection Plan to you upon reasonable notice. See Exhibit B for more information on the Business Protection Plan.

You are not required to participate in the Business Protection Plan. However, if you choose to purchase your own insurance, you must meet all of the criteria listed in Exhibit B.

(7) **Service Fee**: In order to promote full compliance with all JANI-KING® performance standards and policies, we charge you a fee if you do not comply with the time frames allotted for initial response or corrective action to service a customer complaint, requiring our Regional Office personnel to respond to the complaint. The service fee is due the month the fee is incurred. We currently charge the fee shown in Table 6.1 plus expenses (i.e. labor, materials, supplies, etc.). We may change the amount periodically by notice to you.

"**Serviced**" or "**respond to**" the complaint in this case means communicating with the customer to determine the nature of the complaint and providing whatever services are required to resolve this situation. It may mean providing commercial cleaning services to the customer to solve the problem. Also, a Service Fee would be charged if a customer said they were not satisfied with the services you were providing and requested that a different franchisee service their facility. The procedure for charging the Service Fee is as follows:

If we discover a deficiency in performance, whether through a complaint or inspection, we have 4 hours to contact you and report the complaint. The Service Fee, plus expenses, will be charged under either of the following conditions:

a) We cannot locate you during the 4 hour contact period and our Operations Department must respond to the complaint; or,

b) We notify you of the complaint and you have not corrected the problem to the customer's satisfaction within 2 hours after the customer opens for business the next day, thus requiring our Operations Department to respond to the complaint; or,

c) The customer is not satisfied with your services or your attempt to correct the problem and requests that a different JANI-KING® franchise owner provide their services.

If the deficiency in performance requires immediate action to meet the customer's demand for a visit or performance of services at their premises in less than 4 hours, and we are not able to reach you or you are not available for an immediate visit or to perform the services, we may assess the service fee, plus expenses, for the operations representative's time and effort to satisfy the customer's needs. If we determine, in our sole discretion, that a customer has an emergency requiring immediate attention, we may provide services to the customer if we are unable to contact you.

One of our representatives will inspect your customers occasionally in order to ensure that your services are performed according to the customer's cleaning schedule and to our performance standards. If we discover a deficiency in performance, whether through a complaint or inspection, we can send our own staff to the customer's facility and correct all deficiencies in performance. We have sole discretion to determine the urgency and the time frame of when to send our staff to a customer.

(8) **Advertising Fee**: We currently maintain an Advertising Fund for the purpose of advertising on a local and/or regional basis. You must pay us this Advertising Fee in addition to any Royalty Fee charged. This fee is charged to all of our franchisees at a uniform rate. We have the right to allocate a portion of this fee for administrative expenses related to our marketing activities. JKI maintains an Advertising Fund for the purpose of advertising on a regional and/or national basis. We are required to pay 1% of Gross Monthly Revenue to JKI to support their Advertising Fund. The Advertising Fee we collect from you is used to pay the Advertising Fee due to JKI. We reserve the right to increase the Advertising Fee up to a maximum of 3% of your Gross Monthly Revenue.

(9) **Franchise Transfer Fee**: If you sell, assign, transfer, convey or encumber your franchise and the Franchise Agreement, you must pay us the Franchise Transfer Fee. It is non-refundable and must be paid on the date of transfer. We also may charge you for administrative costs and expenses we incur in connection with the preparation of documents associated with the transfer, if no transfer fee is assessed. The current administrative fee is $250, but we may increase it periodically. We do not charge you the transfer fee under certain circumstances (see Item 17).

(10) **Revision of Fees**: We reserve the right to change the amount charged for this fee. You will be given 30 days written notice of any change.

(11) **Sales, Service and Excise Taxes**: You must pay any sales, service, excise or other taxes imposed on all Gross Monthly Revenues we collect and all royalties or other fees or payments we charge you.

(12) **Non-Compliance Fee**: To promote full compliance with all JANI-KING® policies and procedures, we may charge you a $25 fee (per incident) if you fail to comply with the P&P Manual.

(13) **Technology Licensing Fee**: We don't currently charge this fee, but we may assess a technology licensing fee up to 5% of your Gross Monthly Revenue as consideration for hardware, proprietary or third-party software, and other equipment utilized in the Jani-King system.

(14) **Meeting & Convention Fee**: Each year, we host a convention for our franchisees. The convention is normally held at a location in the Territory. The convention may include workshops, trade shows, business meetings, seminars, and an awards banquet. We may also host business meetings throughout the year. We strongly encourage all franchisees to attend. To cover the costs of the convention and meetings, each active franchisee pays a monthly fee of $25. This fee is charged whether you attend the convention and meetings or not and the fee is not refunded if you do not attend. The fee may be adjusted.

(15) **Chargeback**: You assume all risk of customer non-payment for any reason, including, but not limited to, financial distress, bankruptcy, or dissatisfaction with services.

ITEM 7. ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[1]	$14,000 – 35,000+	As Arranged	On signing Franchise Agreement	Us
Real Estate[2]	$0 – 4,000	As Arranged	As Arranged	Lessor
Supplies[3]	$200 – 500	Lump Sum / Installment	Prior to Opening	Vendors or Us
Equipment[4]	$1,000 – 3,000	Lump Sum / Installment	Prior to Opening	Vendors or Us
Business Licenses and Permits[5]	$100 – 1,000	Lump Sum	Prior to Opening	Third Parties
Business Entity Formation[6]	$200 - 1,000	Lump Sum	Prior to Opening	State & Local Municipalities
Initial Training Expenses[7]	$0 – 500	Lump Sum	As Incurred	Us and Third Parties
Miscellaneous Costs[8]	$0 – 6,000	As Incurred	As Incurred	Third Parties
Additional Funds (for 4 months)[9]	$500 – 6,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT[10]	**$16,000 – 57,000+**			

Explanatory Notes

(1) **Initial Franchise Fee**: The current Initial Franchise Fee ranges from $14,000 to $35,000, but the upper range of the Initial Franchise Fee is open-ended if additional Initial Business is provided (see Items 5 and 6). The Initial Franchise Fee may be payable in full at the time of signing the Franchise Agreement or financed through us (see Item 10). If financed, the Deposit Amount (see Item

5) is payable in a lump sum upon signing the Franchise Agreement. The Initial Franchise Fee is generally not refundable. We give a 5% discount if you pay the Initial Franchise Fee in cash on signing the Franchise Agreement. However, you may be entitled to a credit if we do not offer the full amount of Initial Business for the plan you purchase within the Initial Offering Period for that plan.

(2) **Real Estate**: We do not require that you purchase or lease any real estate. Most JANI-KING® franchisees have offices in their homes and conduct their business from there. If you maintain a separate business office, its location, layout, and decor are subject to our approval. The size of the office space depends on the size of your business operation. The total cost for deposits, build-out and monthly rent will depend on the size of the space and factors such as size, condition and location of the leased premises.

(3) **Supplies**: In consideration for a portion of the Initial Franchise Fee, we provide you with Supply and Equipment Package "A" described in Exhibit F of this Disclosure Document. This estimate is for additional miscellaneous supplies.

(4) **Equipment**: You are required to show proof of purchase, lease or access to Supply and Equipment Package "B" listed in Exhibit F of this Disclosure Document before the Initial Offering Period will begin. The supplies and equipment can be purchased for $250 from us when you purchase your franchise. Other vendors would charge up to $3,000. We may provide financing for certain equipment purchases (See Item 10).

You are required to have a smart phone capable of sending and receiving emails. Any brand of smart phone is acceptable. The cost of a smart phone varies widely, but it is generally between $500 and $1,000. You can use your existing smart phone if it can send and receive emails.

There is no requirement that you purchase or lease any special vehicle for transportation of the equipment to the job site. If you currently own or lease an automobile, that vehicle can be used in the transportation involved in serving your customers. In many cases, the equipment is left at the job site for use there, and no special transportation is required. If a vehicle is needed, the cost for a lease or purchase will depend upon the type of vehicle acquired, the financing or lease arrangements incurred, whether the vehicle is new or used, and other factors. The monthly cost of leasing or financing a vehicle could range from $200 to $600.

The Business Protection Plan administered by us does not provide coverage for your personal automobile or to your equipment and supplies.

(5) **Business Licenses and Permits**: You are required to obtain all proper business licenses and permits from various state and local agencies before engaging in business. These filing and application fees range up to $150 in costs, depending on the locality of the franchise. If you operate out of your home or lease office space, costs for a business telephone and office equipment should be considered and could range from $100 to $500. In addition, utility companies may require deposits. Security deposits and utility deposits are normally refundable.

(6) **Business Entity Formation**: You must purchase and operate your JANI-KING® Business through a corporation or limited liability company (LLC). Filing fees and other costs vary greatly depending on the type of entity and state in which it is formed. You must provide us proof that the business entity exists before we will be obligated to offer you the right to service customers.

(7) **Initial Training Expenses**: We provide the mandatory initial training for free. We provide initial training locally in the Region. But if travel is necessary, you must pay all of your own expenses and those of your and our employees or representatives, including travel, room, board, local transportation, expenses and wages. The cost will depend on the number of trainees, the distance you must travel, and the type of accommodations you choose.

(8) **Miscellaneous Costs**: This item covers miscellaneous costs and expenses, such as legal and accounting expenses and insurance premiums. You must purchase comprehensive liability insurance, including, but not limited to, property, bodily injury, product and automotive coverage. The cost of such coverage varies, depending on factors that include the charges established by the carrier, the terms of payment, and the prior history of each individual franchisee. Typically, adequate coverage will require a monthly investment of 6% to 10% of your Gross Monthly Revenues. Many carriers require an initial deposit toward the estimated annual premium that could range from $1,000 to $5,000. You must also secure a Janitorial Service Bond on yourself and your employees. You must obtain insurance naming us, our Directors, JKF and JKI as Additional Insureds in the amounts shown in Exhibit B. These limits may be changed, and new types of coverage may be added at our sole discretion. We may offer you the option to participate in the Business Protection Plan which provides the minimum insurance requirements (see Item 6).

(9) **Additional Funds**: This item estimates your other initial start-up expenses, including payroll costs for four (4) months. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on factors such as how much you follow our methods and procedures; your management skill; experience and business acumen; local economic conditions; the local market for JANI-KING® services; the prevailing wage rate; competition; and the sales level reached during the initial period.

(10) **Estimated Investment**: These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as how well you follow our methods and procedures; your management skill; your business experience and capability; local economic conditions; the local market for JANI-KING® services; the prevailing wage rate; competition; and the sales level reached during the initial phase.

We relied on our experience in the janitorial business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Unless otherwise indicated, the amounts disclosed in Item 7 are non-refundable.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain the reputation, goodwill, high standards, quality and uniformity of the JANI-KING® System, the Franchise Agreement restricts the sources of products and services you utilize in establishing and operating your franchise. Some items can be purchased only from us or our designee, some only from suppliers we have designated or approved, and others only in accordance with our standards and specifications. The following table summarizes the approximate percentages of your purchase of goods and services through sourcing restrictions, based on the nature of the restriction. The source for virtually all of your purchases is restricted in some way.

Required Purchases from Us or Our Designee	Required Purchases from Approved Suppliers	Required Purchases in Accordance with Our Standards and Specifications
Establishment - 5% to 15%	Establishment - 0%	Establishment - 85% to 95%
Operation - 5% to 15%	Operation - 0%	Operation - 85% to 95%

Purchases from Us or Our Designee. We provide you the opening Supply and Equipment Package "A" listed in Exhibit F when you sign the Franchise Agreement, as part of the Initial Franchise Fee. Also, we have the exclusive right to perform certain administrative functions, including all billing and accounting functions for the services provided and sales of products by your franchise. We charge you the Cash Flow & Accounting Plan fee (see Item 6) for these services.

Except as described above, you have no obligations to purchase or lease from us or our designees any goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, or real estate, relating to establishing or operating your JANI-KING® Business. However, we may offer certain products, services and equipment for sale to our franchisees. You may purchase them from us at your option.

Approved Suppliers. Other than Supply and Equipment Package "A" listed on Exhibit F, which we provide you when you sign the Franchise Agreement, you have no obligations to purchase or lease any goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, or real estate, relating to establishing or operating your JANI-KING® Business, from suppliers we approve or designate. However, we may offer certain products, services and equipment for sale to our franchisees. You may purchase them from us at your option. However, we reserve the right, upon 30 days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your JANI-KING® Business from one of our affiliates or from an approved vendor.

Although we currently do not do so, we may designate one or more suppliers of certain services you must utilize, including personnel and payroll service providers.

There are no suppliers in which any of our officers own an interest.

Specifications and Standards. You must purchase certain professional products and equipment under specifications and standards we periodically establish either in the Franchise Agreement, Operating Manuals or other notices we send from time to time. These specifications are established to provide standards for performance, durability, design and appearance. We will notify you whenever we establish or revise any of our standards or specifications or if we designate approved suppliers for products, equipment or services. Even if we designate and approve a supplier, you will not be obligated to purchase any items from them.

We may negotiate purchase arrangements, including price terms and a limited, guaranteed credit line, with designated and approved suppliers on behalf of our franchisees. We may also provide an automated payment service for your supply and equipment purchases from suppliers you designate. Our criteria for supplier approval is based on quality controls, the ability to supply your needs promptly and reliably, price management, and product knowledge and support. If a supplier fails to maintain the criteria required for designated status, we will notify you prior to the reporting period in which the designation will be revoked.

You may purchase supplies from any supplier on such terms as you negotiate. For certain designated suppliers, you may buy supplies and charge them to our account. If you do so, we will charge you 10% to 50% and deduct the amounts from payments we would otherwise provide you. We may deduct the amount in approximately equal amounts over 1 to 12 months with interest.

Insurance Coverage. Before you provide any services as a JANI-KING® Business, you must obtain certain minimum insurance coverage, naming us, our directors, and JKI as Additional Insureds. We may increase these limits or have new types of coverage added at any time on notice to you. You must maintain this insurance coverage during the entire term of the Franchise Agreement from a responsible carrier or through the Business Protection Plan. Our current insurance requirements and information about the Business Protection Plan are contained in Exhibit B and Item 6.

Advertising. You must obtain our approval before you use any advertising and promotional materials, signs, forms, and stationery by submitting such proposed advertising to us at least 30 days prior to publication. We have the right to require you to include certain statements in, make changes to, and/or sign such documentation as we deem necessary with respect to your proposed advertising prior to approval. You may not develop, create, distribute, contribute to, disseminate or use any digital or Internet communication including websites, blogs, instant message services, social media

sites (e.g., Facebook, X, and Instagram), and all other digital communication methods or any multimedia, telecommunication, mass electronic mail, or audio/visual advertising, promotional or marketing materials ("**Digital Advertising**"), directly or indirectly related to the franchised business, us, the System, or Marks, without our prior written consent, which consent may be withheld in our sole determination. If we grant our approval of your Digital Advertising, it will be subject to the same requirements as set forth above. All business cards must display your independent business name, address and telephone number, and identify your business as independently owned and operated.

National Vehicle Program. This is a voluntary program through which you can purchase a select number of vehicles from a national vehicle manufacturer. We receive a rebate up to $1,000 for each vehicle purchased through the JANI-KING® National Vehicle Program.

Offices. If you operate from a separate business office, your office location, layout and decor must be preapproved by us. You must maintain your office and all fixtures, furnishings, signs and equipment in good order and condition, and in conformity with the JANI-KING® System image, as established from time to time.

Miscellaneous. Except as described above, neither we nor our affiliates currently derive revenue or other material consideration as a result of required purchases or leases. There currently are no purchasing or distribution cooperatives. We currently do not negotiate purchase arrangements with suppliers for the benefit of franchisees. However, we have the right to negotiate purchase arrangements with suppliers for the benefit of franchisees, and to derive revenue or other material consideration as a result of required purchases or leases, but intend to do so only if there will be a net cost saving to franchisees from the particular arrangement. We do not provide material benefits to you (e.g. renewal or granting additional franchises) for purchasing particular products or services or using a particular supplier.

Exhibit A contains information about revenues we derived from the sale or lease of equipment and supplies, from the administration of the Business Protection Plan, administration of the Cash Flow & Accounting Plan, and the sale of promotional and advertising materials to franchise owners.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
Site selection and acquisition/lease	Not applicable	7
Pre-opening purchases/leases	4.3, 4.7	5-8, 10, 11, 16
Site development and other pre-opening requirements	4.7	5, 6, 7, 11
Initial and ongoing training	9.1 - 9.4	11
Opening	Not applicable	11
Fees	5.1-5.13, 6.1-6.9, 8.1, 8.3, 9.3-9.4	5, 6, 7
Compliance with standards & Policies/Operating Manual	4, 7, 8	11
Trademarks and proprietary information	10.1 - 10.6	13, 14
Restrictions on products/services offered	4.1, 7.1-7.3, 7.5	8, 12, 16

Obligation	Section in Franchise Agreement	Disclosure Document Item
Warranty and customer service requirements	7.1-7.6, 6.4, 6.7-6.9	11
Territorial development and sales quotas	3.1-3.3, 5.5, 5.9, 5.10, 6	12
On-going product/service purchases	4.3, 7.2, 7.5	8
Maintenance, appearance and remodeling requirements	Not applicable	11, 17
Insurance	12.1 - 12.5	6, 7, 8
Advertising	4.5, 5.1, 5.9, 6.5	6, 7, 11
Indemnification	11.4	6
Owner's participation / management / staffing	9.1, 9.2, 15.4	11, 15
Records and reports	7.2, 7.6, 14.1	11
Inspections and audits	14.1, 14.2	6, 11
Transfer	15.1 - 15.6	6, 17
Renewal	2.3	6, 17
Post-termination obligations	17.1 - 17.6	17
Non-competition covenants	13.5 , 17.5	17
Dispute resolution	18.3, 18.5 - 18.11	17
Guaranty	4.6, 4.8 and Owners' Guaranty	15
Formation of a Business Entity	4.6, 4.8 and Owners' Statement	15

ITEM 10. FINANCING

We offer financing to you, at our option, for the Initial Franchise Fee. In addition, we may offer financing for equipment and Finders Fees.

Promissory Note. No waiver of defenses or similar provision is included in any note, contract, or other instrument to be executed by you. We have not and do not, but we may in the future, sell or assign notes or negotiable instruments executed by you. A copy of our standard Promissory Note is attached as Exhibit G.

Table 10.1 Standard Franchise Financing Program

Topic	Provisions	Explanatory Notes
Item Financed	Initial Franchise Fee	At our discretion
Source of financing	Us	
Amount Financed	$9,000	
Down Payment (Deposit Amount)	$5,000 – 26,000+	The amount of the down payment (deposit amount) depends on which plan you purchase and varies from $5,000 for plan E-3 to an open ended amount for the "E" plans. See Item 5.
Term	3 years	
Annual Interest Rate	12% beginning to accrue on the 1st of the month in which the note was signed	Due to monthly compounding, the effective annual percentage rate may be marginally higher.

Topic	Provisions	Explanatory Notes
Monthly Payment	$298.83	We deduct from amounts due you on the 10th of each month.
Prepay Penalty	Not applicable	
Security Required	Not applicable	
Liability Upon Default	Loss of franchise; attorneys' fees; acceleration of amounts owed.	Annual interest rate increases to the lesser of 18% or highest rate permitted by law.
Loss of Legal Rights on Default	Loss of franchise. Waiver of notice and demand. We do not require you to waive any defenses or confess judgment.	
Method of Payment	We deduct from amounts due you.	

Table 10.2 Standard Equipment Financing Program

Topic	Provisions	Explanatory Notes
Item Financed	Equipment	At our discretion
Source of financing	Us	
Amount Financed	100%	
Down Payment (Deposit Amount)	0-25%; usually 0%	At our discretion
Term	3 to 12 months	Amounts over $2,000 can be financed over 12 months; amounts over $200 can be financed over 6 months; amounts under $200 can be financed over 3 months.
Annual Interest Rate	12% % beginning to accrue on the 1st of the month in which the note was signed	Due to monthly compounding, the effective annual percentage rate may be marginally higher.
Monthly Payment	Equal payments over the term	We deduct from amounts due you on the 10th of each month.
Prepay Penalty	Not applicable	
Security Required	Security interest in the equipment	
Liability Upon Default	Loss of franchise; attorneys' fees; acceleration of amounts owed	Annual interest rate increases to the lesser of 18% or highest rate permitted by law.
Loss of Legal Rights on Default	Loss of franchise. Waiver of notice and demand. We do not require you to waive any defenses or confess judgment.	
Method of Payment	We deduct from amounts due you.	

Table 10.3 Standard Finders Fee Financing Program[1]

Topic	Provisions	Explanatory Notes
Item Financed	Finders Fee	At our discretion
Source of Financing	Us	
Amount Financed	100%	
Down Payment (Deposit Amount)	0%	At our discretion
Term	6 - 12 months	
Annual Interest Rate	12% beginning to accrue on the 1st of the month in which the note was signed	Due to monthly compounding, the effective annual percentage rate may be marginally higher.
Monthly Payment	Equal payments over the term	We deduct from amounts due you on the 10th of each month. Payments begin the month you begin servicing the customer.
Prepay Penalty	Not applicable	
Security Required	Not applicable	
Liability Upon Default	Loss of franchise; attorneys' fees; acceleration of amounts owed	Annual interest rate increases to the lesser of 18% or highest rate permitted by law.
Loss of Legal Rights on Default	Loss of franchise. Waiver of notice and demand. We do not require you to waive any defenses or confess judgment.	
Method of Payment	We deduct from amounts due you.	

(1) **Finders Fees**. If you accept any additional business we offer to you in excess of the Initial Business, you must pay us a Finders Fee according to the guidelines we establish from time to time. You must sign a Receipt of Maintenance Agreement & Finders Fee Agreement (in the form attached to this Disclosure Document as Exhibit G), which will include the Finders Fee calculations, and the payment terms for the unpaid portion of the Finders Fee (if any). See Item 6, Notes 4 and 5 for a detailed description of the Finders Fee program.

Guarantee of Certain Purchases. We may negotiate purchase arrangements with designated and approved suppliers on behalf of our franchise owners. For these designated suppliers, we may guarantee on your behalf an amount we deem appropriate on account for ongoing supply purchases. In this case, you simply purchase the equipment on our account to utilize the guarantee. We may also provide an automated payment service for your supply and equipment purchases from these designated suppliers. We do not charge you for the guarantee, but we do mark-up merchandise, supplies and equipment that you purchase through our guarantee program 10% to 50% (see Item 8).

Cash Flow & Accounting Plan. We provide billing services for all the customers you service for the cost of the services rendered or supplies you sell. On the 10th day of the following month, we calculate the amounts due to you on the monthly Franchise Report without consideration as to whether those accounts receivable have been collected for that billing period. This provides you with an automatic credit line for the uncollected receivables. When we make this disbursement to you, all current receivables become ours. We provide this service to you as long as you are in compliance

with the Franchise Agreement and you satisfy our then current requirements for participating in this plan (See Items 5, 6 and 11).

Except as described above, neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or other obligation of yours, has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours, or receives any direct or indirect payments or other consideration from any person for the placement of any financing with the lender.

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

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

Pre-Opening Obligations. Before you begin operating your JANI-KING® Business, we will:

1) Designate your JANI-KING® Territory (Franchise Agreement: Cover Page; Section 3.1).

2) Identify the equipment, materials and supplies necessary for the JANI-KING® Business to begin operations, the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including us and/or our affiliates). (Franchise Agreement: Section 4.3).

3) Provide you with Supply and Equipment Package "A" as shown in Exhibit F. (Franchise Agreement: Section 5.1).

4) Loan you one copy of, or provide you with access to, each of our Manuals. (Franchise Agreement: Section 8.1).

5) Offer you the opportunity to provide service under contracts for janitorial services within the designated territory as described in the Franchise Agreement that in total should provide the minimum Gross Monthly Revenue (Initial Business) for the plan purchased. (Franchise Agreement: Sections 6.1 - 6.4).

We will make a good faith effort to secure and offer customers to you as soon as possible. However, we have the entire Initial Offering Period to offer Initial Business under each plan. We are not obligated to offer any portion of the Initial Business prior to the end of that time. The Initial Offering Period may be extended upon mutual agreement between us and you.

Under the Franchise Agreement, we agree to secure and offer you the opportunity to service signed commercial cleaning and/or maintenance contracts that in total would provide a minimum in Gross Monthly Revenue in an amount defined as the "**Initial Business**." We agree to secure and offer you the opportunity to service these contracts within the number of days comprised in the Initial Offering Period. The Initial Offering Period begins when you have obtained all required equipment and supplies, have satisfactorily completed training, and have provided proof that your business entity is in existence and in good standing and has registered with all applicable taxing authorities.

All recurring contracts we offer you the opportunity to service will apply toward the Initial Business specified in the Franchise Agreement, whether or not you accept or decline them. Increases to contracts you service also count towards fulfilling the amount of Initial Business we offer. Non-recurring contracts, such as initial cleans or one-time cleaning services, will not be applied toward your Initial Business unless you and we agree to do so.

It is intended that these customers will use your services for at least one (1) year. However, a customer might not continue in business beyond the Initial Offering Period for no fault of yours.

Under these circumstances, we have met our obligation to "offer" the business within the prescribed time.

At our sole discretion, we may automatically extend the time of the Initial Offering Period on your written request, if you are in default of the Franchise Agreement, upon a transfer or cancellation due to your non-performance with a customer, or if you fail to comply with our policies or procedures.

All recurring contracts we offer you apply toward your Initial Business, whether or not you accept or decline them. Our only obligation is to secure and offer you the opportunity to service such customers within the specified time. However, you might choose not to accept some of the customers offered. We can only make a good faith effort to offer the amount of business for the plan specified, and you must choose to accept or decline the "offer." If you decline an offer of a customer, or if a customer cancels for poor performance, we are relieved of our obligation for that amount of your Initial Business. While declining an offer of a customer relieves us of our obligation to offer you that amount of your Initial Business, we will not begin charging Finders Fees on recurring contracts until you have accepted the opportunity to service contracts that equal your Initial Business.

If a customer cancels service or is transferred due to non-performance (as described in the P&P Manual), theft, your failure to service it properly, or your failure to comply with our policies and procedures, we will not replace the customer.

If a customer that was part of your Initial Business cancels service for a reason that is not considered non-performance (as described in the P&P Manual) before you service the customer for 12 full months and you are in full compliance with the P&P Manual, we will replace the full Gross Monthly Revenue value of that customer on a proportionate basis within a reasonable period of time with another customer until a cumulative total of 12 full months of billing between both the original customer and any replacement customer(s) occur. We will credit any Finders Fees due proportionately for the replacement business. We have no deadline for the replacement business. We have no obligation to replace customers if the contracts are cancelled after the full term.

Example: Suppose you purchased a Plan E-2, were offered all of your Initial Business, one of your customers generates $500 in Gross Monthly Revenues and you have been providing your services to them for 3 months. Then you receive notice that they no longer need your services. If you have not met any of the non-performance criteria in the P&P Manual, we would replace this customer and give you a prorated credit against any Finders Fees due on the replacement customer. Here's how the credit would be calculated: You provided services for 3 months and received $1,500 in gross revenue. You should have provided services for 12 months and received $6,000 in gross revenue. In other words, you made $4,500 less than expected. We would offer you another customer that would generate $375 per month in gross revenue ($375=$4,500/12). You would pay a Finders Fee on any portion of the replacement business in excess of $375. So, if we replaced the original customer with a $600 contract, you would pay Finders Fees on $225 of that contract ($225=$600-375).

If we do not secure and offer you the full amount of Initial Business within the Initial Offering Period, you may be entitled to a credit equal to 3 times the amount of Initial Business we fail to offer. See Item 5 for more information regarding this credit.

6) Although not bound by the Franchise Agreement, we will attempt to assist you by being available to answer any and all questions that we may find appropriate prior to the opening of your JANI-KING® Business. Usual areas of inquiry include, but are not limited to, technical, administrative, sales and promotional.

7) Approve or disapprove the location, design and appearance of your business premises, if you choose to operate from an office outside your home. We will make sure the appearance

complies with the JANI-KING® standards, but we do not offer assistance in site selection (Franchise Agreement – Section 4.7). The factors that we consider when approving non-residence locations include general location and neighborhood, the nature of other businesses in proximity to the site, whether any other businesses operate out of the same premises, and whether the location will result in damage to our image and reputation. The majority of JANI-KING® franchisees are able to conduct their business from their homes. There has not been a need to assist with site selection.

8) Provide an initial local training program, to include JANI-KING® cleaning methods, systems and programs, using established JANI-KING® procedures and forms. (Franchise Agreement - Section 9) This training is described in detail later in this Item.

Typical Length of Time Before You Open Your Franchise. The typical length of time between the signing of the Franchise Agreement or the first payment of any consideration for the franchise and the commencing of a franchisee's JANI-KING® Business is 45 days. However, the length of time may range from 1 to 120 days or more and depends on the specific fact situation of each individual franchisee. Factors affecting the time to opening include: the length of time it takes you to ready your JANI-KING® Business for business, obtaining the necessary equipment and supplies, obtaining proper insurance, opening a business checking account, completing training, and your compliance with local laws and regulations.

Post-Opening Obligations. During the operation of your JANI-KING® Business, we will:

1) Provide you with marketing and technical assistance, and consultation and advice on operating procedures. We will continue to provide appropriate assistance and guidance until you have been offered the full Initial Business required by the plan purchased. We are not required to replace any contract for maintenance that has been canceled. This guidance will, at our discretion, be furnished in our Manual, bulletins or other written materials and/or during telephone consultations, electronic mail, training programs, meetings, conferences and/or personal consultations at our office or at a mutually convenient location. (Franchise Agreement - Section 8.2)

2) Handle all the billing and accounting for the services you provide through your JANI-KING® Business. After deducting amounts you owe us or our affiliates, we will pay you the amount you are owed on a monthly basis. (Franchise Agreement - Sections 5.3 - 5.11 and 8.3)

3) Furnish you with additional guidance, assistance and training. We may charge a fee. (Franchise Agreement - Sections 8.2 and 9.3 - 9.4)

4) Loan you one copy of the Manuals, consisting of such materials (which may include audiotapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating JANI-KING® Businesses. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time. The Manuals may be modified periodically to reflect changes. (Franchise Agreement - Section 8.1)

5) Issue, modify and supplement our system standards for JANI-KING® Businesses. We may periodically modify them, which may accommodate regional or local variations as we determine, and these modifications may require you to invest additional capital in the JANI-KING® Businesses and/or incur higher operating costs. (Franchise Agreement - Sections 7.2 - 7.3)

6) At our option, establish, maintain and administer an advertising fund (the "**Advertising Fund**"). If we do so, all franchisees are obligated to pay Advertising Fees to the Advertising Fund (see Item 6). (Franchise Agreement - Section 5.9)

7) Offer you the nonexclusive right in the Territory to use the JANI-KING® Marks, insignia, logo, design, and color scheme, subject to our limitations and restrictions, and allow you to use the

processes, methods, materials, equipment and promotional plans developed by us. (Franchise Agreement - Sections 2, 3 and 4).

8) Offer you the option to participate in the Business Protection Plan, administered by us, which provides your minimum insurance requirements. (Franchise Agreement - Sections 5.7 and 12.5).

9) At our option, we may institute and operate the Cash Flow & Accounting Plan ("CFAP"). We may do so in order to provide customers with a consistent, professional and centralized approach to billing and collections activities and to improve your cash flow, morale and customer service levels. We have sole discretion whether you or any other franchise owner may participate in the CFAP. Currently, we require all of our franchise owners to participate in the CFAP, unless we notify them otherwise.

You must pay us the fee we periodically charge for the CFAP services. Currently, you must pay us the amount shown in Table 6.1 to cover our operational costs for the CFAP services. We may increase the fee, but only to a maximum of 10% of your Gross Monthly Revenues. We must give you at least 30-day notice before increasing the fee.

10) Under the current CFAP, we have the exclusive right to perform certain administrative functions, including all billing, collection and accounting functions for any services provided by your JANI-KING® Business, unless we notify you otherwise in writing. We may withhold amounts due us from any funds we collect. We will invoice all of your customers for the cost of services rendered or supplies provided by you. On the 10th day of each month, we will distribute to you a Franchise Report showing all activities from the preceding month. We will pay you all monies due for properly rendered services, after we deduct all monies due to us, including but not limited to, Chargebacks, all monthly Royalty Fees, all monthly CFAP fees, all Finders Fee payments and deposits, all franchise promissory note payments, all monies for supply purchases, all lease payments, all out-of-pocket costs (including but not limited to attorneys' fees and court costs) incurred by us in enforcing payment by you or your guarantor(s), and all other miscellaneous deductions. If the 10th of the month falls on a Saturday, Sunday or recognized holiday, then we will disburse such funds before the end of the next business day.

When we have paid you for properly rendered services, you will be deemed to have assigned all of the receivables from those customers to us. We will then be responsible for the collection of any monies due from those customers, but you will assist in the collection process as we deem appropriate.

We may also deduct "Chargebacks" from the monies due you. Chargebacks represent monies that (a) we have not collected within 30 days of invoicing or that we deem uncollectible; or (b) are disputed by the customer due to nonperformance, poor performance or dissatisfaction. If we process a Chargeback, we will assign the associated receivable back to you.

We may modify, suspend, or terminate the CFAP as a whole, or in part, for you or any other franchise owner at any time. (Franchise Agreement - Section 8.3)

11) Assist you with the promotion and solicitation of additional or new business. We may offer additional or new business upon your request and proven ability to expand your level of productivity. If we offer you new business and you accept it, you must pay us a Finders Fee based on our then current schedule. If you do not accept the new business, you have no obligation to pay a Finders Fee. We assess the Finders Fee based on the monthly billing amount of the customer. We charge a Finders Fee whether or not that additional business or contract results from an increase in the contract price for existing business, an expansion of service for existing business at the same or other locations, or completely new business. Finders Fees are in addition to royalties and other

payments described in the Franchise Agreement. We have no obligation to designate you to service additional business or contracts beyond the Initial Business associated with the plan you purchase.

You must pay us the Finders Fee according to the guidelines we establish. We reserve the right to increase or decrease the Finders Fee on 30 days' notice to you (but not retroactively for any customer). Our guidelines for charging Finders Fees are currently as follows:

a) When you accept additional business from us, you must sign a Receipt of Maintenance Agreement that includes the Finders Fee calculations.

b) We may establish policies and procedures from time to time which govern the calculation and amount, terms of payment, credits on termination or transfers of customers, and other issues concerning Finders Fees.

c) We will deduct all payments of Finders Fees on the monthly Franchise Report that includes the billing for which the Finders Fee is based.

d) If a customer cancels service for a reason that is not considered non-performance (as described in the P&P Manual), Finders Fee payments may be discontinued. It is your responsibility to demonstrate that your performance was not a factor in cancelling the customer. If a Finders Fee credit is due to you, we will apply the proper amount of credit to Finders Fees on new business, but no cash funds will be issued to you. No credit on Finders Fees will be issued on any customer if:

i) the customer requests a change in franchisees or the customer cancels service due to non-performance;

ii) you are in violation of the Franchise Agreement;

iii) you are not in compliance with our current policies and procedures as described in the P&P Manual, or our System Standards or other policy directives or memos; or

iv) the credit for Finders Fees was not requested in writing within 30 days of the contract cancellation.

e) We will assist you in the development of your own marketing and sales efforts. We will prepare all proposals and bids and assist you in determining price and development of cleaning schedules for no extra charge.

12) Although not included in the Franchise Agreement, and although we are not required to perform such services under the Franchise Agreement, we will use our best efforts to provide the following guidance and assistance on a continuing basis to enhance the growth and performance of the JANI-KING® System:

a) We will continue to search for more cost-efficient sources of supply. With the strength of group purchasing, we will endeavor to purchase supplies and inventory at reduced rates, and pass along the benefits of quantity purchasing to all franchisees.

b) We will endeavor to maintain an inventory of promotional material and sales and service manuals, available at a reasonable cost. In addition, we may make equipment available for lease at each JANI-KING® regional office.

13) We may perform periodic quality control visits to each location under your care. During such visits all operations are inspected and recommendations to correct deficiencies, improve techniques, and enhance the efficiency of each franchisee are offered. Our representative will operate from each regional office and will be available to answer routine questions or to assist with problems during normal business hours. After the initial 120-day period following the date all required

equipment and supplies have been obtained and the Acknowledgment of Completion of Training is signed indicating successful completion of training, in-depth business consultation in the field or at your office is available. Currently, we do not charge for this but we may do so in the future, plus our expenses.

14) In order that the JANI-KING® System may continually evolve in order to meet changing consumer demands and market conditions, we reserve the right to change the JANI-KING® System from time to time. You must promptly adopt such modifications at your sole expense. (Franchise Agreement - Section 12).

Advertising Fund. We currently maintain an Advertising Fund for the purpose of advertising on a local and/or regional basis. You must pay us an Advertising Fee described in Item 6 above in addition to any Royalty Fee charged. This fee is charged to all of our franchisees at a uniform rate. We have the right to allocate a portion of this fee for administrative expenses related to our marketing activities. This fee will be used by us as follows:

a) JKI maintains an Advertising Fund for the purpose of advertising on a regional and/or national basis. We are required to pay 1% of Gross Monthly Revenues to JKI to support their Advertising Fund. The Advertising Fee we collect from you will be used to pay the Advertising Fee due to JKI.

b) We will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in the program. The Advertising Fee is intended to be used to maximize general public recognition and acceptance of the registered trademarks and enhance the collective success of all franchises operating under the JANI-KING® System. The Advertising Fee is not specifically or principally used for advertising that is principally a solicitation for the sale of franchises. In using the Advertising Fee, we are not required to make expenditures for you that are equivalent or proportionate to your payment or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. We are not required to advertise in the area where you are located.

c) The Advertising Fee may be used to satisfy any and all costs of maintaining, administering, directing, and preparing advertising. This includes, without limitation, the cost of preparing and conducting television, radio, internet, website, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; vehicle decaling; public relations activities; employing advertising agencies to assist therein; and costs of personnel and other departmental costs for advertising that are internally administered or prepared by us. Sums paid by you relating to the Advertising Fee will also be used to defray any administrative costs incurred in activities reasonably related to advertising programs. The Advertising Fee is a payment to us for advertising and related costs and we do not have any duty to you related to the use of the fee.

d) The Advertising Fee may also be used in the JANI-KING® National Vehicle Program ("NVP"). This is a voluntary program through which you can purchase a select number of vehicles from a national vehicle manufacturer. If you participate in the NVP, you are required to have a decal installed on the vehicle you purchase. The cost and installation of the decal may be paid for out of the Advertising Fee.

We currently advertise or may advertise JANI-KING® services in various forms of media, including: television, radio, internet, website, magazine, newspaper, sponsorships, direct mail, and outdoor billboards. Print advertising may also include general business magazines, direct mail, vehicle signage, and yellow page directory listings. Other advertising also includes telemarketing, audio/video tapes, and point-of-sale items. The majority of the advertising is developed by internal

staff and outside advertising agencies. National, regional and local advertising agencies assist in the development and placement of advertising on an as needed basis.

You are entitled to obtain an accounting of advertising expenditures in compliance with COMAR 02.02.08.04B(2). You should make this request to us in writing.

During 2025, we and our affiliates collected $896,019 in Advertising Fees. Of those fees, $448,917 was paid to the JKI Advertising Fund. Of the consolidated Advertising Fees collected from franchisees, JKI spent 45.8% on marketing sponsorships, 45.0% on digital marketing strategies and products, and 9.2% on miscellaneous advertising expenses. Of the Advertising Fee remaining, we and our affiliates spent $103,439 on sponsorships and public relations and $21,945 on digital marketing strategies.

You may not use any advertising or promotional materials that we have not approved (see Items 6, 8 and 9). (Franchise Agreement - Section 4.5)

There currently are no franchisee advertising councils or advertising cooperatives that advise us on advertising policies.

Computer Systems. You are required to have a smart phone with access to Voice Mail and the ability to send and receive e-mails. You are also required to have a valid, operational e-mail address. We will not have access to the information generated and stored in your phone or e-mail account.

Training. Within 45 days after signing the Franchise Agreement, or at such other time as agreed, we will provide initial training on the operation of a JANI-KING® Business to you. Successful completion of the training program is mandatory for all your owners and principals who will actively participate in the operations of your JANI-KING® Business. The training is also available to any key personnel who will be employees of the franchise, upon prior scheduling with us. The training program we offer includes approximately 20 to 30 hours of instruction in JANI-KING® methods and practices of janitorial services, management and sales. The training program includes home study materials, consisting of printed information that deals with production, marketing, and management matters; video presentations; formal instructions; and practical hands-on training.

There are no additional fees for this training. A proportional charge for it is included in the franchise fee. You are responsible for any travel and living expenses which you and your employees incur in connection with training; however, normally, no travel or living expenses will be necessary as training will be conducted at our regional office or on the premises of businesses that are being serviced pursuant to your franchise, within commuting distance of your residence and the residence of our trainer.

We plan to be flexible in scheduling training to accommodate our personnel, you and your representative(s). There currently are no fixed (i.e. monthly or bi-monthly) training schedules. It is the nature of the JANI-KING® Business that all aspects of training are integrated, that is, there are no definitive starting and stopping times. As of our most recent fiscal year end, we provided the training shown in Table 11.1

Additional training and refresher courses will be made available to you on an optional or mandatory basis, as we determine. The training programs and conferences will be at such times and places as we determine appropriate, and will cover such topics as: marketing, recruiting and training, delivery and performance of services, management and administration, sales aids and advertising, cleaning methods, use of supplies, and accounting and industry developments. We do not currently charge for such training, although we may do so in the future. You are responsible for all costs relating to attendance at these programs or conferences (e.g. travel, lodging and meals)

In addition, we may provide special training or other assistance to you or your personnel at your request. If we do so, we may require you to pay all expenses for such training or assistance, including a per diem charge and travel and living expenses for our personnel.

Table 11.1 Training Program

Subject	Hours of Classroom Training[1]	Hours of On the Job Training	Location
Policies and Procedures	2	0	Training is conducted at the Local Regional Office. See Item 11 in Exhibit A or the Cover Page of this Franchise Disclosure Document for the address of the Local Regional Office.
Restrooms	2	1	
Offices	2	1	
Hard Surface Floor Care	3	4	
Carpet Care	2	1.5	
Supplies and Equipment	2	.5	
Sales and Marketing	2	0	
Communications	2	0	
Personnel	2	0	
Administration / Reporting	2	0	
TOTAL	**21**	**8**	

Explanatory Notes

(1) This includes manuals and videos that you will study at home.

The materials used in training include the Manuals as well as other presentation materials, including videos and handouts. Our training is supervised by our Regional Director, whose experience is described in Exhibit A. The majority of the training is conducted by staff from the local Regional Office. Their experience in the industry may vary from a few months to several years. In some cases, active franchisees will be used to complement the training staff.

Manuals. The tables of contents of our Manuals are specified in Exhibit I.

ITEM 12. TERRITORY

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 own or control. Each of our franchisees will be licensed and offered business pursuant to the Franchise Agreement in a specific territory designated in the Franchise Agreement within the Region. We determine the boundaries, size and location of the territory for you to operate. We have established, and may establish, multiple franchises to operate JANI-KING® Businesses in the same territory. We may perform cleaning services in the territory as well. No franchisee will be granted an exclusive area or territory.

We will offer business to each eligible franchisee in consideration for the fees paid under the Franchise Agreements. Our ability to continually secure additional business for both present and prospective franchisees will serve to limit the number of franchises that we may sell.

You and the other franchisees must not knowingly interfere, solicit, or otherwise contact in any manner a current customer or prospect of another JANI-KING® franchisee or of our regional office, unless we ask you to do so in writing. If a franchisee solicits a potential customer and discovers that the customer will be receiving, or has already received, a JANI-KING® proposal delivered by another franchisee or our Regional Office staff member, the franchisee may not pursue any further solicitation

of that account and must withdraw any proposal until a decision has been made on the original proposal currently under consideration, or for a period of 90 days from the date of that proposal.

There are no restrictions on us from soliciting or accepting orders from businesses inside the Territory. Without compensating you, we may solicit or accept orders from customers located in the Territory. We may use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales within or outside the Territory using the Marks or any other trademarks.

You may operate your JANI-KING® Business solely within the Territory. You may not operate or perform cleaning or maintenance services in any geographic area outside the Territory, except pursuant to another franchise agreement with us or another JANI-KING® Regional Subfranchisor. The Franchise Agreement does not give you the right to relocate your franchise to another territory. You do not receive the right to acquire additional franchises within or outside of your Territory unless you sign another Franchise Agreement with us.

There are no minimum sales volumes or market penetration contingencies attached to the Franchise Agreement affecting your territorial rights.

Rights We Retain. We (and our affiliates) retain the rights:

1) to sell products and perform services (or authorize others to do so) authorized for JANI-KING® Businesses, using the Marks or other trademarks, service marks, and commercial symbols;

2) to operate (ourselves or through affiliates), and grant to others the right to operate, JANI-KING® Businesses in any territory, on such terms and conditions as we deem appropriate; and

3) to market, promote, sell and deliver other services relating to or competitive with janitorial services through other channels of distribution from and at any location, under trade names, service marks or trademarks other than the Marks or trademarks similar to the Marks.

We reserve the right to market competitive services under any trade name.

We do not operate or franchise, or have plans to operate or franchise, a business with a similar product or service under a different trade name or trademark, but we may establish a system of retail supply stores that may operate under a different trade name or trademark.

You may use the Internet to advertise on our JANI-KING® website only in compliance with the Franchise Agreement.

ITEM 13. TRADEMARKS

Principal Trademarks. We grant you the right to use certain trademarks, service marks and other commercial symbols in operating the JANI-KING® Business. Our primary trademarks are the word mark "JANI-KING®," the logo "**JANI-KING®**" with the dot on the letter "**i**" in "**JANI**" formed by an outline of a crown, as shown on the cover page to this Disclosure Document, and the word mark "**THE KING OF CLEAN®**". JKI owns the JANI-KING marks. We are authorized to license use of the Marks pursuant to our Regional Franchise Agreement with JKF.

JKI registered the Marks on the Principal Register of the United States Patent and Trademark Office ("PTO") and has filed all required affidavits:

Mark	Federal Registration Number	Registration Date
JANI-KING (logo)	1,399,797	July 1, 1986
JANI-KING (word)	1,472,588	January 12, 1988

Mark	Federal Registration Number	Registration Date
THE KING OF CLEAN (phrase)	2,599,370	July 23, 2002

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving our principal trademarks.

Our Regional Franchise Agreement with JKF provides that JKF has the right to specify, inspect and oversee the quality standards of our services and products to preserve and enhance the public image and goodwill of the System and the Marks. The term and expiration date of the Regional Franchise Agreement is described in Exhibit A. Upon expiration or termination of the Regional Franchise Agreement for any reason, the provisions of the Regional Franchise Agreement which apply to any franchise agreement will continue in full force and effect and all unit franchise agreements will be assigned to JKF. Except for the Regional Franchise Agreement with JKF, there are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in a manner material to the franchise.

Use of the Marks. You must follow our rules and JKI's rules when you use these Marks. You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for our licenses to you). You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

Infringements. You must notify us and JKI immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We and JKI have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, PTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark. You must sign any documents, give any assistance, and do any acts that our attorneys believe are necessary or advisable to protect and maintain our interests or those of JKI in the Marks. The Franchise Agreement does not require us or JKI to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed to you by us or if the proceeding is resolved unfavorably to you.

Changes to the Marks. If it becomes advisable at any time in our and JKI's sole discretion to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our and JKI's directions within a reasonable time after receiving notice. However, neither we nor JKI will be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

Neither we nor JKI know of any superior prior rights or any infringing uses that could materially affect your use of our principal trademarks.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents or registered copyrights that are material to the franchise described in this Disclosure Document. However, we and JKI do claim copyright protection and proprietary rights in the original materials used in the JANI-KING® System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional

materials, and other copyrightable materials relating to the operation of JANI-KING® Businesses and the System.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you as confidential. You and your owners or members must agree not to communicate or use our confidential information, including our Manuals and any other information we create or approve for use in operating the franchise, for the benefit of anyone else during or after the term of the Franchise Agreement. You must not copy, record or otherwise reproduce these materials, or make them available to any unauthorized person. You may divulge this confidential information only to your employees who need it to operate your JANI-KING® Business. Certain individuals having access to our confidential information, including your managers and owners, may be required to sign nondisclosure and noncompetition agreements in a form we approve.

If you or any of your owners or employees develop any new concept, process, product or improvement in operating or promoting the franchise, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use or license our copyrights. We are not obligated by the Franchise Agreement or otherwise to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

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

You must personally participate in the direct operation of your JANI-KING® Business. We believe that only a person with an ownership interest can adequately ensure that our standards of quality and competence are maintained. Thus, while not required, we strongly recommend that you be directly involved in the day-to-day operations. While in most cases franchisees will seek additional assistance for the labor-intensive portions of the business, we have built our reputation on the "owner-management" concept and believe it mandatory for continued success.

If you are a not already a corporation or limited liability company, you must form and organize one before you open your JANI-KING® Business to the public and in no event later than 90 days from the date you sign our Franchise Agreement. Each of your owners and their spouses must personally and unconditionally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement. Our current form of personal guaranty (the "**Guaranty**") is attached to this Disclosure Document as Exhibit H. Your owners and immediate family must maintain confidentiality of the proprietary information described in Item 14 and must conform with the competitive restrictions described in Item 17. The term "immediate family" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. We require you to complete an "**Owners Statement**" (a copy of which is included in Exhibit G of this Disclosure Document) that describes all of your owners and their interests in you.

You are solely responsible for the services and results of the services performed at locations where cleaning and maintenance services are performed pursuant to your service contract. You will provide all labor, personnel, equipment, materials, tools and supplies necessary to service customers according to our standards, policies, and procedures. You will choose the times and methods of providing services in conjunction with the instructions of the customer and in accordance with the

terms and conditions of the Maintenance Agreement signed by the customer. You must perform all services in a good and workmanlike manner and provide adequate supervision of your employees, to ensure that both our quality standards and the expectations of the customer are met. If you do not perform those obligations to the customer's satisfaction or fail to comply with our policies and procedures, we may suspend your authority to perform services until we are satisfied that you will comply. In addition, failure to comply with our policies and procedures may result in the assessment of Non-Compliance Fees and/or the termination of your franchise.

Certain customers may require that you and your employees undergo background checks as a condition to providing service.

The term of the typical JANI-KING® service contract is one (1) year. Typically, the contract is renewed by the customer for additional one-year periods. The quality of your work is a primary factor in retaining the service contract. We believe that consistent, quality service provided at a competitive production rate and good customer relations, achieved by your direct involvement in the operation of your JANI-KING® Business, is an important factor in the continuation of service contracts.

Your owners, managers, directors and officers, and the spouses of your owners, managers, directors and officers must sign an agreement to personally and unconditionally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for, the breach of every provision of the Franchise Agreement. The owners must agree to maintain confidentiality of the proprietary information described in Item 14 and to conform to the covenants not to compete described in Item 17. The form of that "**Guaranty**" agreement is attached to this disclosure document in Exhibit H.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all products, and perform all services, that we require from time to time for JANI-KING® Businesses. You may not offer for sale any products or perform any services that we have not authorized. (See Items 8 and 9) You are limited in the operation of your JANI-KING® Business to the offering to the public of cleaning services and supplies. Our system standards may regulate required or authorized products, product categories and supplies and the source of certain services. We have the right to change the types of required and/or authorized goods and services from time to time without limitation.

You may attempt to obtain additional contracts for commercial cleaning and maintenance services. However, you are prohibited from soliciting business from existing JANI-KING® customers serviced by other franchisees. You must not interfere, solicit or otherwise contact one of our customers or the customer of another JANI-KING® franchisee unless we request you to do so in writing. If you or any of your representatives solicit a potential customer and later discover that the customer will be receiving, or has already received a proposal from us or another JANI-KING® franchisee, you are not authorized to pursue solicitation of that customer and you must withdraw any proposal until the customer has made a decision on the current proposal or for a maximum of 90 days from the date of the current proposal.

You may use the advertising promotional materials we provide to solicit customers for this purpose. You must notify us prior to soliciting customers for commercial cleaning and maintenance services so that we can coordinate marketing efforts with you. You understand and agree that (a) you must register all prospects and customers with us, (b) all proposals are to be prepared by us using our standard form of agreement, (c) all contracts for the provision of services will name us and the customer as the sole parties to the contract and are our sole property, and (d) we reserve the right,

at our sole discretion, to suspend or cancel service of any contract in the event it becomes delinquent in payment for services.

All services provided by you must be made using our standard JANI-KING® agreement (the "**Maintenance Agreement**"), where we are a party to the agreement. In order to maintain consistency in the accuracy and quality of appearance and compliance with all insurance or legal requirements, we must prepare all proposals for prospects you may solicit. You agree not to provide cleaning or maintenance services to any business that has not signed a Maintenance Agreement with us.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement	Summary
Length of the franchise term	2.2	10 years.
Renewal or extension of the term	2.3	If you are in good standing, you can renew or extend the term of your franchise on our then current terms for 4 additional 10-year periods.
Requirements for franchisee to renew or extend	2.3(a) - (f)	Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions for renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this Disclosure Document, and ancillary agreements, including a personal guarantee from each of your owners. You must also notify us 90 days prior to expiration and sign a general release. If you operate a franchise in the state of Maryland, any release we require in the context of a renewal will not operate as a release of any claim under the Maryland Franchise Registration and Disclosure Law.
Termination by franchisee	16.1	No early termination by you.
Termination by franchisor without cause	Not applicable	Not applicable
Termination by franchisor with cause	16.2	We can terminate only if you commit one of several violations. Termination of the Franchise Agreement due to your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C Section 101)
"**Cause**" defined – curable defaults	16.2(a)	You have 30 days after we have given you written notice to cure the following defaults: failure to timely submit reports or other required information; failure to timely pay amounts due us or our affiliates; failure to comply with any provisions of the Franchise Agreement or any other agreement with us or our affiliates; failure to maintain the standards that we require in the Franchise Agreement, or Manuals; engagement in conduct

Provision	Section in Franchise Agreement	Summary
		that reflects unfavorably on the operation and reputation of the JANI-KING® System; impairment of goodwill associated with the Marks; unauthorized use of any Marks; and failure to successfully complete mandatory training.
"**Cause**" defined – non-curable defaults	16.2(b)	Non-curable defaults include failure to remit customer payments directly to us; performing services for customers without telling us; repeated material misstatements or omissions; repeated failure to comply with Franchise Agreement or Manual requirements; default under any guaranty, promissory note, lease agreement or equipment lease agreement, with us or our affiliates; unauthorized transfer; abandonment; material misrepresentations; declaration of bankruptcy[2], insolvency, appointment of a receiver, or general assignment for the benefit of creditors; being convicted of, or pleading guilty or no contest to, a felony, crime of moral turpitude or certain other crimes; disclosure of confidential information; failure to obtain equipment necessary to operate the business within required time period; a court declares invalid or unenforceable any provision regarding payment of fees to us or protection of the Marks or confidential information; failure to maintain necessary licenses or permits; or you do not form your Business Entity within 90 days of the date of your franchise agreement, your Business Entity dissolves, is liquidated, or it's active status is revoked.
Franchisee's obligations upon termination / non-renewal	17.1 - 17.6	Obligations include payment of all amounts due to us and our affiliates; immediate and permanent cessation of use of JANI-KING® Marks and all aspects of the JANI-KING® System; immediate return to us of all advertising matter, products or writing that contain JANI-KING®'s trade name, logo, or copyright, as well as any information of a proprietary nature; return to us of any keys to buildings, security passes and/or codes. If you do not return all property that belongs to us, you must pay us $1,000 per day as liquidated damages until you do. (Also see "Non-competition covenants after the franchise is terminated or expires" below).
Assignment of contract by franchisor	15.1	Fully assignable by us.
"**Transfer**" by franchisee – defined	15.2	Includes transfer of Franchise Agreement or assets or ownership change.
Franchisor approval of transfer by franchisee	15.3	We have the right to approve all transfers.

Provision	Section in Franchise Agreement	Summary
Conditions for franchisor approval of transfer	15.3(a) - (k)	New franchisee qualifies, you are in full compliance with your Franchise Agreement, you pay us all amounts due, transferee and its managers have satisfactorily completed our training program, transferee executes our then-current form of Franchise Agreement, transfer fee paid, we approve material terms and written agreements regarding transfer; you supply us with any additional information we require; you provide, as a personal covenant to the transferee, in addition to your covenants to us, an agreement not to compete in the janitorial services industry, nor to seek to divert business from us and our franchisees for a period of 2 years after transfer; and you sign a general release and other documents we require (also see "Non-competition covenants after the franchise is terminated or expires" below). If you operate a franchise in the state of Maryland, any release we require in the context of a transfer will not operate as a release of any claim under the Maryland Franchise Registration and Disclosure Law
Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
Death or disability of franchisee	15.2	Interest subject to same conditions as for inter vivos transfer
Non-competition covenants during the term of the franchise	13.5	You may not own, engage in, or have a financial interest in any competing business in the Territory. You also cannot recruit or hire any employee of ours, our affiliates, or our franchisees, or divert or attempt to divert any business or customer from us or our franchisees. You are not restricted from engaging in any other business activities that do not conflict with your obligations under the Franchise Agreement, provided you do not use the JANI-KING® System or Marks in doing so.
Non-competition covenants after the franchise is terminated or expires	17.5	For a period of 2 years, you may not own, engage in, or have a financial interest in any competing business in the Territory or in any other territory of our affiliates covered by a JANI-KING® Franchise Agreement; recruit or hire any employee of ours, our affiliates or our franchisees; or divert or attempt to divert any business or customer from us or our franchisees (same restrictions apply after transfer or assignment).

Provision	Section in Franchise Agreement	Summary
Modification of the agreement	18.13	No modifications generally except by written agreement, but Manuals, System Standards, and certain charges are subject to change.
Integration/merger clause[1]	18.15	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
Dispute resolution by arbitration or mediation	19.1 – 19.8	The parties must attempt in good faith to resolve all disputes by direct negotiations. Disputes that cannot be resolved through direct negotiations must be mediated at a mutually agreeable location or at our local Regional Office. All disputes that are not resolved by negotiations or mediation must be submitted to arbitration at the office of the American Arbitration Association closest to our local Regional Office.
Choice of forum	18.8	Litigation must be in Hillsborough or Pinellas County, Florida (subject to state law). If you operate a franchise in the state of Maryland, litigation may be in Baltimore City, Maryland.
Choice of law	18.7	Except to the extent governed by US trademark law, the law of the state in which you operate your business applies, without regard to its conflicts of law principles if they would operate to impose another state's laws (subject to state law).
Limitation of Claims	18.6	All claims must be brought within 1 year of occurrence. If you operate a franchise in the state of Maryland, any claims under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after we grant the franchise.

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

ITEM 18. PUBLIC FIGURES

JKI has an agreement with Tom Hoge that will allow it to use his name and images in the sale of its services and the overall promotion of its name and image. JKI will pay Tom Hoge $30,000 for the right to produce and use advertising, promotional and marketing materials containing his name and image during the 2026 PGA Tour Season from January 1, 2026, to June 30, 2026 (the "2026 PGA Season"). Tom Hoge is also eligible for performance bonuses based on his performance during the 2026 PGA Season. Tom Hoge does not manage, control, or own an interest in JKI or us.

JKI has an agreement with Jacob Bridgeman that will allow it to use his name and images in the sale of its services and the overall promotion of its name and image. JKI will pay Jacob Bridgeman $30,000 for the right to produce and use advertising, promotional and marketing materials containing his name and image during the 2026 PGA Season. Jacob Bridgeman is also eligible for performance

bonuses based on his performance during the 2026 PGA Season. Jacob Bridgeman does not manage, control, or own an interest in JKI or us.

JKI has an agreement with Chris Gotterup that will allow it to use his name and images in the sale of its services and the overall promotion of its name and image. JKI will pay Chris Gotterup $30,000 for the right to produce and use advertising, promotional and marketing materials containing his name and image during the 2026 PGA Season. Chris Gotterup is also eligible for performance bonuses based on his performance during the 2026 PGA Season. Chris Gotterup does not manage, control, or own an interest in JKI or us.

JKI has an agreement with Michael Kim that will allow it to use his name and images in the sale of its services and the overall promotion of its name and image. JKI will pay Michael Kim $30,000 for the right to produce and use advertising, promotional and marketing materials containing his name and image during the 2026 PGA Season. Michael Kim is also eligible for performance bonuses based on his performance during the 2026 PGA Season. Michael Kim does not manage, control, or own an interest in JKI or us.

JKI has an agreement with Andrew Novak that will allow it to use his name and images in the sale of its services and the overall promotion of its name and image. JKI will pay Andrew Novak $30,000 for the right to produce and use advertising, promotional and marketing materials containing his name and image during the 2026 PGA Season. Andrew Novak is also eligible for performance bonuses based on his performance during the 2026 PGA Season. Andrew Novak does not manage, control, or own an interest in JKI or us.

JKI has an agreement with James "J.T." Poston that will allow it to use his name and images in the sale of its services and the overall promotion of its name and image. JKI will pay James "J.T." Poston $30,000 for the right to produce and use advertising, promotional and marketing materials containing his name and image during the 2026 PGA Season. James "J.T." Poston is also eligible for performance bonuses based on his performance during the 2026 PGA Season. James "J.T." Poston does not manage, control, or own an interest in JKI or us.

JKI has an agreement with Colt Knost that will allow it to use his name and images in the sale of its services and the overall promotion of its name and image. JKI will pay Colt Knost $15,000 for the right to produce and use advertising, promotional and marketing materials containing his name and image during the 2026 PGA Season. Colt Knost is also eligible for performance bonuses based on his performance during the 2026 PGA Season. Colt Knost does not manage, control, or own an interest in JKI or us.

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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 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 performance at a particular location or under particular circumstances.

Historic Initial Business Offering Performance in Our Region Table 19.1 provides information about our performance of the obligation to offer Initial Business to certain JANI_KING® Businesses purchased within the Region. Item 5 of this Disclosure Document describes the different franchise plans, the amount of Initial Business to be offered, and the corresponding Initial Offering Period. Table 19.1 shows the franchise plan, the date each franchise was sold, when training was completed, and when the Initial Business obligation was met.

Table 19.1 Initial Business Offering Performance in Our Region

Plan Purchased	Initial Business	Date Purchased	Training Completed	IB Obligation Met
E-2	$2,000	1/12/2023	3/15/2023	4/11/2023
E-2	$2,000	6/22/2023	8/17/2023	10/17/2023
E-2	$2,000	8/29/2023	12/4/2023	12/19/2023
E-2	$2,000	9/21/2023	12/7/2023	1/2/2024
E-4	$4,000	10/4/2023	12/11/2023	4/1/2024
E-2	$2,000	10/30/2023	12/1/2023	2/23/2024
E-4	$4,000	2/27/2024	04/22/2024	8/1/2024
E-2	$2,000	3/19/2024	4/15/2024	4/15/2024
E-2	$2,000	8/10/2024	10/31/2024	12/3/2024
E-3	$3,000	9/9/2024	9/26/2024	4/3/2025
E-5	$5,000	2/24/2025	5/07/2025	
E-3	$3,000	3/27/2025	5/07/2025	8/08/2025
E-3	$3,000	8/28/2025	11/24/2025	
E-3	$3,000	9/12/2025	10/13/2025	11/03/2025
E-5	$5,000	10/22/2025	11/20/2025	
E-3	$3,000	11/13/2025	2/19/2026	

Historic Gross Annual Revenues in Our Region Table 19.2 provides actual gross annual revenues of all JANI-KING® Businesses operating within the Region for an entire year. The table also shows the number of JANI-KING® Businesses in the Region that have obtained revenues within certain ranges. The information regarding gross revenues represents information about actual revenues only. It does not include information about expenses, income, or cash flow.

Table 19.2 Gross Annual Revenues in Our Region[1]

	Franchises in Operation	Total Revenue/Yr	Avg Revenue/Yr
2023			
Below $50K	17	355,098	20,888
$50K to $100K	9	687,429	76,381
$100K to $150K	2	229,326	114,663
Above $150K	7	1,952,504	278,929
Totals	**35**	**3,224,357**	**92,124**
2024			
Below $50K	30	598,398	19,947
$50K to $100K	6	472,962	78,827
$100K to $150K	3	352,761	117,587
Above $150K	10	4,352,748	435,275
Totals	**49**	**5,776,869**	**117,895**
2025			
Below $50K	31	670,408	21,626
$50K to $100K	2	118,121	59,060
$100K to $150K	8	924,919	115,615
Above $150K	8	4,489,396	561,175
Totals	**49**	**6,202,843**	**126,589**

(1) All amounts presented in Table 19.2 are unaudited.

We have written substantiation in our possession to support the information appearing in this Item 19 and our substantiation will be made available to you on reasonable request.

Some Jani-King® businesses have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.

Other than the above financial performance representations, 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 Franchisor's management by contacting Stephen Roesch, 2469 Sunset Point Road, Clearwater, FL 33765, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

The tables in Exhibit C provide various system-wide statistics. The tables below provide similar statistics for the region operated by us.

Outlet Summary for Years 2023-2025[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	61	57	-4
	2024	57	56	-1
	2025	56	55	-1
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	61	57	-4
	2024	57	56	-1
	2025	56	55	-1

(1) All numbers are as of our fiscal year end, which is December 31.

Transfers of Outlets from Franchisees to New Owners (other than Us) for Years 2023-2025[1]

Region	Year	Number of Transfers
Baltimore, MD	2023	0
	2024	0
	2025	0

(1) All numbers are as of our fiscal year end, which is December 31.

Status of Franchised Outlets for Years 2023-2025[1]

Region	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Baltimore, MD	2023	61	6	10	0	0	0	57
	2024	57	4	5	0	0	0	56
	2025	56	6	7	0	0	0	55

(1) All numbers are as of our fiscal year end, which is December 31.

Status of Company-Owned Outlets for Years 2023-2025[1]

Region	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Baltimore, MD	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

(1) All numbers are as of our fiscal year end, which is December 31.

Projected Openings as of December 31, 2025

Region	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
Baltimore, MD	0	12	0

The name, business address, and business telephone number of each current franchisee operating in the Region is listed in Exhibit J.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had an outlet terminated, cancelled, or not renewed by us, or who otherwise voluntarily or involuntarily ceased to do business under their franchise agreement, during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the date of this Disclosure Document is listed in Exhibit J.

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

As of the date of this Disclosure Document, we are not offering any existing franchised outlets to prospective franchisees, including those that have either been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this Disclosure Document.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the JANI-KING® franchise system. You may wish to speak with current and former franchisees, but be aware that not all franchisees will be able to speak with you.

As of the date of this Disclosure Document, there are no franchisee organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document in Exhibit E are:

1) Our audited financial statements for the fiscal years ending December 31, 2023-2025.
2) JKI's audited financial statements for the fiscal years ending December 31, 2023-2025.

ITEM 22. CONTRACTS

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

1) Franchise Agreement (Exhibit D)
2) Promissory Notes (Exhibit G)
3) Receipt of Maintenance Agreement & Finders Fee Agreement (Exhibit G)
4) Owners Statement (Exhibit G)
5) Transfer Agreement (Exhibit G)
6) Business Protection Plan (BPP) Election Form (Exhibit G)
7) Guaranty (Exhibit H)

ITEM 23. RECEIPTS

Attached as the last page of this Disclosure Document is a duplicate of a Receipt to be signed by you.

EXHIBIT A INFORMATION ABOUT THE FRANCHISOR

Item 1. The Franchisor, its Predecessors and Affiliates

Our Name. The Franchisor is DAZSER-BAL Corporation and is referred to in this Franchise Disclosure Document as "**we**," **us**," or "**our**." We also do business under the name Jani-King of Baltimore. We are a Florida corporation, incorporated on March 18, 1988.

Our principal business address is 2469 Sunset Point Road, Suite 200, Clearwater, Florida 33765. Our local office is located at 7120 Minstrel Way, Suite 208, Columbia, Maryland 21045.

We do not have any predecessors. Under an agreement with JKF, we are the exclusive franchisor of JANI-KING® Businesses in Baltimore City and the Maryland counties of Anne Arundel, Baltimore, Carroll, Harford and Howard (the "**Region**").

Our agents in this state for service of process are: John R. Rutledge, 207 Riggs Avenue, Severna Park, MD 21146; and Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202.

We have no parent required to be disclosed in this Item 1.

Our Business. We have been offering franchises for JANI-KING® Businesses since January 11, 1989. We do not engage in other business activities. We have not offered franchises in other lines of business. In this capacity, we act as an independent contractor and are not JKF's agent. You will have a contractual relationship only with us and may look only to us for performance under your Franchise Agreement.

Our Affiliates. We have 3 affiliates. Each is a regional subfranchisor of JKF and their principal business address is 2469 Sunset Point Road, Clearwater, FL 33765. Their business is substantially similar to our business, and the franchises they offer are substantially similar to those we offer. They do not engage in any other business activities and have not offered franchises in other lines of business. Their officers and directors are the same as ours.

Our affiliate, DAZSER-TPA Corporation ("**DAZSER-TPA**"), is a Florida corporation incorporated on May 5, 1986. DAZSER-TPA is the exclusive franchisor of JANI-KING® Businesses in the Tampa Bay, Florida area. They began offering franchises for JANI-KING® Businesses in May 1986, and have been offering franchises since then.

Our affiliate, DAZSER-BHM Corporation ("**DAZSER-BHM**") is a Florida corporation incorporated on December 30, 1997. DAZSER-BHM is the exclusive franchisor of JANI-KING® Businesses in the Birmingham, Alabama area. DAZSER-BHM is successor by merger to DAZSER/AL Corporation, a Florida corporation, formed on October 12, 1993, which began offering franchises for JANI-KING® Businesses in December 1993 and offered franchises until its merger into DAZSER-BHM effective December 31, 1997. DAZSER-BHM has been offering franchises since that merger.

Our affiliate, DAZSER-ORL Corporation ("**DAZSER-ORL**"), is a Florida corporation incorporated on June 3, 2004. DAZSER-ORL is the exclusive franchisor of JANI-KING® Businesses in the Orlando, Florida area They began offering franchises for JANI-KING® Businesses in August 2004, and have been offering franchises since then.

Item 2. Business Experience

Our Management.

Stephen E. Roesch Mr. Roesch received his Bachelor's and Master's degrees in Engineering Science from The Johns Hopkins University. He co-founded DAZSER-TPA in 1986, DAZSER-BAL in 1988, DAZSER-BHM in 1993, and DAZSER-ORL in 2004. In 2012 he purchased a majority of the stock in DAZSER-BAL, DAZSER-BHM, DAZSER-ORL and DAZSER-TPA from David A. Zillig. Mr. Roesch is

President, Vice-President, Secretary, Treasurer, and a director of DAZSER-BAL, DAZSER-BHM, DAZSER-ORL and DAZSER-TPA.

David A. Zillig Mr. Zillig received his degree in Economics from Denison University. He co-founded DAZSER-TPA in 1986, DAZSER-BAL in 1988, DAZSER-BHM in 1993, and DAZSER-ORL in 2004. In 2012, he sold a majority of his stock in DAZSER-BAL, DAZSER-BHM, DAZSER-ORL, and DAZSER-TPA to Stephen E. Roesch and resigned as an officer and director of those entities.

Cliff D'Amico Mr. D'Amico graduated from Denison University in 1992. Mr. D'Amico held various positions at Enterprise Rent-A-Car and was the Executive VP for Central Florida when he left in 2009 to become General Manager at Marine Max. In 2015, he joined OpenWorks as VP of Sales for the East Coast. In 2019, he joined DAZSER as VP of Sales and in 2023, he was promoted to Chief Operating Officer.

Kevin Taylor Mr. Taylor graduated from the University of Maryland in 1997 with a Bachelor's degree in Criminology & Criminal Justice. He received a Master's in Business Administration from University of Maryland University College in 2011. He was an Account Manager at Enterprise Rent-A-Car from 1998 to 2007, Regional Sales Director for The Kane Company from 2007 to 2009, Director of Sales for Bridge Street Worldwide from 2009 to 2010, Managing Director and Co-Founder of KMZ Consulting Group from 2010 to 2011, and Director of Global Key Accounts for Regus Management Group from 2012 to 2015. He joined Jani-King of Baltimore as Regional Director in April 2015.

Item 5. Initial Franchise Fee

Franchise Fees Collected. Initial Franchise Fees paid us in 2025 ranged from $11,200 to $20,000.

Item 8. Restrictions on Sources of Products and Services

Sale of Products and Services. During our last fiscal year ending December 31, 2025, we had revenues of approximately $6,412,595. Approximately 1.12% ($71,807) of this amount consisted of revenues from the sale or lease of equipment and supplies, administration of the Business Protection Plan, and the sale of promotional and advertising materials to franchise owners. See Item 5, Item 6, and Exhibit 3 for more information.

Item 11. Training Location / Local Regional Office Address

Training takes place at our local office at 7120 Minstrel Way, Suite 208, Columbia, MD 21045.

Item 13. Trademarks

Our Regional Franchise Agreement was signed on April 1, 1988, for an initial term of 10 years with the option to renew for 9 additional 10-year periods. It was renewed on April 30, 2025, for a 20-year term with the option to renew it for 3 additional 20-year terms. It will expire on April 30, 2105.

State Addenda – Registration Requirements

You can call the state franchise administrator listed below for information about the franchisor or about franchising in Maryland.

For Service of Process
Securities Commissioner, Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

State Agency
Maryland Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-7042

EXHIBIT B INSURANCE REQUIREMENTS

Required Coverage and Limits

Before you begin operating your JANI-KING® franchise, you must obtain the insurance described in the table below. The cost of this coverage varies, depending on factors that include charges established by the insurance carrier, terms of payment, volume of business, amount of deductible (if any), geographic location, and the prior underwriting history of the specific franchise.

The minimum limits of insurance are determined by us and our Risk Manager. They're based on (i) the nature and size of the facilities serviced by JANI-KING® franchisees, (ii) the contractual requirements of customers, and (iii) our best effort to protect the assets of every JANI-KING® franchisee. We may increase these limits and/or add new types of coverage.

Type of Coverage	Minimum Limits ($)	Description
Comprehensive General Liability	$1,000,000 per occurrence $5,000,000 General Aggregate	This provides protection from a wide variety of liability exposures. These include (i) damage to a customer's premises or property caused by services or products provided by you and (ii) contractual liability. We also require the following special coverage as part of your General Liability insurance: **1) Care, Custody & Control**: Provides protection against damage to property that an employee may be directly working on. **2) Extended Property Damage**: Broadens the definition of property damage to include theft and mysterious disappearances where you are legally liable (e.g. an employee throws out important papers or leaves the building unlocked and a robbery occurs as a result). **3) Lost Key Coverage:** ($100,000) Provides protection if you lose the keys to a building and the building needs to be re-keyed.
Third Party Fidelity Coverage	$1,000,000 per occurrence	Provides protection from claims involving theft of customer property.
Pollution Liability	$1,000,000 per occurrence $3,000,000 aggregate	Provides protection for bodily injury and property damage liability arising from a pollution incident, including clean-up costs. It also provides $250,000 of emergency response costs.
Business Auto Liability, including owned, hired, and non-owned autos	$1,000,000 per occurrence	You can be held liable for negligent acts of your employees, including their use of a vehicle. You must have Business automobile insurance covering owned, leased, rented, hired, or borrowed vehicles. This coverage protects against liability when you use your owned, leased or short-term rented vehicles in connection with your business.
Workers Compensation	Statutory Limits	This is required by state law. It provides insurance for medical expenses and lost income to you or an employee injured on the job.
Employers Liability	$1,000,000	Employers Liability is a liability supplement for Workers Compensation
Umbrella	$20,000,000 aggregate	This coverage picks up where the General, Automobile, and Employers Liability coverage leaves off. It provides an extra layer of protection against catastrophic loss.

Business Protection Plan

The required insurance may be obtained through an independent insurance agent, or you can choose to participate in a contributory insurance plan (the "Business Protection Plan" or "BPP") administered by Insurance Office of America ("IOA"). The Business Protection Plan provides all the insurance we require you to have to operate your franchise, except for business automobile liability arising from the operation of your owned or long-term leased vehicles. **This coverage must still be secured by you independently**.

The BPP also includes (1) assistance with risk assessment, (2) overall management of claims, (3) assistance with risk control, (4) assistance with Certificates of Insurance, (5) assistance with premium audits, (6) general risk management services, (7) periodic safety training, and (8) other regulatory issues.

The table below lists our current policies and coverage offered through the Business Protection Plan.

Type of Coverage	Minimum Limits ($)	Deductible	Comments
Comprehensive General Liability	$1,000,000 per occurrence $5,000,000 aggregate	$1,000	
Third Party Fidelity Coverage	$1,000,000 per occurrence	$1,000	
Pollution Liability	$1,000,000 per occurrence $3,000,000 aggregate	$5,000	
Business Auto Liability for only hired, and non-owned autos	$1,000,000 per occurrence	$0	This provides protection for the operation of non-owned and short-term hired vehicles. **You need to secure your own automobile liability coverage for the operation of your owned and long-term leased vehicles for the same $1,000,000 limit.**
Workers Compensation	Statutory Limits	$0	
Employers Liability	$1,000,000	$0	
Umbrella	$20,000,000 aggregate	$0	

The cost of the Business Protection Plan varies, depending on factors that include charges established by the insurance carrier, terms of payment, volume of business, amount of deductible (if any), geographic location, the prior underwriting history of the specific franchise, and an administration fee to us.

Your participation in the BPP can be terminated if you: (1) fail to pay any amount owed for your participation in the BPP, (2) fail to report all revenue generated by your participation in the commercial cleaning industry, (3) file a fraudulent insurance claim under any of the coverages obtained by you through the BPP, (4) you have excessive losses, (5) fail to comply with insurance carrier payroll audits, or (6) cease operating in the commercial cleaning industry for 12 consecutive months.

If you choose to purchase your own insurance, you must (1) maintain the required coverage for as long as you operate your franchise, (2) name us and JKI as Additional Insureds, (3) provide us with written evidence that coverage has been secured, (4) obtain coverage from an insurer with an A.M. Best rating of "A" or better, and (5) allow JKI and our Risk Manager to review and approve all policies and coverage 30 days before binding coverage.

Claim Procedures

You are required to report all claims to us immediately. We submit a report to the insurance carrier and follow up on the status of the claim.

EXHIBIT C SYSTEM-WIDE STATISTICS

System-wide Outlet Summary for 2023-2025[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	4,980	4,916	-64
	2024	4,916	4,859	-57
	2025	4,859	4,731	-128
Company-Owned	2023	12	12	0
	2024	12	13	+1
	2025	13	19	+6
Total Outlets	2023	4,992	4,928	-64
	2024	4,928	4,872	-56
	2025	4,872	4,750	-122

(1) All numbers are as of our fiscal year end, which is December 31.

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for 2023-2025[1]

State	Year	Number of Transfers
Alabama	2023	1
	2024	0
	2025	1
Arizona	2023	0
	2024	0
	2025	1
Arkansas	2023	0
	2024	0
	2025	0
California	2023	0
	2024	0
	2025	0
Colorado	2023	0
	2024	0
	2025	0
Connecticut	2023	1
	2024	0
	2025	0
Delaware	2023	0
	2024	0
	2025	0
District of Columbia	2023	0
	2024	0
	2025	0
Florida	2023	9
	2024	6
	2025	7
Georgia	2023	4
	2024	4
	2025	2
Hawaii	2023	4
	2024	7
	2025	5
Idaho	2023	0
	2024	0
	2025	0

State	Year	Number of Transfers
Illinois	2023	2
	2024	3
	2025	0
Indiana	2023	0
	2024	0
	2025	2
Iowa	2023	0
	2024	0
	2025	0
Kansas	2023	2
	2024	2
	2025	1
Kentucky	2023	1
	2024	1
	2025	0
Louisiana	2023[2]	12
	2024	7
	2025	0
Maryland	2023	0
	2024	0
	2025	0
Massachusetts	2023	0
	2024	0
	2025	0
Michigan	2023	0
	2024	0
	2025	0
Minnesota	2023	0
	2024	3
	2025	2
Mississippi	2023	0
	2024	3
	2025	3
Missouri	2023	1
	2024	2
	2025	0
Nebraska	2023	0
	2024	0
	2025	0
Nevada	2023	1
	2024	0
	2025	1
New Jersey	2023	0
	2024	0
	2025	1
New Mexico	2023	0
	2024	3
	2025	1
New York	2023	0
	2024	1
	2025	0
North Carolina	2023	3
	2024	3
	2025	5
Ohio	2023	1
	2024	4
	2025	2

State	Year	Number of Transfers
Oklahoma	2023	0
	2024	0
	2025	2
Oregon	2023	1
	2024	1
	2025	1
Pennsylvania	2023	0
	2024	1
	2025	0
Rhode Island	2023	2
	2024	1
	2025	1
South Carolina	2023	2
	2024	1
	2025	3
Tennessee	2023	3
	2024	2
	2025	0
Texas	2023	10
	2024	6
	2025	4
Utah	2023	0
	2024	0
	2025	0
Virginia	2023	1
	2024	1
	2025	1
Washington	2023	0
	2024	0
	2025	0
Wisconsin	2023	2
	2024	2
	2025	2
All Other States	2023	0
	2024	0
	2025	0
Totals	2023	63
	2024	64
	2025	57

(1) All numbers are as of our fiscal year end, which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Subfranchisors.

(2) Franchise number 1329 was transferred to a new owner on June 1, 2023. This same franchise was transferred again to a new owner on October 10, 2023.

Status of Franchised Outlets for 2023-2025[1]

State	Year	Outlets at Start of Year[2]	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons[3]	Outlets at End of Year
Alabama	2023	229	19	15	0	1	11	221
	2024	221	17	11	1	0	9	217
	2025	217	14	13	0	4	3	211
Arizona	2023	161	10	9	0	0	3	159
	2024	159	13	12	1	0	7	152
	2025	152	16	6	5	1	10	146
Arkansas	2023	13	4	0	0	0	1	16
	2024	16	4	0	0	0	1	19
	2025	19	5	0	0	0	4	20
California	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Colorado	2023	44	2	0	2	0	4	40
	2024	40	1	0	4	0	0	37
	2025	37	0	0	0	0	4	33
Connecticut	2023	53	4	0	0	0	6	51
	2024	51	2	0	4	1	7	41
	2025	41	2	0	0	1	2	40
Delaware	2023	9	3	0	0	0	0	12
	2024	12	0	0	0	0	1	11
	2025	11	0	0	0	0	2	9
District of Columbia	2023	5	0	0	0	0	1	4
	2024	4	0	0	1	0	0	3
	2025	3	0	0	0	0	1	2
Florida	2023	465	78	53	1	0	21	468
	2024	468	75	44	2	1	24	472
	2025	472	48	45	1	0	18	456
Georgia	2023	254	23	0	1	0	18	258
	2024	258	16	0	0	0	18	256
	2025	256	24	0	1	3	21	255
Hawaii	2023	118	30	0	0	10	0	138
	2024	138	20	0	0	8	6	144
	2025	144	16	0	0	12	1	147
Idaho	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Illinois	2023	177	6	9	0	0	9	165
	2024	165	5	3	0	1	5	161
	2025	161	0	3	2	0	2	154
Indiana	2023	99	9	0	2	0	8	98
	2024	98	7	0	3	0	12	90
	2025	90	6	0	1	0	5	90
Iowa	2023	18	0	0	0	0	0	18
	2024	18	3	0	0	0	3	18
	2025	18	2	0	0	0	1	19
Kansas	2023	83	10	0	0	0	13	80
	2024	80	12	0	0	0	5	87
	2025	87	3	0	0	0	9	81
Kentucky	2023	61	4	0	1	0	11	53
	2024	53	3	0	1	0	6	49
	2025	49	0	0	0	1	3	45
Louisiana	2023	337	26	1	0	12	9	341
	2024	341	18	2	0	11	12	334

State	Year	Outlets at Start of Year[2]	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons[3]	Outlets at End of Year
	2025	334	20	0	1	14	6	333
Maryland	2023	83	6	11	0	0	1	77
	2024	77	4	5	0	0	3	73
	2025	73	6	7	0	0	3	69
Massachusetts	2023	4	0	0	1	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	1	0	1	1
Michigan	2023	60	9	6	1	1	1	60
	2024	60	4	0	0	7	1	56
	2025	56	2	0	1	1	2	54
Minnesota	2023	56	3	1	3	0	4	51
	2024	51	2	1	2	0	2	48
	2025	48	2	2	1	0	2	45
Mississippi	2023	92	8	1	0	6	4	89
	2024	89	8	1	0	2	6	88
	2025	88	6	0	0	2	3	89
Missouri	2023	124	2	0	1	0	24	101
	2024	101	13	1	1	1	11	100
	2025	100	1	0	1	0	8	92
Nebraska	2023	43	6	0	0	0	7	42
	2024	42	6	0	0	0	5	43
	2025	43	3	0	0	0	2	44
Nevada	2023	59	2	4	0	0	1	56
	2024	56	1	0	0	0	0	57
	2025	57	2	1	2	0	2	54
New Jersey	2023	53	4	7	0	0	0	50
	2024	50	5	2	0	0	0	53
	2025	53	4	5	0	1	0	51
New Mexico	2023	40	13	0	0	0	0	53
	2024	53	14	0	0	0	1	66
	2025	66	3	0	0	1	1	67
New York	2023	59	15	4	0	1	0	69
	2024	69	8	1	0	0	0	76
	2025	76	1	7	0	0	1	69
North Carolina	2023	342	25	0	3	1	32	331
	2024	331	36	2	2	0	35	328
	2025	328	31	0	2	0	27	330
Ohio	2023	271	14	1	1	3	17	263
	2024	263	8	0	0	3	20	248
	2025	248	12	2	6	3	10	239
Oklahoma	2023	93	4	5	0	2	3	87
	2024	87	4	1	0	5	1	84
	2025	84	6	1	0	1	3	85
Oregon	2023	81	2	0	0	1	3	79
	2024	79	1	0	2	0	2	76
	2025	76	1	0	0	0	2	75
Pennsylvania	2023	89	9	5	0	0	7	86
	2024	86	5	2	0	0	4	85
	2025	85	4	5	3	0	4	77
Rhode Island	2023	92	10	4	0	0	14	84
	2024	84	1	7	0	0	3	75
	2025	75	3	8	0	0	4	66
South Carolina	2023	228	20	0	0	2	11	235
	2024	235	16	0	1	0	16	234

State	Year	Outlets at Start of Year[2]	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons[3]	Outlets at End of Year
	2025	234	23	0	1	0	18	238
Tennessee	2023	146	11	0	0	0	14	143
	2024	143	12	0	0	0	11	144
	2025	144	6	0	3	0	13	134
Texas	2023	338	25	1	0	2	20	340
	2024	340	28	0	5	2	15	346
	2025	346	16	1	1	1	25	334
Utah	2023	45	2	0	0	0	0	47
	2024	47	0	0	0	0	2	45
	2025	45	0	0	0	0	1	44
Virginia	2023	208	15	9	1	3	11	199
	2024	199	8	5	2	1	14	185
	2025	185	6	11	1	0	7	172
Washington	2023	90	1	0	3	0	3	85
	2024	85	0	0	2	0	4	79
	2025	79	1	0	0	0	6	74
Wisconsin	2023	157	18	0	0	0	13	162
	2024	162	22	6	0	0	5	173
	2025	173	20	2	2	0	7	182
All Other States	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Totals	2023	4,980	453[3]	146	21	45	305	4,916
	2024	4,916	403[4]	106	34	43	277	4,859
	2025	4,859	317[5]	119	36	46	244	4,731

(1) All numbers are as of our fiscal year end, which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Subfranchisors.

(2) This column consists of franchises that Franchisor considers having "ceased to do business." Franchisor counts a franchise as ceased to do business when the franchise has not generated revenue for one calendar year. A franchise that has ceased to do business may reactivate in certain circumstances, so long as the applicable franchise agreement is still in effect.

(3) The Outlets Opened includes 22 reactivated franchises that have been counted in the Cease Operations - Other Reasons column in previous years due to being inactive.

(4) The Outlets Opened includes 13 reactivated franchises that have been counted in the Cease Operations – Other Reasons column in previous years due to being inactive.

(5) The Outlets Opened includes 4 reactivated franchises that have been counted in the Cease Operations – Other Reasons column in previous years due to being inactive.

The basic nature of our business allows for a portion of our franchisees to service commercial cleaning accounts on a sporadic basis because they choose to operate their franchisees on a part-time basis and/or only as a source of supplemental income. Therefore, the calculation of operational franchises does not necessarily consider the status or volume of revenues of these at the time they are classified for this disclosure, since any franchise which was not then currently generating revenues may later resume services and actively compete with a franchise that elects to join the JANI-KING® system.

In addition to these unit franchises, JKF has 70 Regional Subfranchisors operating support centers in the United States and in 8 other countries. For the three-year period before December 31, 2025, none were canceled or terminated for failure to comply with quality control standards or other reasons; two (2) were reacquired through a purchase, although not required to do so; none were non-renewed; and none were otherwise reacquired; and one (1) has ceased operations.

Status of Company-Owned Outlets (US Only) for 2023-2025[1]

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Alabama	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Arizona	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Arkansas	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
California	2023	4	0	0	4	0	0
	2024	0	0	0	0	0	0
	2025	0	4	0	0	0	4
Colorado	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Connecticut	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Delaware	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
District of Columbia	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Florida	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Georgia	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Hawaii	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Illinois	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Indiana	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Kansas	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Kentucky	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	1	0	0	0	1
Louisiana	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Maryland	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Massachusetts	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Michigan	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Minnesota	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Mississippi	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Missouri	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
Nebraska	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Nevada	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
New Hampshire	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
New Jersey	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
New Mexico	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
New York	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
North Carolina	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Ohio	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	1	0	0	0	1
Oklahoma	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Oregon	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Pennsylvania	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Rhode Island	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
South Carolina	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2025	0	0	0	0	0	0
Tennessee	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Texas	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Utah	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Virginia	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Washington	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Wisconsin	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
All Other States	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	2023	12	0	0	0	0	12
	2024	12	1	0	0	0	13
	2025	13	6	0	0	0	19

(1) All numbers are as of our fiscal year end, which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Regional Subfranchisors.

Projected Openings (US Only) as of December 31, 2025[1]

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
Alabama	0	26	0
Arizona	2	24	0
Arkansas	0	7	0
California	0	19	0
Colorado	0	3	0
Connecticut	0	5	0
Delaware	0	1	0
District of Columbia	0	1	0
Florida	0	61	0
Georgia	0	25	0
Hawaii	0	18	0
Idaho	0	4	0
Illinois	0	5	0
Indiana	0	11	0
Iowa	0	2	0
Kansas	1	17	0
Kentucky	0	11	0
Louisiana	3	23	0
Maryland	2	10	0
Massachusetts	0	0	0
Michigan	0	5	0
Minnesota	0	5	0
Mississippi	0	9	0
Missouri	0	17	0
Nebraska	0	6	0
Nevada	0	2	0
New Hampshire	0	0	0
New Jersey	1	6	0
New Mexico	0	7	0
New York	0	10	0
North Carolina	1	35	0
Ohio	0	22	0
Oklahoma	0	10	0
Oregon	0	11	0
Pennsylvania	0	8	0
Rhode Island	0	12	0
South Carolina	0	28	0
Tennessee	0	26	0
Texas	0	48	0
Utah	0	2	0
Virginia	0	22	0
Washington	0	7	0
Wisconsin	0	26	0
All Other States	0	0	0
Totals	10	597	0

(1) This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Regional Subfranchisors.

EXHIBIT D

Franchise Agreement

THIS FRANCHISE AGREEMENT (the "**Agreement**") is effective as of the "**Agreement Date**" shown below. The parties to this Agreement are the Franchisor (also referred to as "**we**" or "**us**") and the Franchisee (also referred to as "**you**" or "**Franchise Owner**") shown below. The Franchisor and Franchisee may be jointly referred to as the "**Parties**." You have chosen to do business under the Business Format shown below.

This Agreement contains all of the terms and conditions you and we have agreed upon for you to purchase and operate a JANI-KING® Business under the "**Plan**" and in the "**Territory**" shown below. Exhibit A (Description of Franchise Plans) and Exhibit B (Current Schedule of Fees) are part of this Agreement.

Franchisor
Agreement Date
Business Format
Territory
Plan
Franchisee

Intending to be bound, the parties sign below. You warrant to us that the person signing for you is authorized to bind you.

US

_____ _____
Signature Date

YOU Federal Tax ID

_____ _____
Signature Date

_____ _____
Signature Date

_____ _____
Signature Date

1. INTRODUCTION

This Agreement has been written in an informal style to make it more easily understandable and to help you become thoroughly familiar with all of its terms before you sign it. We are a regional subfranchisor of JANI-KING Franchising, Inc. ("**JKF**") in the Territory. Your franchise is awarded by us, and this Agreement is between you and us alone. Neither JKF nor any of its affiliates have any obligations to you.

1.1 **The System**. Through the expenditure of considerable time and effort, JKF and its affiliates developed a distinctive system for marketing, promoting, advertising, operating and conducting janitorial cleaning and maintenance businesses ("**JANI-KING® Businesses**"). We provide administrative, franchise and support services to JANI-KING® Businesses, but we ourselves do not operate a janitorial cleaning and maintenance business. JANI-KING® Businesses are independently owned and operated janitorial businesses that operate under distinctive business formats, systems, methods, procedures, designs and specifications, all of which may be improved, further developed or otherwise modified from time to time (collectively, the "**JANI-KING® System**"). JANI-KING® Businesses operate using equipment and materials that meet our specifications and standards. As a Franchise Owner, you will perform janitorial cleaning and maintenance services in a defined territory. We will provide you with certain services to support your business.

We use, promote and license certain trademarks, service marks, trade names, slogans, and other commercial symbols including the service marks **JANI-KING®** and "THE KING OF CLEAN®" (collectively, the "**Marks**"), in the operation of JANI-KING® Businesses. We may in the future, develop, enhance or modify various aspects of the JANI-KING® System and/or the Marks as well as add new trademarks, trade names, service marks and other commercial symbols. We grant to persons who meet our qualifications and are willing to undertake the investment and efforts, the right to own and operate JANI-KING® Businesses in the Territory.

1.2 **Acknowledgments**. We are presenting this Agreement to you because you expressed the desire to own and operate a JANI-KING® Business. You understand that the terms of this Agreement are reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each JANI-KING® Business and to protect and preserve the goodwill of the Marks and the JANI-KING® System. In signing this Agreement, you acknowledge:

a) the importance of operating your JANI-KING® Business in strict conformity with our standards;

b) that the nature and scope of JANI-KING® Businesses, like any other business, may evolve and change over time;

c) that an investment in a JANI-KING® Business involves business risks;

d) that as an independent business owner, you are solely responsible for the manner and method in which you operate your JANI-KING® Business, and for the terms and conditions of all your employment relationships;

e) that you and we are independent contractors and that you, your Business Entity (defined below) and all of its employees and/or contractors are not employees of ours for any purpose;

f) that nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind; and

g) that you may not, without our prior written approval, obligate us for any expenses, liabilities or other obligations, other than as specifically provided for in this Agreement.

1.3 **No Guaranties**. This section does not apply if you are operating a JANI-KING Business® in the State of Maryland.

We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of JANI-KING® Businesses. You acknowledge that:

a) any statements regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Franchise Disclosure Document delivered to you prior to signing this Agreement;

b) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing JANI-KING® Business that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately;

c) any information you obtained from JANI-KING® Franchise Owners relating to revenues, sales, profits or otherwise does not constitute information obtained from us and we do not warrant or guarantee the accuracy of any such information; and

d) you have not received or relied on any representations about the Franchise made by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement.

If there are any exceptions to any of the foregoing, you must: (i) immediately notify our chief executive officer; and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing it (any such statement must be signed by both you and us).

If you are operating a franchise in the state of Maryland, nothing in this Agreement operates as a release, estoppel or waiver of your rights or our responsibility under the Maryland Franchise Registration and Disclosure Law.

1.4 **Representations**. To induce us to enter into this Agreement with you, you represent and warrant that:

a) in all of your dealings with us, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity;

b) this Agreement, and all business dealings between you and such individuals as a result of this Agreement, are solely between you (and your Owner(s)) and us;

c) you have made no misrepresentations in obtaining the Franchise (as defined below).

2. GRANT, TERM AND RENEWAL

2.1 **Grant**. You have applied for a franchise to own and/or operate a JANI-KING® Business. We have approved your application in reliance on all of the representations you made in that application. Subject to all the terms and conditions of this Agreement, we grant to you a franchise (the "**Franchise**") to operate a JANI-KING® Business solely in the Territory. You have purchased the franchise plan (the "**Plan**") identified on the cover page and Exhibit A.

2.2 **Term**. The Franchise allows you to operate a JANI-KING® Business solely in the Territory and to use the Marks and the JANI-KING® System in the operation of your JANI-KING® Business for a term of 10 years starting on the Agreement Date. For purposes of this Agreement, the

phrases "term of this Agreement" or "term of the Franchise" means the 10-year period just described and any extension(s).

2.3 **Renewal**. This Agreement terminates at the expiration of its term. If, at the expiration of this Agreement, you have substantially complied with this Agreement and all other agreements between you and us and/or our affiliates, and you in a timely fashion, satisfy the requirements we then generally impose on new Franchise Owners, you will be eligible to renew your franchise for your JANI-KING® Business for four (4) additional 10-year periods on the following conditions:

a) **Notice:** You agree to give us written notice of your election whether or not to renew your franchise at least 90 days (but not more than 180 days) before the end of the term of this Agreement. If we do not receive that notice from you, you will be deemed to have elected not to obtain a successor franchise.

b) **Eligibility:** If, at any time during the term of this Agreement, you have failed to substantially comply with this Agreement or any other agreement between you and us and/or our affiliates, we may refuse to renew your franchise. If we do so, we will notify you and state the reasons for our decision. If we determine that you are not eligible to obtain a successor franchise, but that the nature of the noncompliance may be cured so that we are willing to consider permitting you to renew, we will notify you accordingly. You will then be eligible to renew if you cure the noncompliance within 30 days of our notice to you.

c) **Current Standards:** You agree to cause your JANI-KING® Business to comply with all other then-current standards for materials, supplies, equipment, signage, provision of services, methods of operation and other System Standards. You also agree to acquire any new equipment we then require for JANI-KING® Businesses.

d) **New Documents:** To renew, you (and your shareholders) must sign and deliver to us:

i) the form of standard franchise agreement and any ancillary agreements (including Guarantees from Owners) we are then customarily using in the grant of JANI-KING® franchises (which may provide for new and increased fees, but with appropriate modifications to reflect the fact that the agreement relates to the renewal of an existing franchise); and

ii) general releases, in a form satisfactory to us, of any and all claims against us, our affiliates, JKF and all of our and their officers, directors, employees, agents, successors and assigns. If you fail or refuse to sign and deliver to us those agreements and releases within 30 days after their delivery to you, you will be deemed to have elected not to renew your franchise.

If you operate a franchise in the state of Maryland, any release we require in the context of a renewal or transfer will not operate as a release of any claim under the Maryland Franchise Registration and Disclosure Law.

e) **Training:** To renew, you (or a manager of yours approved by us) must satisfactorily complete any new training and refresher programs as we may reasonably require.

f) **Fees and Charges:** We do not currently charge a renewal fee. We have the right to charge you for services we render to you and expenses we incur in conjunction with the renewal process. Payment of those charges is due upon your receipt of our invoice.

g) **Subsequent Renewals**: The fees and other conditions for any later renewals will be governed by the renewal franchise agreement (as described above).

3. TERRITORY AND PERFORMANCE

3.1 **Territorial Rights**. You may operate your JANI-KING® Business solely within the Territory. We will also grant franchises to others to operate JANI-KING® Businesses in the Territory, and our affiliates may operate them as well. Without our prior approval, you agree to not:

a) operate a JANI-KING® Business or perform cleaning or maintenance services in any geographic area outside the Territory except pursuant to another franchise agreement with us or another JANI-KING® regional franchisor; or

b) solicit accounts, customers or clients for janitorial services that are outside of your Territory; or

c) solicit accounts, customers or clients for janitorial services that are serviced by other JANI-KING® franchises; or

d) use the JANI-KING® System or the Marks for any purpose other than to conduct your JANI-KING® Business.

3.2 **Reservation of Rights**. We retain the following rights, through affiliates or directly, without granting any rights to you, to:

a) sell products and perform services (or authorize others to do so) authorized for JANI-KING® Businesses, using the Marks or other trademarks, service marks and commercial symbols;

b) operate (ourselves or through affiliates) and grant to others the right to operate JANI-KING® Businesses in the Territory, on such terms and conditions as we deem appropriate; and

c) market, promote, sell and deliver other services relating to or competitive with janitorial businesses through other channels of distribution from or at any location, under trade names, service marks or trademarks other than the Marks or trademarks confusingly similar to the Marks.

3.3 **Full Term Performance**. You agree to perform your obligations under this Agreement faithfully and honestly. You will continuously exert your best efforts to promote and enhance your JANI-KING® Business, for the full term of this Agreement. You must devote sufficient time and effort to the development and operation of your JANI-KING® Business, including without limitation, customer retention activities. You must supervise all work performed by your employees and representatives. Furthermore, you agree not to engage in any other business or activity that may conflict with your obligations under this Agreement. However, you are not restricted from engaging in any other business activities that do not conflict with your obligations under this Agreement and are not associated with the Marks in any way. The Franchise granted to you by this Agreement is to operate your JANI-KING® Business and to use the Marks and your JANI-KING® System only for purposes of conducting a JANI-KING® Business in accordance with the provisions of this Agreement and our System Standards. If you engage in other business activities, you agree to not use the Marks or the JANI-KING® System in doing so.

4. IMAGE AND OPERATING PROCEDURES

4.1 **Authorized Services**. The reputation and goodwill of JANI-KING® Businesses is based upon, and can be maintained and enhanced only by, the furnishing of high-quality services. We will provide you during the training program with a list of the services authorized for JANI-KING® Businesses and may from time-to-time issue revisions. You agree that you will offer all services authorized for JANI-KING® Businesses and will not, without our prior written approval, offer any type of service or sell any product that is not authorized by us for your JANI-KING® Business.

4.2 **Telephone and Answering Services; Mailing Address**. During the term of the Franchise, at your expense, you agree to (a) maintain a cellular phone with the ability to send and receive e-mail, (b) maintain a valid e-mail address, and (c) maintain a mailing address in the Territory.

We do not require you to operate from a designated business location or office. But if you do maintain a separate business office (outside of your home), the location, layout and decor are subject to our approval.

4.3 **Approved Equipment, Materials and Services**. The reputation and goodwill of JANI-KING® Businesses is based upon, and can be maintained and enhanced only by, the use of high quality equipment, materials and services and the satisfaction of customers who rely on the high quality of work which results from the use of such equipment, materials and services. We will provide you with a list of approved equipment, materials and services, and with a list of approved suppliers, which may include us and/or our affiliates, for certain items. We may from time to time modify the list of approved equipment, materials and services and/or approved suppliers. You agree that you will not, without our prior written approval, use or authorize your employees to use any equipment, materials or services not authorized by us for JANI-KING® Businesses.

Our approval of equipment, materials and services will be given in the form of either: (a) specified suppliers for the equipment, materials or services, (b) specifications and standards for them; or (c) approval of specific types, models, and brands of equipment and materials. In approving types, models, brands and suppliers, we may take into consideration such factors as quality, reliability and price. We may approve one or a limited number of suppliers in order to obtain lower prices, better advertising support or more uniform and/or higher quality of equipment and materials.

If you wish to use any type, model, or brand of equipment and materials, or any supplier, which is not currently approved by us, you agree to notify us of your desire to do so and submit to us sufficient specifications, photographs, samples and/or other information requested by us concerning such type, model, brand and/or supplier for a determination by us whether such type, model or brand complies with our specifications and/or such supplier meets our approved supplier criteria. We will determine within a reasonable time whether such proposed type, model, brand and/or supplier is approved. We may from time to time prescribe procedures for the submission of requests for approval of types, models, brands or suppliers and obligations which approved suppliers must assume. Without limiting any of the foregoing, we may specify one or more suppliers of personnel and/or payroll services that you must utilize. If we do so, you agree that the service provider may share all employment and payroll-related information concerning your JANI-KING® Business with us.

We reserve the right, upon 30 days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your JANI-KING® Business from one of our affiliates or from an approved vendor.

4.4 **Uniform, Dress, and Insignia**. When performing services, soliciting providers or otherwise conducting business as a JANI-KING® Business, you and any of your employees agree to wear such uniform or standard items of dress and/or insignia as we may periodically prescribe. You agree to maintain all such items of dress and insignia in a clean and attractive manner.

4.5 **Compliance with Laws and Good Business Practices**. You agree to secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Franchise. You will operate the Franchise in full compliance with all applicable laws, ordinances and regulations, including, without limitation, those relating to employment, occupational hazards and health, OSHA, worker's compensation insurance, unemployment

insurance, and withholding and payment of federal and state income taxes, payroll taxes and social security taxes. All advertising and promotion by you will be completely factual and will conform to the highest standards of ethical advertising. You must not use any advertising or promotional materials unless we have previously approved them. You will, in all dealings with customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the JANI-KING® System, the Marks and other JANI-KING® Businesses. You must timely pay all debts you incur in operating your JANI-KING® Business.

4.6 **Business Entity Organization**. If you are not already organized as a corporation or limited liability company (a "**Business Entity**"), you must form and organize one before you open your JANI-KING® Business to the public and in no event later than 90 days from the Agreement Date. You and your Owners agree and represent that:

a) you have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

b) unless you are already a Business Entity when you sign this Agreement, within 90 days of the Agreement Date, you will sign such forms as we approve to assign this Agreement and transfer the franchise to the Business Entity you have formed pursuant to this Agreement to operate your JANI-KING® Business;

c) your organizational or governing documents will recite that the issuance and transfer of any ownership interest in you is restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

d) you will completely and accurately describe all of your Owners and their interest in you in the Owners Statement in the form that we provide and furnish to us true and correct copies of all documents and contracts governing the rights, obligations and powers of your owners and the governance of the Business Entity, and the rights of your agents and officers (like articles of incorporation or organization). You will also provide us with copies of any and all amendments, modifications or replacements of any of the foregoing within 10 business days of their effectiveness;

e) you and your Owners will revise the Owners Statement as may be necessary to reflect any ownership changes within 10 days of the change and to furnish such other information about your organization or formation as we may request;

f) each of your Owners (every stockholder or member) will sign and deliver to us our standard form of Owners Guaranty, undertaking to be bound jointly and severally by all provisions of this Agreement, any other agreements between you and us, and/or obligations you owe us at any time. Also, by signing this Agreement and the Owners Guaranty, your Owners agree to be bound to this Agreement and perform all of your obligations as if each were a direct party, including all of the provisions governing dispute resolution and restrictions on their competitive activities under Sections 13.5, 17.5 and 19 of this Agreement; and

4.7 **Hiring and Training**. You agree to hire all employees or representatives of your JANI-KING® Business, and will be exclusively responsible for the terms of their employment and compensation. You agree to not employ or permit any person to perform services for your JANI-KING® Business who has not been satisfactorily trained by you. You also agree to be solely responsible for:

a) all employment-related taxes associated with your Owners for any compensation paid to them;

b) the terms and conditions and compensation for all of your employees;

c) training your employees to perform cleaning and maintenance services for customers being serviced by you, so that they fulfill the terms and cleaning schedules of any contracts with those customers and comply with our System Standards; and

d) the timing, manner and means in which you and your employees will provide services to the customers assigned to you.

4.8 **Pre-Opening Obligations**. You agree not open your JANI-KING® Business and commence business until:

a) you and your Owners have formed and organized the Business Entity, signed the documents we provide to assign this Agreement and the Franchise to the Business Entity (if not already a party) and your Owners have signed and completed the Owners Guaranty and Owners Statement, along with providing us with copies of the governing documents for the Business Entity;

b) we determine that the JANI-KING® Business has been equipped and stocked with inventory, accessories and supplies and the necessary equipment in accordance with our specifications and standards (including a commercial vacuum cleaner, a commercial floor polisher and a digital pager) and as outlined in Exhibit 9 of our Franchise Disclosure Document;

c) you and your personnel have satisfactorily completed all pre-opening training;

d) the Initial Franchise Fee and all other amounts then due us have been paid;

e) any financing documents, loan documents, or otherwise have been signed and delivered to us;

f) we have been furnished with certification that all required business and other permits and licenses to operate a business offering JANI-KING® products and services in your Territory have been obtained from any federal, state and/or local governmental authority;

g) you have submitted proof that you have registered with all applicable taxing authorities and have submitted your Federal tax identification number (FEIN) as well as any state or municipal tax identification numbers;

h) we have approved the location, design and appearance of any designated business premises you operate from;

i) you have delivered to us proof of a valid checking account in your business name with a reputable financial institution; and

j) you have delivered copies of all insurance policies and other evidence of insurance coverage to us and paid the applicable premiums.

We do not offer you any of the Initial Business until you have satisfied (a) and (b) above.

4.9 **Policies & Procedures Manual**. We reserve the right to establish brand standards, policies, and procedures pertaining to the operation of your JANI-KING® Business or this Agreement. We will keep a current, updated copy of our Policies & Procedures Manual ("**P&P Manual**") at our local office. If the P&P Manual in your possession differs from ours, the P&P Manual maintained in our local office will be controlling. We will lend you a copy of the P&P Manual. The P&P Manual may take the form of one or more of the following: a looseleaf or bound volume, digital or electronic media, online postings, e-mail and/or electronic communications, facsimiles, or any other medium capable

of conveying the P&P Manual's contents. The P&P Manual will set forth our brand standards, operating systems, procedures, policies, methods, standards, specifications and requirements for operating your JANI-KING® Business. You agree to operate your JANI-KING® Business in strict compliance with the P&P Manual. We have the right to make additions, deletions and revisions to the P&P Manual ("**Supplements to the P&P Manual**"), all of which will be considered a part of the P&P Manual. Upon delivery to you, Supplements to the P&P Manual will become binding on you as if originally set forth in the P&P Manual. The P&P Manual and any Supplements to the P&P Manual are material in that they affect the operation of your JANI-KING® Business, but they will not conflict with or materially alter your rights and obligations under this Agreement.

4.10 **Advertising**. You have the right to advertise your JANI-KING® Business within the Territory in accordance with the terms of this Agreement and the brand standards in the P&P Manual, with the primary purpose of obtaining commercial cleaning contracts for businesses located within the Territory. You agree to submit to us, prior to your use, samples of any and all advertising and promotional plans and materials of any type which contain in any manner any of the Marks, including without limitation the trade names, trademarks, service marks, slogans and logos as are now or which in the future may be approved for your use. You must obtain our prior approval of all advertising that you desire to use in connection with your JANI-KING® Business by submitting it to us at least thirty (30) days prior to publication, including any advertising on the Internet, which we may grant or withhold in our business judgment. To protect the System, Marks, and the JANI-KING®-King name, we have the right to require you to include certain statements in and/or make changes to your proposed advertising prior to approval. Your advertising materials may not contain any statement or material which, in our sole business judgment may be considered: (a) in bad taste or offensive to the public or to any group of persons; (b) defamatory of any person or an attack on any competitor; (c) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or (d) inconsistent with the public image of the System. You acknowledge that advertising your JANI-KING® Business in accordance with this Agreement and Jani-King's brand standards is essential to protect the goodwill toward the System, Marks, and the JANI-KING® name.

You acknowledge and agree that any and all copyright in and to advertising materials developed by you or on your behalf will be our sole property, and you must execute such documents (and, if necessary, require your employees or independent contractors to execute such documents) as may be deemed reasonably necessary by us to give effect to this provision.

You acknowledge and agree that you may not develop, create, distribute, contribute to, disseminate or use any digital or Internet communication including websites, blogs, instant message services, social media sites (e.g., Facebook, X, and Instagram), and all other digital communication methods or any multimedia, telecommunication, mass electronic mail, or audio/visual advertising, promotional or marketing materials ("**Digital Advertising**"), directly or indirectly related to your JANI-KING® Business, us, the System, or the Marks, without our prior written consent, which consent may be withheld in our sole determination.. You may not maintain a website, unless such presence is a page on Jani-King's own website domain. We reserve the right to develop, publish and control the content of all Digital Advertising. You acknowledge that we own all Digital Advertising related to, containing, or associated with the System, the Marks, or the JANI-KING® name.

5. FEES AND PAYMENTS

5.1 **Initial Franchise Fee**. When you sign this Agreement, you must pay us a non-recurring Initial Franchise Fee in the amount determined by the Plan you purchase (as described in Exhibit A). The Initial Franchise Fee is non-refundable and is fully earned by us when paid. Your payment of the Initial Franchise Fee also entitles you to Supply and Equipment Package "A" listed in Exhibit F of our

Franchise Disclosure Document. We will discount the Initial Franchise Fee by 5% if you pay the full amount on the Agreement Date. We may finance a portion of the Initial Franchise Fee. If we do so, on the Agreement Date, you must:

a) pay the down payment to us in cash; and

b) sign and deliver to us our standard form of promissory note for the balance.

5.2 **Payment Structure**. Since we are performing administrative services for you, you must direct all accounts, customers and clients to pay us for all work performed by you. You are authorized to receive checks and credit card charge slips from customers; however, all checks and charge slips must be payable to us. If any customers do remit payment directly to you, you must immediately remit such payment to us.

5.3 **Gross Monthly Revenues**. As used in this Agreement, the term "Gross Monthly Revenues" is defined as all revenue, whether received by you or paid to another person for your benefit, for any cleaning or maintenance services whether for contract services, sales of supplies, equipment or other goods; initial cleans; one-time cleaning services; extra work performed; and any other revenue related to, connected with or derived from the provision of any janitorial, cleaning and maintenance services, whether performed or sold by you, your Owners or your employees, including commercial, industrial and institutional cleaning services. Cash refunded and credit given to customers will be deducted from Gross Monthly Revenues, but not credits for poor performance or lack of service.

5.4 **Royalty**. You must pay us a continuing royalty of 10% of your Gross Monthly Revenues. We will deduct this payment from amounts otherwise due you on the 10th day of each month. Royalty payments are non-refundable. Your minimum royalty payment is $50 per month during your first 12 months of operation and $100 per month thereafter. The minimum royalty payment is subject to annual adjustment for increases in the Consumer Price Index. We may increase the royalty proportionately if our expenses to JKF increase.

5.5 **Cash Flow & Accounting Plan ("CFAP")**. You must pay us a continuing fee shown in Exhibit B. We deduct this amount on the 10th day of each month. We may increase this fee up to a maximum of 10% of your Gross Monthly Revenue, effective 30 days after notice. We may split the CFAP into two separate fees in the future.

5.6 **Finders Fees**. During the term of this Agreement, we may offer you additional business from new customers, or additional business from existing customers you service. If we do so, we may condition the offering on your payment of Finders Fees to us. We will announce the amount of the Finders Fees periodically either by publication through notices or amendments to the Manuals. The current Finders Fees we assess are shown in Exhibit B.

We may change the Finders Fee amounts or percentages, the Finders Fee Payment Options, or the policies related to the continuation of Finders Fee payments following cancellation of service with 30-days written notice.

5.7 **Business Protection Plan Fees**. If you participate in the Business Protection Plan, you must pay us a monthly fee shown in Exhibit B. It is due on the 10th day of each month.

5.8 **Service Fees**. In order to promote full compliance with all JANI-KING® performance standards and policies, we charge you a fee if you do not comply with the time frames allotted for initial response or corrective action to service a customer complaint, requiring our Regional Office personnel to respond to the complaint. It is due in the month the fee is incurred. Our current charges for these fees are shown in Exhibit B. We may change the amount periodically by notice to you.

"**Serviced**" or "**respond to**" the complaint in this case means communicating with the customer to determine the nature of the complaint and providing whatever services are required to resolve this situation. It may mean providing commercial cleaning services to the customer to solve the problem. Also, a Service Fee would be charged if a customer said they were not satisfied with the services you were providing and requested that a different Franchisee service their facility.

The procedure for charging the Service Fee is as follows:

If we discover a deficiency in performance, whether through a complaint or inspection, we have 4 hours to contact you and report the complaint. We will call a minimum of once. The Service Fee, plus expenses, will be charged under either of the following conditions:

a) We cannot locate you during the 4-hour contact period and our Operations Department must respond to the complaint; or,

b) We notify you of the complaint and you have not corrected the problem to the customer's satisfaction within 2 hours after the customer opens for business the next day, thus requiring our Operations Department to respond to the complaint; or,

c) The customer is not satisfied with your services or your attempt to correct the problem and requests that a different JANI-KING® Franchise Owner provide their services.

If the deficiency in performance requires immediate action to meet the customer's demand for a visit or performance of services at their premises in less than 4 hours, and we are not able to reach you or you are not available for an immediate visit or to perform the services, we may assess the service fee, plus expenses, for the operations representative's time and effort to satisfy the customer's needs.

5.9 **Advertising Fees**. We may at any time assess an advertising fee up to 3% of your Gross Monthly Revenues. The current fee is shown in Exhibit B. We will deduct this amount on the 10th day of each month. We will use these amounts for advertising JANI-KING® Businesses generally within the Territory or for use in preparing various marketing promotional materials to be used by JANI-KING® Businesses in the Territory generally.

5.10 **Non-Reported Business Fee**. You must pay us a fee for each day you fail to report all gross revenue that you earned or received from the operation of your franchise. The current fee is shown in Exhibit B. This fee is in addition to all fees, payments, charges, chargebacks or other amounts due to us as a result of these revenues. These fees are due immediately. Payment of the Non-Reported Business Fee constitutes liquidated damages and not a penalty, and will be in addition to any other remedies available to us at law or in equity.

5.11 **Payment Offsets**. We may set off from any amounts that we may owe you any amount that you owe to us, or our affiliates, for any reason whatsoever. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe to us or our affiliates from time to time. In particular, we may retain (or direct to our affiliates) any amounts that we have received from your performance of services as a credit and payment against any amounts that you may owe to us or our affiliates, at any time. We may do so without prior notice to you at any time. We may apply amounts as we see fit, in our sole discretion, to any past due indebtedness of yours to us or our affiliates, whether for purchases, interest, or for any other reason, regardless of how you may direct any amounts to be applied. However, you do not have the right to offset payments owed to us for amounts purportedly due to you from us.

5.12 **Discontinuance of Service**. If, for any reason, we do not receive amounts due us under this Agreement from you, we may discontinue any services to you, without limiting any of our other rights in this Agreement.

5.13 **Non-Compliance Fee**. In order to promote full compliance with all JANI-KING® policies and procedures, we may charge you the Non-Compliance Fee shown in Exhibit B if you fail to comply with the P&P Manual. We may change the amount periodically by notice to you. It is due the month the fee is incurred.

5.14 **Quality Assurance Fee**: We operate a Quality Assurance Program ("**QAP**") to ensure that you are performing the tasks contained in the Maintenance Agreement signed by our customers and that customers receive consistent high-quality service. We solicit feedback from customers and conduct physical inspections of facilities being serviced by your JANI-KING® Business. A Quality Assurance Fee is charged for customers that are not receiving consistent high-quality service. The current fees are shown in Exhibit B.

5.15 **Cancellation Fee**: If a customer cancels a Maintenance Agreement because of dissatisfaction with your service or you are not in compliance with our quality control plan, then we may charge you the Cancellation Fee shown in Exhibit B.

5.16 **Technology Licensing Fee**: We don't currently charge this fee, but we may assess a technology licensing fee up to 5% of your Gross Monthly Revenue as consideration for hardware, proprietary or third-party software, and other equipment utilized in the Jani-King system.

5.17 **Meeting & Convention Fee**: Each year, we host a convention for our franchisees. The convention is normally held at a location in the Territory. The convention may include workshops, trade shows, business meetings, seminars, and an awards banquet. We may also host business meetings throughout the year. We strongly encourage all franchisees to attend. To cover the costs of the convention and meetings, each active franchisee pays a monthly fee of $25. This fee is charged whether you attend the convention and meetings or not and the fee is not refunded if you do not attend. The fee may be adjusted.

6. CUSTOMER MANAGEMENT

6.1 **Initial Business**. We will offer you commercial cleaning contracts totaling the amount of Initial Business identified in the Plan you purchase within a certain period of time which varies based on the Plan. Typically, the more Initial Business to be offered under the Plan, the longer period of time we have to offer it to you. Exhibit A contains a description of the time period we have to offer Initial Business relating to each Plan (the "**Initial Offering Period**"). The Initial Offering Period begins when you have satisfied all of your pre-opening obligations described in Section 4.8 above. If we do not offer you the amount of Gross Monthly Revenue representing the Initial Business within the time frame allocated for the Plan you purchase, we have the following options:

a) We can extend the Initial Offering Period to such time as you and we agree is appropriate and, depending on the circumstances, we may increase the amount of the Initial Business to an amount mutually agreed upon; or

b) We will credit you an amount equal to 3 times the amount of Initial Business that we have not offered you within the Initial Offering Period. We may apply the credit against any current, unpaid fees or charges otherwise due us, and any other outstanding balance you owe to us, including under any promissory note, for the Initial Franchise Fee or otherwise. We will pay any remainder to you. If we provide a credit to you in this manner, we will then have fulfilled our obligation relating to the Initial Business.

6.2 **Initial Offering Period**. We will make a good faith effort to secure and offer cleaning contracts to you as soon as possible. However, we have the entire Initial Offering Period to offer the Initial Business under your Plan. We are not obligated to offer any portion of the Initial Business prior

to the end of that time. The Initial Offering Period may be extended upon mutual agreement between us and you.

At our sole discretion, we may automatically extend the time of the Initial Offering Period on your written request, if you are in default of the Franchise Agreement, upon a transfer or cancellation due to your non-performance with a customer, or if you fail to comply with our policies or procedures.

6.3 **Terms of Offering**. We agree to secure and offer you the opportunity to service signed cleaning or maintenance contracts that in total would provide a minimum of Gross Monthly Revenue in an amount defined as the Initial Business. We agree to secure and offer these contracts to you within the number of days comprised in the Initial Offering Period. The Initial Offering Period begins when you have satisfied all of your pre-opening obligations described in Section 4.8 above. Our obligation is only to offer the Initial Business to you. You may decline any contract or any portion of the Initial Business that we offer you without penalty. If you decline any contract that is offered, then our obligation relating to that portion of the Initial Business is satisfied.

All offerings will count towards your Initial Business, regardless of whether you are offered a completely new customer, a transferred customer, an increase in the price of an existing customer, or the expansion of existing business at the same or different customer location.

It is intended that these customers will use your services for at least 1 year. However, a customer might not continue in business beyond the Initial Offering Period for no fault of yours. Under these circumstances, we have met our obligation to "offer" the business within the prescribed time.

All recurring contracts we offer you apply toward your Initial Business, whether or not you accept or decline them. Our only obligation is to secure and offer you the opportunity to service such customers within the specified time. However, you might choose not to accept some of the customers offered. We can only make a good faith effort to offer the amount of business for the plan specified, and you must choose to accept or decline the "offer." If you decline an offer of a customer, or if a customer cancels for poor performance, we are relieved of our obligation for that amount of your Initial Business. While declining an offer of a customer relieves us of our obligation to offer you that amount of your Initial Business, we will not begin charging Finders Fees on recurring contracts until you have accepted the opportunity to service contracts that equal your Initial Business. We may charge a Finders Fee on non-recurring contracts before you have been offered all of your Initial Business.

If a customer cancels or we transfer it due to non-performance (as described in the P&P Manual), theft, your failure to service it properly, or your failure to comply with the P&P Manual, we will not replace the customer.

If a customer that was part of your Initial Business cancels service for a reason that is not considered non-performance (as described in the P&P Manual) before you service the customer for 12 full months and you are in compliance with the P&P Manual, we will replace the full Gross Monthly Revenue value of that customer on a proportionate basis within a reasonable period of time with another customer until a cumulative total of 12 full months of billing between both the original customer and any replacement customer(s) occur. We will credit any Finders Fees due proportionately for the replacement business. We have no deadline for the replacement business. We have no obligation to replace customers if the contracts are cancelled after the full term.

6.4 **Matters Affecting Initial Business**. Due to the nature of the janitorial industry, you recognize that the total billings for any specific month may not necessarily equal the total sum of the Initial Business because:

a) The Initial Business may be offered to you in stages during the Initial Offering Period;

b) You may not accept all of the customers we offer you;

c) Customers may cancel their contract or request a change of service providers due to dissatisfaction with your performance; or

d) The customer may move or go out of business before the end of the contract period.

To effectively service these customers, you must maintain the quality standards associated with our System Standards at industry standard commercial cleaning production rates.

6.5 **Additional Business**. You may attempt to obtain additional contracts for commercial cleaning and maintenance services. However, you are prohibited from soliciting business from existing JANI-KING® customers being serviced by other franchisees. You may use the advertising promotional materials we provide to solicit customers for this purpose. You should notify us prior to soliciting customers for commercial cleaning and maintenance services so that we can coordinate marketing efforts with you. You understand and agree that (a) you must register all prospects and customers with us, (b) all proposals are to be prepared by us using our standard form of agreement, (c) all contracts for the provision of services will name us and the customer as the sole parties to the contract and are our sole property, and (d) we reserve the right, at our sole discretion, to suspend or cancel service of any contract in the event it becomes delinquent in payment for services.

6.6 **Maintenance Agreements**. Regardless of whether a customer was secured by you or by us, all customers must be provided services in accordance with the terms and conditions and cleaning schedules contained in the agreement for services (the "**Maintenance Agreement**") signed by us and the customer. You agree not to provide cleaning or maintenance services to any business that has not signed a Maintenance Agreement with us.

6.7 **Finders Fees**. Periodically, we may decide to offer new or additional business or commercial cleaning contracts to you. This additional business may result from completely new customers, the expansion of service for existing customers at the same or other locations, or customers being transferred away from other JANI-KING® franchise owners. If we do so, we may charge Finders Fees in the amount we currently charge at that time. Exhibit B contains our current charges for Finders Fees. You have no obligation to accept any business from us. We do not assess Finders Fees on the Initial Business. **We have no obligation to offer you additional business or contracts beyond the Initial Business included with the Plan you purchase**. If you accept any additional business or contracts from us, you agree to pay us the amount we assess as a Finders Fee and sign a Receipt of Maintenance Agreement.

6.8 **Customer Service**. You must notify all of your customers of our telephone number for customer service. We will monitor customer responses and complaints and will notify you based on the notification standards we adopt from time to time in an effort to provide prompt and responsive customer service. In order to promote full compliance with all of our System Standards, we charge you a fee if you do not comply with the time frames allotted for initial response or corrective action to service a customer complaint. If you do not timely respond or act to service a customer complaint, we will use our personnel to do so. We may charge you a fee for this service. The amount of the fee may change periodically by notice to you. (See Section 5.8 of this Agreement). We reserve the right to provide services to any customer, without contacting or attempting to contact you, if we determine in our sole discretion that the customer premises have an emergency requiring immediate attention.

6.9 **Inspections**. Our representatives will perform periodic quality control inspections of customers being serviced by you in order to ensure that services are being performed in accordance with the Maintenance Agreement associated with those customers and our brand standards.

6.10 **Customer Cancellations**. If a customer that was part of your Initial Business cancels service for a reason that is not considered non-performance (as described in the P&P Manual) before you service the customer for 12 full months and you are in compliance with the P&P Manual, we will replace the full Gross Monthly Revenue value of that customer on a proportionate basis within a reasonable period of time with another customer until a cumulative total of 12 full months of billing between both the original customer and any replacement customer(s) occur. We will credit any Finders Fees due proportionately for the replacement business. We have no deadline for the replacement business. We have no obligation to replace customers if the contracts are cancelled after the full term.

If a customer that was part of your Initial Business cancels or we transfer it due to non-performance (as described in the P&P Manual), theft, your failure to service it properly, or your failure to comply with our P&P Manual, we will not replace the customer and we are relieved of our obligation for that amount of your Initial Business.

If a customer cancels or we transfer it due to non-performance (as described in the P&P Manual), theft, your failure to service it properly, or your failure to comply with our P&P Manual, we are not obligated to replace the customer.

7. SYSTEM STANDARDS

7.1 **Importance of Uniformity**. You acknowledge that every detail of your JANI-KING® Business is important-not only to you, but to us and to all JANI-KING® Franchise Owners and affiliates-in order to: (a) develop and maintain high and uniform operating standards; (b) increase the demand for the products and services provided by JANI-KING® Businesses; and (c) establish and maintain a reputation for providing uniform and high quality services. You also acknowledge that a fundamental requirement of this Agreement is the operation of your JANI-KING® Business in accordance with the mandatory specifications, standards, operating procedures and rules that we prescribe for the development and operation of JANI-KING® Businesses (the "**System Standards**"). Your operation of your JANI-KING® Business in accordance with the System Standards is essential to preserve the goodwill of the Marks and of all JANI-KING® Businesses. Therefore, during the term of this Agreement, you must at all times develop, maintain and operate your JANI-KING® Business in accordance with each and every System Standard, as periodically modified and supplemented by us from time to time. You understand and acknowledge that the terms and conditions of this Section 7 of this Agreement are designed to ensure customer satisfaction and quality service. Therefore, notwithstanding the foregoing, as long as you meet our quality standards and the requirements of the customers that you service, you agree:

a) to provide all labor, materials, tools, personnel and supplies necessary to provide services to customers;

b) to choose the times and methods of providing services in conjunction with the instructions of the customer and in accordance with the terms and conditions of the Cleaning Contract signed by the customer; and

c) to perform the work and supervise the work of your employees to ensure that both our quality standards and the needs of the customer are met.

7.2 **Examples of System Standards**. Among the aspects of the development and operation of your JANI-KING® Business that may be regulated by System Standards are the following:

a) the appearance, periodic maintenance, cleaning and sanitation of equipment; replacement of obsolete equipment; use of signs, emblems, lettering and logos; and periodic modification of your premises (if any) in accordance with our plans, specifications and directions, at such time or times as we require;

b) the types, models and brands of required or authorized equipment, signs, products, materials and supplies and the source of certain services;

c) the terms and conditions of sale and delivery of and payment for products, services, materials, and supplies sold by us, or our affiliates or unaffiliated suppliers and vendors;

d) sales and marketing activities, advertising and promotional activities, customer communication and retention programs, and materials and media required or authorized for use in such activities and programs;

e) the use and display of the Marks, and use and display of other trademarks and commercial symbols, including trademarks of approved suppliers;

f) the apparel and appearance of your personnel;

g) the services required or authorized to be offered by your JANI-KING® Business;

h) arrangements for third parties (including preferred suppliers) for the furnishing to the customers of your JANI-KING® Business of services required or authorized to be available from your JANI-KING® Business;

i) communication systems; bookkeeping, accounting, inventory control, data processing and record keeping systems and forms; and methods, formats, content and frequency of reports to us of your sales, revenues, financial performance and condition, tax returns and other operating and financial information; standardization of accounting procedures, and form and content of financial statements;

j) compliance with applicable laws; obtaining required licenses and permits; adherence to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers, vendors, us, and our affiliates; and notification to us in the event of any action, suit or proceeding involving you or your JANI-KING® Business;

k) regulation of such other elements and aspects of the development and operation of, and conduct of business by you as we determine from time to time to be useful or required in order to preserve or enhance the operation, image or goodwill of the Marks and JANI-KING® Businesses in general;

l) preparation and retention of records; and

m) use of standard forms and contracts.

7.3 **Modification**. We may periodically modify System Standards. Modifications to System Standards may obligate you to invest additional capital in your JANI-KING® Business and/or incur higher operating costs. Nevertheless, any modifications to System Standards will not alter your fundamental status and rights under this Agreement.

7.4 **Approved and Prohibited Activities**. You agree that:

a) Your JANI-KING® Business will offer, in the manner we prescribe, all services and products that we authorize from time to time for JANI-KING® Businesses; and

b) Your JANI-KING® Business will not offer or provide any products or services we have not approved for JANI-KING® Businesses (although you or your affiliates may provide services other than commercial cleaning and maintenance services, without association with the Marks, as you determine from time to time).

You acknowledge and agree that we have the right to impose conditions including successful completion of additional training, which all Franchise Owners, including you, must fulfill in order to offer new programs or services. Such authorization and conditions will, in our sole discretion, depend and be based on such factors as the facilities and equipment of your JANI-KING® Business, your qualifications and experience and those of your employees and other considerations we deem relevant.

7.5 **Research and Testing**. From time to time we may conduct research and testing to determine the feasibility of new programs, testing procedures, devices, market trends, and the marketability of new programs. You agree to cooperate and participate in our research and testing programs upon our request, by test marketing new programs at your JANI-KING® Business and by providing us with timely reports and other relevant information regarding research and testing programs. In connection with test marketing of any new program, you agree to make reasonable efforts to sell any products and services comprising the new program.

8. GUIDANCE AND MANUALS

8.1 **Manuals**. During the term of this Agreement, we will lend you one copy of, or provide you with access to, each of the manuals that we may authorize from time to time (collectively, the "**Manuals**"). The Manuals contain mandatory and suggested specifications, standards, and operating procedures which we prescribe from time to time for JANI-KING® Businesses, as well as information about other obligations you have in the operation of your JANI-KING® Business. The Manuals may be modified from time to time to reflect changes in the standards, operating procedures and other aspects of operating your JANI-KING® Business. Revisions to the Manuals are effective on publication, unless a later effective date is specified along with the particular revision. You must keep your copy of the Manuals current by immediately inserting all new and modified pages we furnish to you. If any of the Manuals are lost, stolen or damaged, you must obtain a replacement from us at our then current price. If a dispute develops with respect to the contents of the Manuals, the master copy we maintain at our principal office will be controlling. You agree that you will not:

a) permit any part of the Manuals to be copied; or

b) disclose them or any of their contents to anyone not having a need to know their contents for purposes of operating your JANI-KING® Business.

8.2 **Guidance and Assistance**. During the term of this Agreement, we will from time to time furnish you guidance and assistance with respect to the JANI-KING® System Standards. This guidance and assistance will, in our discretion, be furnished in the form of the Manuals, bulletins, written reports and recommendations, other written materials, telephone consultations, electronic mail, training programs, meetings, conferences and/or personal consultations at our offices or at a mutually convenient place. As we determine necessary from time to time, our guidance and assistance will relate to:

a) the marketing of the products and services offered by JANI-KING® Businesses and the use of System Standards;

b) development of bids and proposals for new accounts;

c) coordinating the activities of all JANI-KING® Businesses;

d) establishing and conducting employee training programs;

e) development and implementation of local advertising and promotional programs;

f) general operating and management procedures and delivery of services;

g) purchasing approved equipment, signs, forms, materials and supplies;

h) furnishing information dealing with trends in the janitorial and cleaning services industry;

i) methods of performing authorized services, including any new techniques;

j) developments in the laws and regulations affecting the janitorial industry; and

k) changes in any of the above that may occur from time to time.

8.3 **Cash Flow & Accounting Plan ("CFAP")**.

a) **Purpose:** We have the exclusive right to perform all billing and accounting functions for the services provided by your JANI-KING® Business. We may do so in order to provide customers with a consistent, professional and centralized approach to billing and collections activities and to improve your cash flow, morale and customer service levels.

b) **CFAP Fee:** You must pay us the fee we periodically charge for the CFAP services. Currently, you must pay us the fee shown in Exhibit B to cover our operational costs for the CFAP services. We may increase the fee, but only to a maximum of 10% of your Gross Monthly Revenues. We must give you at least 30-days notice before increasing the fee.

c) **Our Obligations**: Under the current CFAP, we have the exclusive right to perform all billing, collection and accounting functions for any services provided by your JANI-KING® Business, unless we notify you otherwise in writing. We may withhold amounts due us from any funds we collect. We will invoice all of your customers for the cost of services rendered or supplies provided by you. On the 10th day of each month, we will distribute to you a Franchise Report showing all activities from the preceding month. We will pay you all monies due for properly rendered services, after we deduct all monies due to us, including but not limited to, Chargebacks, all monthly Royalty Fees, all monthly CFAP fees, all Finders Fee payments and deposits, all franchise promissory note payments, all monies for supply purchases, all lease payments, all out-of-pocket costs (including but not limited to attorneys' fees and court costs) incurred by us in enforcing payment by you or your guarantor(s), and all other miscellaneous deductions. If the 10th of the month falls on a Saturday, Sunday or recognized holiday, then we will disburse such funds before the end of the next business day.

d) **Receivables**: When we have paid you for properly rendered services, you will be deemed to have assigned all of the receivables from those customers to us. We will then be responsible for the collection of any monies due from those customers, but you will assist in the collection process as we deem appropriate.

e) **Chargebacks:** We may also deduct "Chargebacks" from the monies due you. Chargebacks represent monies that (i) we have not collected within 90 days of invoicing or that we deem uncollectible; or (ii) are disputed by the customer due to nonperformance, poor performance or dissatisfaction. If we process a Chargeback, we will assign the associated receivable back to you.

f) **Modification:** We may modify, suspend, or terminate the CFAP as a whole, or in part, for you or any other Franchise Owner at any time.

8.4 **Quality Assurance Program**.

a) **Purpose**: Periodically, at our option, we may institute and operate a Quality Assurance Program ("**QAP**") to ensure that you are performing the tasks contained in the Maintenance Agreement signed by our customers and that customers receive consistent high-quality service. We solicit feedback from customers and conduct physical inspections of the facilities you service. We may change the evaluation and scoring models from time to time as we see fit. We may also modify, suspend or terminate the QAP as a whole, or in part, for you or any other franchise owner at any time.

9. TRAINING AND PERSONNEL

9.1 **Initial Training**. Prior to opening your JANI-KING® Business, you must attend and satisfactorily complete the initial training program we hold for our Franchise Owners. The training program is furnished at our headquarters or another location that we designate. We provide the initial training free of charge to you. However, you must pay all your own expenses and those of your employees or representatives incurred in connection with the initial training, including, for example, travel, room, board, local transportation expenses and wages.

9.2 **Training of Other Personnel**. It is very important to the operation of your JANI-KING® Business that all your employees or representatives have the appropriate training for their jobs. You are solely responsible for ensuring that all employees or representatives of your JANI-KING® Business are qualified, properly trained to capably perform their duties and responsibilities, and duly licensed. We may require that you or your managers and other personnel attend supplemental and refresher training programs during the term of the Franchise, to be furnished at such time and place as we may designate. You must maintain at all times a staff of trained representatives sufficient to operate your JANI-KING® Business in compliance with our standards.

9.3 **Additional Training and Conference Attendance**. You agree that you, your managers, and employees will attend and complete any additional training programs or conferences that we designate as mandatory, at such places and times as we may specify from time to time during the term of this Agreement. The training programs and conferences will be at such times and places and on such subjects as we determine appropriate from time to time, including such subjects as: marketing, recruiting and training, delivery and performance of services, management and administration, sales aids, advertising, cleaning methods, use of supplies, accounting and industry developments. We may, at our discretion, provide other special training to your personnel or other assistance in operating your JANI-KING® Business that you request; however, if we do so, you must pay all expenses for that training or assistance, including a per diem charge and travel and living expenses for our personnel.

9.4 **Fees and Expenses**. You will be responsible for all costs relating to attendance at these programs or conferences, such as, without limitation, the cost of travel, lodging, meals, educational material, and other related incidental expenses incurred by you or your manager(s), as well as any fees or service charges we require.

10. MARKS

10.1 **Ownership and Goodwill**. Your right to use the Marks is derived solely from this Agreement and is limited to the operation of your JANI-KING® Business pursuant to and in compliance with this Agreement and all applicable standards and operating procedures we prescribe from time to time during the term of this Agreement. If you make any unauthorized use of any of the Marks, it will constitute a breach of this Agreement and an infringement of our rights in and to the Marks. You agree that all your use of the Marks and any goodwill established by your use will inure to our benefit exclusively. This Agreement does not confer any goodwill or other interests in the

Marks on you (other than the right to operate your JANI-KING® Business in compliance with this Agreement).

10.2 **Additional Marks**. All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork, trade dress and logos we may authorize and license you to use during the term of this Agreement.

10.3 **Limitations on Use**. You agree to use the Marks as the sole trade identification of your JANI-KING® Business, except that you must also identify yourself as an independent owner in the methods we prescribe. You agree not to use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, without our prior written approval. You agree not to use any Mark or any commercial symbol similar to any Mark in connection with the performance or sale of any unauthorized services or products, or in any other manner we have not expressly authorized in writing. You will not employ any of the Marks in any manner that we have determined may result in liability to us for any indebtedness or obligation of yours. You must also use, along with the Marks, any notices of trademark and service mark registrations that we specify. You must obtain any fictitious name, assumed name or "doing business as" registrations that may be required under applicable law. You must not use any Mark in any advertising relating to the transfer, sale or other disposition of your JANI-KING® Business or any interest in the Franchise Owner, without our approval.

You agree not to use any name in the operation of your JANI-KING® Business other than those authorized by us. You are authorized to use the title “Authorized Franchisee of Jani-King®” in conjunction with the operation of your JANI-KING® Business. You agree not to use as part of a corporate name or other legal name:

a) the name "Jani-King of (any city, state or geographic region") or the term “dba Jani-King”;

b) any other janitorial, maintenance or cleaning service name in conjunction with your formal name, i.e. names like "ABC Janitorial, Inc." or "ABC Maintenance, LLC";

c) a name with a prefix of "JANI-", or any other similarly spelled or sounding prefix; or

d) any other trademarks, trade names or service marks.

10.4 **Infringements and Claims**. You must notify us in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, within 5 business days of your becoming aware of the claim. You will not communicate with anyone except us and our attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take whatever action we deem appropriate. We will have the sole right to control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark, including the right to direct any settlement of such claims. You must sign any documents, give any assistance, and do any acts that our attorneys believe are necessary or advisable to protect and maintain the interests we have in any litigation or administrative proceeding related to the Marks. You may not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks, or assist any other person in contesting the validity or ownership of any of the Marks.

10.5 **Discontinuance of Use**. If it becomes advisable at any time in our sole judgment for your JANI-KING® Business to modify or discontinue the use of any of the Marks or for your JANI-KING® Business to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions to modify or otherwise discontinue the use of such Mark, or use one or

more additional or substitute trademarks or service marks, within a reasonable time after notice to you. We have no liability or obligation to you for such modification or discontinuance.

10.6 **Consent to Use of Marks**. You acknowledge and agree that we may grant franchises to other Franchise Owners to operate JANI-KING® Businesses using the Marks. You agree that, whenever we may request from time to time, you will give your written consent to such use of the Marks by such Franchise Owners.

11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 **Independent Contractor; No Fiduciary Relationship**. This Agreement does not create a fiduciary relationship between you and us; and no fiduciary relationship will exist between you and us. You are an independent contractor, and nothing in this Agreement is intended to make either party a general or special agent, joint venture, partner, or employee of the other for any purpose whatsoever. You agree to conspicuously identify yourself in all your dealings with customers, suppliers, public officials, personnel working at your JANI-KING® Business (or otherwise employed by you) and others as the owner of your JANI-KING® Business pursuant to a franchise agreement with us, and agree to place any other notices of independent ownership on your forms, business cards, stationery, advertising, and other materials that we may require from time to time.

11.2 **No Liability; No Warranties**. Neither you nor we will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other or represent that the relationship between you and us is other than that of Franchise Owner and franchisor. We will not be liable for any agreements, representations, or warranties you make that are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the business you conduct pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act, or your use of the Marks in a manner not in accordance with this Agreement. You must not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for your debts or obligations.

11.3 **Taxes and Regulations**. You agree to timely pay, and we will not be liable for, any sales, service, use, excise, income, gross receipts, property, occupational license, franchise, payroll, employment-related or other taxes levied against you or your assets or against us in connection with the business you conduct or any payments you make to us pursuant to this Agreement or any other agreement (except for our own income taxes and any taxes we are required by law to collect from you on purchases from us). You will pay any and all unemployment compensation and workers compensation amounts required by law. We may require you to provide documentation satisfactory to us that you have done so, including copies of returns and any other governmental filings or reports. You will timely pay all personnel and employees performing services for you, in full compliance with all federal, state, local and municipal laws, statutes and regulations. Your failure to pay taxes and any other amount due to governmental authorities in connection with your JANI-KING® Business (including personnel and employment-related taxes and assessments) constitutes a material violation of this Agreement and warrants termination of this Agreement in accordance with its terms. We will not be liable or responsible for your compliance (or failure to comply) with any and all laws, rules and regulations imposed by any state or federal governmental agency. It is your responsibility to ensure compliance with such laws and regulations.

11.4 **Indemnification**. You agree to indemnify, defend and hold us, our shareholders, directors, officers, employees, affiliates, agents and assignees and other JANI-KING® Franchise Owners and JKF and its affiliates (collectively, "**Indemnified Parties**") harmless against and reimburse the Indemnified Parties for all claims, losses, liabilities, obligations, damages, and taxes arising out of the operation of your JANI-KING® Business (including those described in Sections 11.2

and 11.3 above) for which any of the Indemnified Parties are held liable and for all costs any of the Indemnified Parties reasonably incur in the defense of any such claim brought against any of the Indemnified Parties or in any such action in which any of the Indemnified Parties is named as a party, including actual and consequential damages, reasonable attorneys', accountants', and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses; even if the claim asserts negligence or other causes of action directly against the Indemnified Parties. The Indemnified Parties have the right to defend any such claim against them and may settle any such claim with respect to them only, with no obligation to you. Your indemnification obligations will continue in full force after, and survive any, expiration or termination of this Agreement.

12. INSURANCE

12.1 **Types Required**. During the term of this Agreement, you agree to maintain in force, at your expense, policies of insurance issued by carriers approved by us for the following types of insurance coverage:

a) comprehensive, public and product liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your JANI-KING® Business;

b) comprehensive motor vehicle insurance (including personal injury protection, uninsured motorist protection, and "umbrella" coverage) for any motor vehicles operated by your JANI-KING® Business;

c) workers' compensation in the amounts required by applicable law for your JANI-KING® Business;

d) "umbrella" liability insurance;

e) third party fidelity insurance; and

f) such other insurance as we require from time to time.

12.2 **Coverage Requirements**. You agree to maintain the insurance coverage in the minimum amounts we prescribe from time to time in the Manuals. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes and circumstances. The current insurance requirements are summarized in the following table.

Type of Coverage	Minimum Limits ($)	Description
Comprehensive General Liability	$1,000,000 per occurrence $5,000,000 General Aggregate	This provides protection from a wide variety of liability exposures. These include (i) damage to a customer's premises or property caused by services or products provided by you and (ii) contractual liability. We also require the following special coverage as part of your General Liability insurance: **1) Care, Custody & Control**: Provides protection against damage to property that an employee may be directly working on. **2) Extended Property Damage**: Broadens the definition of property damage to include theft and mysterious disappearances where you are legally liable (e.g. an employee throws out important papers or leaves the building unlocked

Type of Coverage	Minimum Limits ($)	Description
		and a robbery occurs as a result). **3) Lost Key Coverage:** ($100,000) Provides protection if you lose the keys to a building and the building needs to be re-keyed.
Third Party Fidelity Coverage	$1,000,000 per occurrence	Provides protection from claims involving theft of customer property.
Pollution Liability	$1,000,000 per occurrence $3,000,000 aggregate	Provides protection for bodily injury and property damage liability arising from a pollution incident, including clean-up costs. It also provides $250,000 of emergency response costs.
Business Auto Liability, including owned, hired, and non-owned autos	$1,000,000 per occurrence	You can be held liable for negligent acts of your employees, including their use of a vehicle. You must have Business automobile insurance covering owned, leased, rented, hired, or borrowed vehicles. This coverage protects against liability when you use your owned, leased or short-term rented vehicles in connection with your business.
Workers Compensation	Statutory Limits	This is required by state law. It provides insurance for medical expenses and lost income to you or an employee injured on the job.
Employers Liability	$1,000,000	Employers Liability is a liability supplement for Workers Compensation
Umbrella	$20,000,000 aggregate	This coverage picks up where the General, Automobile, and Employers Liability coverage leaves off. It provides an extra layer of protection against catastrophic loss.

12.3 **Policy Terms**. All insurance policies must:

a) contain no provision which in any way limits or reduces coverage for us in the event of any claim by us or any of our affiliates, directors, officers or agents;

b) extend to provide indemnity for all obligations assumed by you under this Agreement and all items for which you are required to indemnify us under the provisions of this Agreement or otherwise;

c) name us, our officers and directors, JKF, and JKI as Additional Insureds;

d) contain a waiver of the insurance company's right of subrogation against us;

e) provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured;

f) provide that the insurance company will provide us with at least 30 days' prior written notice of termination, expiration, cancellation or material modification of any policy; and

g) provide that you cannot reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the policies without our prior written consent; and

h) be reviewed and approved by JKF and our Risk Manager 30 days before binding coverage.

12.4 **Evidence of Coverage**. Before the expiration of the term of each insurance policy, you must furnish us with a copy of each new, renewal or replacement policy you have obtained to extend your coverage, along with evidence of the premium payment. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain the insurance policies and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your JANI-KING® Business required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf, will reduce or absolve you of any obligations of indemnification described in this Agreement.

12.5 **Business Protection Plan**. Periodically, we may institute and supervise a plan designed to allow you to carry all of the minimum insurance requirements we specify from time to time (the "**Business Protection Plan**") except for business automobile liability arising from the operation of your owned or long-term leased vehicles (this coverage must still be secured by you independently). If we do so, you must pay us a fee shown in Exhibit B on a monthly basis. We will deduct the Business Protection Plan fee on the 10th day of each month for the prior month's service. The Business Protection Plan is optional, but if you participate in it, you will obtain the insurance coverage we require, except as noted above. We will pay the premiums from the fees we charge for the Business Protection Plan.

13. CONFIDENTIAL INFORMATION; EXCLUSIVE RELATIONSHIP

13.1 **Types of Confidential Information**. We have developed certain confidential and proprietary information to be used in the establishment and operation of JANI-KING® Businesses (the "**Confidential Information**"). We have the right to use and impart the Confidential Information, which includes without limitation:

a) System Standards and the know-how related to their use;

b) sources and specifications of equipment, supplies, products, forms, materials and services;

c) advertising, marketing and promotional programs for JANI-KING® Businesses, and pricing, bid and proposal strategies and techniques;

d) methods, techniques, formats, protocols, specifications, standards, systems, procedures, information, sales and marketing techniques, and knowledge of and experience in the development, operation, and franchising of JANI-KING® Businesses;

e) training materials, programs and conference materials designed for Franchise Owners and personnel of JANI-KING® Businesses;

f) all information contained in and contents of all of the Manuals; and

g) knowledge of operating results and financial performance of JANI-KING® Businesses other than your JANI-KING® Business.

13.2 **Disclosure and Limitations on Use**. We will disclose much of the Confidential Information to you and personnel of the JANI-KING® Business by furnishing the Manuals to you and by providing training, guidance and assistance to you. In addition, in the course of the operation of your JANI-KING® Business, you or your employees may develop ideas, concepts, methods, techniques or improvements ("**Improvements**") relating to your JANI-KING® Business, which you

agree to disclose to us. We will be deemed to own the Improvements and may use them and authorize you and others to use them in the operation of JANI-KING® Businesses. Improvements will then also constitute Confidential Information.

13.3 **Confidentiality Obligations**. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of your JANI-KING® Business, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you:

a) will not use the Confidential Information in any other business or capacity;

b) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

c) will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Manuals; and

d) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the Confidential Information.

13.4 **Exceptions to Confidentiality**. The restrictions on your disclosure and use of the Confidential Information will not apply to the following:

a) disclosure or use of information, processes, or techniques which are generally known and used in janitorial and commercial cleaning service industries (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure and/or use; and

b) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

13.5 **Exclusive Relationship**. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among JANI-KING® Businesses if owners of franchised JANI-KING® Businesses were permitted to hold interests in any Competitive Businesses, as defined below. You also acknowledge that we have entered into this Agreement with you in part in consideration of and in reliance on your agreement to deal exclusively with us. Therefore, you agree as follows:

a) **Competitive Restrictions**: During the term of this Agreement, neither you, nor any member of your immediate family (and if a corporation or limited liability company is the Franchise Owner, neither their shareholders, officers, directors, nor any members of their immediate families) will:

i) engage in a Competitive Business or perform services for a Competitive Business directly or indirectly, as a director, owner, proprietor, officer, manager, employee,

consultant, representative, agent, independent contractor or otherwise, except under a franchise agreement with us or our affiliates; and/or

ii) have any direct or indirect interest, as a disclosed or beneficial owner, in a Competitive Business, except under franchise agreements with us or our affiliates; and/or

iii) have any direct or indirect interest, as a disclosed or beneficial owner, in any entity which is granted or is granting franchises or licenses to others to operate any Competitive Business, except JANI-KING® Businesses under franchise agreements with us or our affiliates; and/or

iv) recruit or hire any employee of ours or our affiliates or our Franchise Owners without our prior written consent and/or that of the other Franchise Owner (as the case may be); and/or

v) knowingly engage in any activity to solicit, encourage or induce any customer doing business with any JANI-KING® Franchise Owner (wherever located) to commence doing business with you instead; and/or

vi) directly or indirectly, on behalf of yourself or any other person, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director or associate, or stockholder of any other person or entity, or in any other capacity, solicit, divert, take away, or interfere with any of the business, customers, clients, contractors, referral sources, trade or patrons of ours, our affiliates or our Franchise Owners as such may exist throughout the term of this Agreement.

b) **Exclusivity**: You (and your Owners, shareholders, officers, and directors) must not, directly or indirectly, on behalf of yourself or any other person, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director or associate, or stockholder of any other person or entity, or in any other capacity, engage in or conduct any other business if you have any significant operational or management responsibility or obligation regarding such business, if such other business would interfere with your obligations under this Agreement to develop and operate your JANI-KING® Business or otherwise (other than JANI-KING® Businesses operated under franchise agreements with us or another JANI-KING® regional franchisor), unless your JANI-KING® Business is managed by a person (other than you), approved by us, that has satisfactorily completed our training programs. This provision does not prohibit passive investments in other businesses or engaging in business activities that do not conflict with your obligations under this Agreement. However, an interest in a business in which your capacity is either a director, officer or majority stockholder (or any combination thereof) does **not** constitute a passive investment, and will be considered a breach of these provisions of this Agreement.

c) **Competitive Business**: The term "**Competitive Business**" as used in this Agreement means any business or facility owning, performing, selling, marketing, operating or managing (or granting franchises or licenses to others to do so) any janitorial cleaning or maintenance services on a commercial or institutional basis (including hotel rooms and lodging facilities) or any other business that provides the same or similar services as are customarily offered by JANI-KING® Businesses. It does not include services that do not involve cleaning or maintenance.

d) **Public Companies**: Notwithstanding the foregoing, any aggregate ownership of 5% or less of the issued and outstanding shares of any class of stock of a publicly traded company is **not** prohibited by the provisions of this section.

14. INSPECTIONS AND AUDITS

14.1 **Inspections**. To determine whether you and your JANI-KING® Business are complying with this Agreement and with the System Standards, we or our agents have the right, at any reasonable time and without advance notice to you, to:

a) inspect your equipment, supplies and any premises of any customer you service or other locations of your JANI-KING® Business;

b) observe the operations of your JANI-KING® Business at any location for such periods as we deem necessary;

c) interview personnel of your JANI-KING® Business (including temporary and full-time employees);

d) interview present and former suppliers, vendors, accounts, customers, clients and others served by, or doing business with, your JANI-KING® Business; and

e) inspect and copy any books, records and documents relating to the operation of your JANI-KING® Business.

You must cooperate fully with us in connection with any of these inspections, observations and interviews. You must send to us (within 5 days of your receipt) copies of all notices, reports and correspondence to or from regulatory authorities concerning the operation or licensing of your JANI-KING® Business.

14.2 **Audits**. We have the right at any time during business hours, and without advance notice to you, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales, payroll and income tax records and returns and other records of your JANI-KING® Business (and the books and records of any corporation or limited liability company which is the Franchise Owner under this Agreement as well as any spouse, parent, child, sibling or in-law of any officer, stockholder, director, owner, member, or partner of any corporation or limited liability company which is the Franchise Owner under this Agreement).

a) **Cooperation**: You must fully cooperate with our representatives and any independent accountants we may hire to conduct any inspection or audit. If any inspection or audit discloses an understatement of the gross revenues of your JANI-KING® Business, you must pay us, within 15 days after delivery of the inspection or audit report, the royalty and other fees, plus interest at the annual rate we currently charge for financing due on the amount of the understatement from the date originally due until the date of payment.

b) **Reimbursements**: If the inspection or audit is made necessary by your failure to timely pay amounts due us, furnish reports we request, or to deliver to us supporting records, other information or financial statements we require, or to furnish those reports, records, information, or financial statements on a timely basis, or if your gross revenues are understated for any 3 consecutive months by audit or inspection to be greater than 5%, you must:

i) reimburse us for the cost of such inspection or audit (including attorneys' fees, accountants' fees and travel and lodging expenses and applicable per diem charges for our employees and agents); and

ii) at our request submit to an audit of your financial statements by an independent certified public accountant and provide such audited statements to us within 60 days after the end of your fiscal year.

15. OWNERSHIP AND TRANSFER REQUIREMENTS

15.1 **Transfer by Us**. This Agreement is fully transferable by us and will inure to the benefit of any person or entity to whom we transfer it, or to any other legal successor to our interest in this Agreement. If we transfer this Agreement, we will have no further obligation to you. We may delegate certain of our responsibilities under this Agreement to others to perform, including certain billing and collection services, training and pre-opening and ongoing assistance.

15.2 **Transfer by You**. You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have entered into this Agreement in reliance on your character, skill, aptitude, attitude, business ability, and financial capacity (and if you are a corporation or limited liability company, on these qualities of your owners). Therefore, except as provided with respect to assignment to a controlled corporation in Section 15.4 below, neither this Agreement (or any interest in it), your JANI-KING® Business (or any interest in it), nor any part or all of the ownership of the Franchise Owner may be transferred without our prior written approval, and any such transfer or attempted transfer without our prior written approval constitutes a breach of this Agreement, and will convey no rights to, or interests in, this Agreement, the JANI-KING® Business or the Franchise Owner and will be void.

As used in this Agreement, the term "**Transfer**" means and includes the voluntary, involuntary, direct or indirect assignment, sale, or other transfer by you of: (a) any interest in this Agreement; (b) any part or all of the ownership of the Business Entity; (c) your JANI-KING® Business or any interest in it; or (d) substantially all of the assets of your JANI-KING® Business or of the Business Entity. An assignment, sale, or other transfer also includes:

a) the transfer of ownership of capital stock or membership interests or any other form of ownership in the Business Entity;

b) merger or consolidation, or issuance of additional securities representing an ownership interest in the Franchise Owner;

c) transfer of interest in the Franchise Owner or your JANI-KING® Business in a divorce proceeding or otherwise by operation of law; or

d) transfer of an interest in the Franchise Owner or your JANI-KING® Business in the event of the death of the Franchise Owner or an owner of the Franchise Owner by will, declaration of or transfer in trust, or under the laws of intestate succession.

15.3 **Conditions for Approval of Transfer**. If you are in full compliance with this Agreement, we will not unreasonably withhold our approval of a transfer that meets all the applicable requirements of this Section 15. The proposed transferee or its owner(s) must be of good moral character and otherwise meet our then-applicable standards for Franchise Owners. You must provide us with a minimum of 60 days prior written notice of any proposed transfer with all of the information pertaining to the proposed transfer. A transfer of ownership in your JANI-KING® Business may only be made in conjunction with a transfer of this Agreement. If the transfer is of this Agreement or of a controlling interest in the Franchise Owner, or is one of a series of transfers which in the aggregate constitute the transfer of a controlling interest in the Franchise Owner, all of the following conditions must be met prior to, or concurrently with, the effective date of the transfer:

a) all your obligations incurred in connection with this Agreement must be assumed by the transferee;

b) you must pay any amounts owed to us or our affiliates which are then due and unpaid and all debts to third parties arising out of the operation of your JANI-KING® Business must be satisfied or assumed by the transferee;

c) you must submit all required reports, financial statements and other documents due us up to the effective date of the transfer;

d) the transferee must have satisfactorily completed our training program at the transferee's expense;

e) the transferee must agree and enter into our then current form of franchise agreement and all related documents;

f) you or the transferee must pay us the Franchise Transfer Fee (described in Exhibit B) and reimburse us for all of our costs incurred in evaluating the transferee and the transfer terms and meeting legal requirements;

g) you must execute a general release, in a form satisfactory to us, of any and all known and unknown claims against us, our affiliates, and our and their officers, directors, employees, and agents (Note: If you operate a franchise in the state of Maryland, any release we require in the context of a renewal or transfer will not operate as a release of any claim under the Maryland Franchise Registration and Disclosure Law);

h) you must give us copies of all contracts and related documents and we must approve the material terms and conditions of such transfer;

i) you must sign and deliver to us a written agreement to comply with the post-term competitive restrictions described in this Agreement;

j) if you finance any portion of the purchase price, you must agree that the transferee's obligations to you is subordinate to the transferee's obligations to us; and

k) all such other conditions as we may reasonably impose based on the circumstances of the proposed transfer.

15.4 **Effect of Consent to Transfer**. Our consent to a proposed transfer of the Franchise or any interest in you or your JANI-KING® Business pursuant to the provisions of this Section 15 will not constitute a waiver of: (a) any claims we may have against you, or your owners; or (b) our right to demand exact compliance with any of the terms or conditions of this Agreement by any transferee.

15.5 **Compliance with Laws**. In connection with any proposed transfer of an interest in this Agreement, your JANI-KING® Business or you, you will comply with any laws and regulations that apply to the transfer, including state and federal laws and regulations governing the offer, sale, and transfer of franchises. You must indemnify and hold us and our affiliates and our and their officers, directors, shareholders, and employees harmless against any and all claims arising, and expense incurred (including attorneys' fees), directly or indirectly, from, as a result of, or in connection with, any alleged failure on your part to comply with any franchise law or other applicable law in connection with the transfer.

16. TERMINATION OF THE FRANCHISE

16.1 **Termination by You**. You do not have the right to terminate this Agreement.

16.2 **Termination by Us**. We may terminate this Agreement in accordance with the following provisions:

a) **30-Day Notice**: We may terminate this Agreement effective 30 days after notice of termination to you on the occurrence of any of the following events and your failure to cure within such time period:

i) you fail to submit when due reports or other data, information, or supporting records; or

ii) you fail to pay when due any payments due to us, JKF or our or their affiliates; or

iii) you fail to comply with this Agreement, the P&P Manual, any other agreement with us or our affiliates, or any of the System Standards; or

iv) you or any of your Owners, officers or persons in a similar capacity engage in any dishonest or unethical conduct that may adversely affect the reputation of your JANI-KING® Business or any other JANI-KING® Businesses, or the goodwill associated with the Marks; or

v) you make any unauthorized use of the Marks; or

vi) you or your Owner(s) do not complete to our satisfaction, or you fail to attend, without good cause in our judgment, any mandatory training program or conference.

b) **On Notice**: We may terminate this Agreement immediately on notice to you, and without any right to cure, if:

i) you fail to remit to us or direct customers to remit to us all customer payments for the performance of services or for the sale of products in connection with your JANI-KING® Business or perform services for customers without telling us; or

ii) you submit 3 or more reports or records that contain material misstatements or omissions to state information which makes the other information false or misleading; or

iii) you repeatedly fail to conform or adhere to any one or more of our System Standards, any other provision of this Agreement, any requirement in the P&P Manual, or any other agreement with us or our affiliates (after we have previously notified you of the noncompliance and even though you may have cured previous noncompliance); or

iv) you (or your Owner(s)) default under the terms of any promissory note you have given us or under any lease agreement with us or our affiliates or any related guaranty, including the equipment lease agreement; or

v) you or your Owner(s) make an unauthorized transfer; or

vi) you or your Owner(s) abandon, surrender or transfer control of the operation of your JANI-KING® Business without our advance written approval or otherwise fail to continuously and actively operate your JANI-KING® Business for a period of 10 or more consecutive days; or

vii) you or your Owner(s) make any material misrepresentation or omission in applying for the Franchise; or

viii) you or your Owner(s) file a voluntary or involuntary petition in bankruptcy or have a petition in bankruptcy filed against you or you otherwise make an assignment for the benefit of creditors or experience any act of insolvency or enter into any proceedings for the benefit of creditors; or

ix) you or your Owner(s) are convicted by a trial court of or plead no contest to a felony, or other crime or offense that is likely to adversely affect your reputation, our reputation, or the reputation of your JANI-KING® Business or any other JANI-KING® Business; or

x) you or your Owner(s) make any unauthorized use, duplication or disclosure of any Confidential Information or the Manuals; or

xi) you do not obtain the necessary equipment to operate, or otherwise fail to complete all of your pre-opening obligations described in Section 4.8, within 90 days of the Agreement Date; or

xii) a court of proper jurisdiction declares invalid or unenforceable any part of the Agreement relating to either (1) the payment of fees or royalties or (2) the preservation of any trade names, service marks, trademarks, trade secrets, or trade formulas;

xiii) any license which you are required to have in order to operate is suspended or revoked or you have received notice from regulatory authorities indicating your license to operate will be terminated or cancelled and you do not, or cannot, cure the deficiencies or violations within the time limits imposed; or

xiv) you do not form your Business Entity and comply with the terms of Section 4.6 within 90 days of the Agreement Date, or your Business Entity dissolves or is liquidated or its active status is revoked.

17. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

17.1 **Payment of Amounts Owed to Us**. You agree to pay us or our affiliates within 7 days after the effective date of termination or expiration of this Agreement, or any later date that the amounts due to us or our affiliates are determined, any royalties, fees, amounts owed for your purchases from us, amounts due us under any promissory notes, interest or penalties due on any of the above, and all other amounts owed to us or our affiliates, which are then unpaid. In addition, you must pay all suppliers all amounts owed to them as of the date of termination. If you do not return to us all property that belongs to us, including keys, equipment and contracts, then you must pay us $1,000 per day until you do. On termination or expiration of this Agreement, you are not entitled to any refunds of any fees or other amounts previously paid to us.

17.2 **Marks**. After the termination or expiration of this Agreement, you must:

a) not directly or indirectly at any time identify yourself or any business with which you are associated as a current or former JANI-KING® Business or franchise or Franchise Owner;

b) not use any Mark or any colorable imitation of any Mark in any manner or for any purpose, or use for any purpose any trademark or other commercial symbol that suggests or indicates an association with us;

c) after no more than 7 days, return to us, remove the Marks from, or destroy (whichever we specify) all forms and materials containing any Mark or otherwise relating to a JANI-KING® Business office;

d) after no more than 7 days, take any action that may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

e) after no more than 7 days, file all necessary documents to change your corporate name so that it does not include any of the Marks or anything similar to the Marks, including the name JANI-KING®;

f) maintain records of all customers of your JANI-KING® Business for a period of 5 years; and

g) furnish to us, within 30 days after the effective date of termination or expiration, evidence satisfactory to us of your compliance with the above obligations.

17.3 **De-Identification**. You must not directly or indirectly at any time or in any manner identify yourself or any business as a current or former JANI-KING® Business, or as a Franchisee,

licensee or dealer of us or our affiliates, or formerly as a Franchisee, licensee or dealer of us or our affiliates, nor use any Mark, any colorable imitation of the Marks or other indicia of a JANI-KING® Business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with us or our affiliates.

a) **Name Cancellation**: You must take such actions as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks.

b) **Materials and Supplies**: You must return all materials and supplies identified by the Marks in full cases or packages to us for credit at actual cost to you and dispose of all other materials and supplies identified by the Marks within 45 days after the effective date of termination or expiration of this Agreement. You also must give us copies of all customer records for the 5 years preceding the date of termination or expiration.

c) **Telephone Numbers**: You must cooperate with us to transfer the listings and telephone numbers for your JANI-KING® Business to us. You must notify the telephone company or telephone directory publishers of the termination or expiration of your right to use any telephone number in any regular, classified or other telephone directory listings associated with any of the Marks and authorize transfers of such numbers and listings to us or at our direction. If you fail to do so, you acknowledge and agree that we may contact the telephone company to do so. You acknowledge that as between you and us, we have the sole rights to any interest in all telephone numbers and directory listings associated with any Mark. You authorize us and appoint us and our officers as your attorneys-in-fact to direct the telephone company and all telephone directory publishers to transfer any telephone numbers and directory listings to us or at our direction, should you fail or refuse to do so, in a telephone company all telephone directory publishers may accept such direction or this Agreement as conclusive proof of our exclusive rights in such telephone numbers and directory listings in our authority to direct their transfer.

d) **Satisfactory Evidence**: You must furnish us with satisfactory evidence of your compliance with your post-termination obligations within 45 days after the effective date of termination or expiration of this Agreement.

17.4 **Confidential Information**. You agree that on termination or expiration of this Agreement you will immediately cease to use any of the Confidential Information, and will not use it in any business or for any other purpose. You further agree to immediately return to us your copies of the Manuals and any other materials containing any of the Confidential Information which we have loaned or otherwise provided to you.

17.5 **Post-Term Competitive Restrictions**. In the event of transfer, termination or expiration of this Agreement in accordance with its terms, you (and each shareholder or member of any corporation or limited liability company that is the Franchise Owner) agree that for a period of 2 years after the effective date of termination or expiration, or the date on which you stop operating your JANI-KING® Business, whichever is later, neither you, nor any member of your immediate family, nor any such shareholder or member (nor any member of their immediate families) will:

a) engage in a Competitive Business, directly or indirectly, on behalf of yourself or any other person or as an employee, proprietor, owner, partner, agent, contractor, employer, consultant, affiliate, or as a director, officer or associate or as a stockholder of any person or entity within the Territory, and/or within any other territory in which a JANI-KING® Business operates, except under franchise agreements with us or another JANI-KING® Regional Franchisor; and/or

b) have any direct or indirect interest, as a disclosed or beneficial owner, in any Competitive Business within the area described in subsection 17.5(a) above, except in accordance with other franchise agreements with us or another JANI-KING® Regional Franchisor; and/or

c) perform services as a director, officer, manager, employee, consultant, representative, agent, independent contractor or otherwise for any Competitive Business within the area described in subsection 17.5(a) above, except other JANI-KING® Businesses operating under franchise agreements with us or another JANI-KING® Regional Franchisor; and/or

d) have any direct or indirect interest in any entity which is granted or is granting franchises or licenses to others to operate a Competitive Business within the area described in subsection 17.5(a) above, except other JANI-KING® Businesses operating under franchise agreements with us or another JANI-KING® Regional Franchisor; and/or

e) recruit or hire any employee of ours, our affiliates or our Franchise Owners without our prior written consent and/or that of the other Franchise Owner or affiliate; and/or

f) directly or indirectly, on behalf of yourself or any other person, or as an employee, proprietor, consultant, agent, contractor, employer, affiliate, partner, owner, officer, director or associate, or stockholder of any other person or entity, or in any other capacity, solicit, divert, take away, or interfere with any of the business, customers, referral sources, clients, contractors, trade or patronage of ours, our affiliates or any of our Franchise Owners as such may exist during the term of this Agreement or afterwards.

Notwithstanding the foregoing, the ownership of other JANI-KING® Businesses under agreements with us and the aggregate ownership of 2% or less of the issued and outstanding shares of any class of stock of a publicly traded company by the persons to whom this Section 17.5 applies is not prohibited by this Section. The time period of the post-term competitive restrictions will be extended by any length of time in which you or any of your affiliates, successors or assigns or any other party described above are in breach of any term of this Agreement. The terms of Section 17.5 will continue in full force and effect through the duration of the extended time period.

17.6 **Continuing Obligations**. All obligations under this Agreement (whether yours or ours) which expressly or by their nature survive the expiration or termination of this Agreement (including any indemnification obligations) will continue in full force and effect after and notwithstanding its expiration or termination until they are satisfied in full or by their nature expire.

18. MISCELLANEOUS

18.1 **Severability; Substitution of Valid Provisions**. Except as otherwise stated in this Agreement, each term of this Agreement, and any portion of any term, are severable. The remainder of this Agreement will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, you and we agree that such provisions will be enforced to the fullest extent permissible under governing law. This Agreement will be deemed automatically modified to comply with such governing law if any applicable law requires: (a) a greater prior notice of the termination of or refusal to renew this Agreement; or (b) the taking of some other action not described in this Agreement; or (c) if any System Standard is invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, you will be bound by the modified provisions.

18.2 **Waivers**. We will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement, even if at any time: (a) we do not exercise a right or power available to us under this Agreement; or (b) we do not insist on your strict compliance with the terms of this Agreement; or (c) if there develops a custom or practice which is at variance with the terms of

this Agreement; or (d) if we accept payments which are otherwise due to us under this Agreement. Similarly, our waiver of any particular breach or series of breaches under this Agreement (or of any similar term in any other agreement between you and us or between us and any other Franchise Owner), will not affect our rights with respect to any later breach by you or anyone else.

18.3 **Limitation of Liability**. Neither of the parties will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from:

a) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;

b) acts of God;

c) acts or omissions of a similar event or cause; or

d) any such delay as may be reasonable.

However, such delays or events do not excuse payments of amounts owed at any time.

18.4 **Approval and Consents**. Whenever this Agreement requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. If we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any liability or obligation to you.

18.5 **Waiver of Punitive Damages. Without limiting your obligations to indemnify us pursuant to this agreement, you and we each waive to the full extent permitted by law any right to, or claim for, any punitive or exemplary damages against the other. Without limiting the foregoing, you and we also agree that, in the event of a dispute between you and us, the party making a claim will be limited to recovery of any actual damages it sustains, but not to exceed the amount of fees paid by you to us pursuant to Section 5 of this Agreement.**

18.6 **Limitations of Claims. Any and all claims arising out of this agreement or the relationship among you and us must be made by written notice to the other party within 1 year from the occurrence of the facts giving rise to such claim (regardless of when it becomes known); except for claims arising from: (a) under-reporting of gross revenues; (b) under-payment of amounts owed to us or our affiliates; (c) claims for indemnification; and/or (d) unauthorized use of the Marks; and/or violation of any competitive restrictions of Section 17.4 or 17.5. However, this provision does not limit the right to terminate this agreement in any way.**

If you operate a franchise in the state of Maryland, (a) this provision will not reduce the 3-year limitation period for claims under the Maryland Franchise Registration and Disclosure Law; and (b) nothing in this Agreement operates as a release, estoppel or waiver of your rights or our responsibility under the Maryland Franchise Registration and Disclosure Law.

18.7 **Governing Law. Except to the extent this agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 and the sections following it) or other federal law, this agreement and the franchise are governed by the law of the state in which you operate your JANI-KING® Business, without regard to its conflicts of law principles if they would operate to impose another state's law. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations**

for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

18.8 **Jurisdiction**. **You and we agree that the sole and exclusive jurisdiction and venue in any litigation between you and us lies solely in the state of federal courts of competent jurisdiction located in Hillsborough or Pinellas County, Florida. You irrevocably consent, submit, and waive any objection to the jurisdiction and venue of such courts. If you operate a franchise in the state of Maryland, you may bring any action against us in Baltimore City, Maryland. Notwithstanding the foregoing, you and we agree that either party may utilize the courts of any other court of competent jurisdiction to enforce any judgment or judicial order.**

18.9 **Exercise of our Business Judgment**. **We have the right, in our sole judgment, to operate, develop and change the System Standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, or to grant an approval or withhold it, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights, based on the information readily available to us and our judgment of what is in our and/or our franchise network's best interest at the time our decision is made, regardless of whether we could have made other reasonable or even arguably preferable alternative decisions, or whether our decision or the action we take promotes our financial or other individual interest.**

18.10 **Varying Standards**. **Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole and absolute judgment, as we may deem in the best interests of all concerned in any specific instance, to vary standards and contract provisions for any franchisee or prospective franchisee based upon the peculiarities of a particular situation or circumstance, or any other condition which we deem to be of importance to the successful operation of the franchisee's business or to meet the needs of customers. You will not have the right to complain about a variation from standard specifications and practices granted to other franchisees, and will not be entitled to require us to grant you a like or similar variation.**

18.11 **Anti-Terrorism**. **You and your Owner(s) agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the "Anti-Terrorism Laws"). You represent and warrant that neither you nor any of your Owner's, employee's or agent's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners, agents and employees are not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by you or your Owners, agents or employees, or any "blocking" of any of your or their assets under the Anti-Terrorism Laws will constitute grounds for immediate termination of this Agreement and any other agreements you have entered into with us or any of our affiliates, in accordance with the termination provisions of this Agreement.**

18.12 **Cumulative Remedies**. The rights and remedies provided in this Agreement are cumulative and neither you nor we will be prohibited from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

18.13 **Costs and Attorneys' Fees**. The party prevailing in any judicial or arbitration proceeding involving this Agreement, our relationship with each other, or any other matter between us, will be entitled to reimbursement of its costs and expenses, including reasonable accounting and

attorneys' fees. Attorneys' fees will include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred prior to, or in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the parties under this Agreement.

18.14 **Binding Effect**. This Agreement is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided in this Agreement, this Agreement will also be binding on your successors and assigns, and your heirs, executors and administrators.

18.15 **Entire Agreement**. This Agreement, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. Except as expressly provided otherwise in this Agreement, this Agreement may be modified only by written agreement signed by both you and us. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement other than promissory notes (if any). Notwithstanding the foregoing, nothing in this Agreement will disclaim, or require you to waive reliance on, any representation that we made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you or your representative, subject to any changes to the contract terms and conditions described in that Franchise Disclosure Document as reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

18.16 **No Liability to Others; No Other Beneficiaries**. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement. Except as specifically described in this Agreement, no other party has any rights because of this Agreement.

18.17 **Construction**. The headings of the sections are for convenience only. If two or more persons are at any time Franchise Owners hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us are joint and several. This Agreement may be signed in multiple copies, each of which will be an original. In computing time periods from one date to a later date, the words "**from**" and "**beginning on**" (and the like) mean "**from and including**"; and the words "**to**," "**until**" and "**ending on**" (and the like) mean "**to but excluding**." Indications of time of day mean Tampa, Florida time. "**A or B**" means A or B or both. "**Including**" means "**including but not limited to**."

18.18 **Certain Definitions**. The term "**immediate family**" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. The term "**affiliate**" means any company directly or indirectly owned or controlled by a person, under common control with a person or controlled by a person. The terms "**Franchisee, Franchise Owner, you and your**" are applicable to one or more persons, a corporation or a limited liability company, as the case may be. Likewise, references to "you" refer to the Business Entity that is the franchisee under this Agreement or to the individuals who are franchisees prior to assigning it to the Business Entity. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term "**person**" includes individuals, corporations, limited liability companies and all artificial entities. The term "**section**" refers to a section or subsection of this Agreement.

18.19 **Time is of the Essence**. It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.

19. DISPUTE RESOLUTION

19.1 **Negotiation**. Except with respect to termination of this Agreement in accordance with its terms and pursuit of injunctive relief, the parties will first attempt in good faith to resolve promptly by negotiation and, if necessary, mediate any controversy or claim arising out of or relating to this Agreement. The disputing party must give the other party written notice of the dispute. Within 20 days after receipt of this notice, the receiving party must submit to the other a written response. The notice and response must include a statement of each party's position and a summary of the evidence and arguments supporting its position. The parties will meet at a mutually acceptable time at our local Regional Office within 30 days of the date of the notice of dispute to attempt to resolve the dispute. You or your Owners will be represented by any person that you authorize to settle the dispute. We will be represented by a person authorized to settle the dispute.

19.2 **Mediation**. During the term of this Agreement, certain disputes may arise between you and us that are not satisfactorily resolved through direct negotiations. To facilitate resolution of any and all disputes between the parties, you and we agree that each party must, before commencing any arbitration or litigation proceeding involving the Agreement or the parties' relationship (and of their affiliates), submit the dispute for non-binding mediation at a mutually agreeable location (if you and we cannot agree on a location, the mediation will be conducted at our local Regional Office) to one mediator, appointed under the American Arbitration Association's Commercial Mediation Rules. The mediator will conduct mediation in accordance with such rules. Participation in mediation is mandatory for all parties. You and we agree that any statements made by either you or us in any such mediation proceeding will not be admissible in any subsequent arbitration or other legal proceedings.

All information received by a mediator while serving in that capacity must be kept confidential. Accordingly, the parties agree not to serve the mediator with any subpoena or discovery request (or otherwise compel the mediator's attendance or testimony) in connection with any arbitration or litigation between the parties. Each party agrees to maintain the confidentiality of all communications relating to mediation, and not to use it for any purpose other than settlement of the dispute. If in relation to a controversy or claim, a party breaches any provision of this Section, the other party need not comply with this Section with respect to that controversy or claim. If the parties agree on a settlement through negotiation or mediation and a dispute later arises with respect to any of the matters covered by the settlement, the parties agree to submit such dispute, prior to instituting any adversarial proceeding, to mediation in accordance with this Section. Nothing contained in this Section, nor our participation in any negotiation or mediation process, will constitute a waiver of our right to terminate this Agreement at any time in accordance with its terms or in accordance with applicable law.

Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate (e.g., mediator fees, meeting facility fees). Nevertheless, both you and we have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction without first resorting to mediation or arbitration. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation. If any dispute between the parties cannot be resolved through mediation within 60 days following the appointment of a mediator, the parties must submit the dispute to binding arbitration subject to the following terms and conditions.

19.3 **Agreement to Arbitrate**. Except as otherwise expressly provided by Section 9.6 of this Agreement, any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise ("**Dispute**") between or involving you and us (and/or involving you and/or any claim against or involving any of our or our affiliates' shareholders, directors, partners, officers, employees, agents, attorneys, accountants, affiliates, guarantors or otherwise), which are not resolved by negotiation or mediation

must be submitted to arbitration to the office of the American Arbitration Association closest to our office in your Territory. The arbitration will be conducted by the American Arbitration Association pursuant to its commercial arbitration rules. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by any state arbitration law. The parties to any arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law. The arbitrability of any claim will be determined by the arbitrator. Each party will be responsible for its own cost of the arbitration (filing, administrative and arbitrator fees and their own attorneys' fees), subject to reimbursement pursuant to Section 18.13. If you operate a franchise in the state of Maryland, any limitation on the period of time arbitration claims must be brought will not act to reduce the 3-year statute of limitations afforded you for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

19.4 **Place and Procedure**. The arbitration proceedings will be conducted at our local Regional Office or another mutually acceptable location in your Territory. Any dispute and any arbitration will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such arbitration proceeding will not be consolidated with any other arbitration proceeding involving any other person, except for disputes involving affiliates of the parties to such arbitration. The parties agree that, in connection with any such arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by rule 13 of the federal rules of civil procedure) within the same proceeding as the dispute to which it relates. Any such dispute which is not submitted or filed in such a proceeding will be barred.

19.5 **Awards and Decisions**. The proceedings will be heard by one arbitrator. The arbitrator will have the right to award any relief which he deems proper in the circumstances, including, for example, money damages (with interest on unpaid amounts from their due date(s)), specific performance, temporary and/or permanent injunctive relief, and reimbursement of attorneys' fees and related costs to the prevailing party. The arbitrator must follow applicable law and not disregard the terms of this Agreement (including Sections 18.5 – 18.7 and 18.13 above which are incorporated into this dispute resolution section of this Agreement). The arbitrator will not have the authority to award exemplary or punitive damages except as otherwise permitted by this Agreement, nor the right to declare any mark generic or otherwise invalid. You and we agree to be bound by the provisions of any limitations or the time on which claims must be brought under applicable law or under this Agreement, whichever expires earlier. The award and decision of the arbitrator will be conclusive and binding and judgment on the award may be entered in any court of competent jurisdiction. The parties acknowledge and agree that any arbitration award may be enforced against either or both of them in any court of competent jurisdiction and each waives any right to contest the validity or enforceability of such award. Without limiting the foregoing, the parties will be entitled in any such arbitration proceeding to the entry of an order by a court of competent jurisdiction pursuant to an opinion of the arbitrator for specific performance of any of the requirements of this Agreement. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and non-appealable.

19.6 **Injunctive Relief**. Nothing in this Agreement will prevent either you or us from obtaining temporary restraining orders and temporary or preliminary injunctive relief in a court of competent jurisdiction. However, you and we must contemporaneously submit the dispute for arbitration on the merits.

19.7 **Third Parties**. The arbitration provisions of this Agreement are intended to benefit and bind certain third party non-signatories, and all of yours and our principal owners and affiliates. All guarantors of this Agreement and affiliates and officers of the parties are bound by these dispute resolution terms.

19.8 **Survival**. This dispute resolution section continues in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason.

20. NOTICES

All written notices and reports permitted or required under this Agreement or by the Manuals will be deemed delivered:

a) at the time delivered by hand;

b) 1 business day after transmission by facsimile, telecopy or other electronic system;

c) 2 business days after being placed in the hands of a commercial airborne courier service for next business day delivery or after placement in the United States mail.

All such notices must be addressed to the parties as follows:

To Us: Jani-King c/o Stephen E. Roesch, 2469 Sunset Point Road, Clearwater, FL 33765
To You: The address shown on the Cover Page of this Agreement

Either you or we may change the address for delivery of all notices and reports, and any such notice will be effective within 10 business days of any change of address.

You acknowledge, agree and authorize us to transmit communications to you by e-mail during the Term. You also require all of your employees and Owner(s) to authorize us to send e-mail communications to them and they may not opt out of or otherwise seek to prevent e-mail communication from us. E-mails from us include e-mails from any of our employees, vendors, affiliates and customers.

This section is intentionally blank

EXHIBIT A DESCRIPTION OF FRANCHISE PLANS

Plan[1]	Initial Business	Initial Franchise Fee[2]	Deposit Amount	Financed Amount	Initial Offering Period (months)	Interest Rate	Term (yrs)	Monthly Payment
E-3	3,000	14,000	5,000	9,000	5	12%	3	298.93
E-4	4,000	17,000	8,000	9,000	6	12%	3	298.93
E-5	5,000	20,000	11,000	9,000	7	12%	3	298.93
E-6	6,000	23,000	14,000	9,000	8	12%	3	298.93
E-7	7,000	26,000	17,000	9,000	9	12%	3	298.93
E-8	8,000	29,000	20,000	9,000	10	12%	3	298.93
E-9	9,000	32,000	23,000	9,000	11	12%	3	298.93
E-10[1]	10,000	35,000	26,000	9,000	12	12%	3	298.93

(1) Larger Plans are available. The Initial Business increases by $1,000, the Initial Franchise Fee increases by $3,000, and the Initial Offering Period increases by one(1) month for each higher-level plan.

(2) In order to provide additional support to veterans of the United States military, we offer a 20% discount off the Initial Franchise Fee to qualifying veterans. The entire discount can be applied to the Deposit Amount. This discount cannot be combined with any cash payment discount. The program is available for those veterans who have received a discharge (other than dishonorable) as well as any active-duty personnel. The JANI-KING® Business must be operated by a corporation or limited liability company, and the veteran participant must maintain at least a 51% ownership in such entity. A copy of Form DD-214, evidencing the status of a participating veteran, must be submitted with the Franchise Agreement.

EXHIBIT B CURRENT SCHEDULE OF FEES

Category	Amount	Modifiable During Term
Royalty	10% of Gross Monthly Revenues; $50 per month minimum during first 12 months of operation, $100 per month minimum thereafter[1]	No [1]
Cash Flow & Accounting Plan	8% of Gross Monthly Revenues; maximum of 10%	Yes [2]
Finders Fee	An ongoing percentage of actual monthly revenue or a one-time payment equal to 3 times the potential monthly revenue for any new or additional business offered	Yes [2,3]
Business Protection Plan	4.5% of Gross Monthly Revenues; $25 per month minimum	Yes [2]
Service Fee	$45 per hour plus expenses; minimum of $90	Yes [2]

Category	Amount	Modifiable During Term
Non-Compliance Fee	$25 per incident	Yes [2]
Advertising Fee	2% of Gross Monthly Revenues; maximum of 3%	Yes [2]
Cancellation Fee	100% of monthly contract revenue in Year 1; 50% in Year 2	Yes [2]
Technology Licensing Fee	Not currently charged; maximum of 5%	Yes [2]
Meeting & Convention Fee	Not currently charged; $25/month	Yes [2]
Additional or Refresher Training or Assistance	No charge	Yes [2]
Franchise Transfer Fee	$1,500	Yes [2]
Franchise Transfer Administrative Fee	$250	Yes [2]
Non-Reported Business Fee	$100 per day	Yes [2]
Replacement of Manual	$50 per manual	Yes [2]

(1) May be increased proportionally to reflect higher costs we pay to JKF.
(2) We may change these fees effective after 30-day notice.
(3) There are two Finders Fee payment options:

One-Time Payment: The one-time payment currently equals 3 times the potential monthly revenue of the business being offered and may be financed at our option. There is no cancellation, reduction, abatement or refund of payments if a contract is transferred, suspended or canceled, regardless of why the contract was transferred, suspended or canceled and who was at fault.

Ongoing Payment: The potential monthly revenue for the business being offered is used to determine the Finders Fee Payment Percentage (see table below). The monthly payment is equal to that percentage of the actual monthly revenue for as long as you service the contract.

Potential Monthly Revenue	Finders Fee Payment Percentage
$0 to $4,000	12%
Over $4,000	10%
Over $6,000	8%
Over $8,000	6%
Over $10,000	4%
Over $20,000	2%

If a contract is transferred successfully or canceled for a reason not considered to be non-performance (as described in the P&P Manual), the Finders Fee payments will stop. However, if a transfer is unsuccessful or a contract is canceled for non-performance (as described in the P&P Manual) or you are not in compliance with our quality control plan, Finders Fee payments will continue until you've paid a maximum of the One-Time Payment amount. We reserve the right to change future Finders Fees, Finders Fee Payment Options, and policies related to continued payments following a cancellation.

EXHIBIT E FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS FOR DAZSER-BAL CORPORATION
AS OF DECEMBER 31, 2023-2025

AUDITED FINANCIAL STATEMENTS FOR JANI-KING INTERNATIONAL, INC.
AS OF DECEMBER 31, 2023-2025

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DAZSER-BAL Corporation

Financial Statements

December 31, 2025, 2024 and 2023

Independent Auditors' Report

Board of Directors
DAZSER-BAL Corporation

Opinion
We have audited the accompanying financial statements of DAZSER-BAL Corporation (the Company), which comprise the balance sheets as of December 31, 2025, 2024 and 2023 and the related statements of income, stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DAZSER-BAL Corporation as of December 31, 2025, 2024 and 2023, and the results of their operations and its cash flows for the years then ended in conformity 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DAZSER-BAL Corporation 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 DAZSER-BAL Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DAZSER-BAL Corporation'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 DAZSER-BAL Corporation’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.

Kelly Partners + FRS, LLC

St. Petersburg, Florida
March 3, 2026

DAZSER-BAL Corporation

Balance Sheets
December 31, 2025, 2024 and 2023

December 31,	**2025**	2024	2023
ASSETS			
Current assets:			
Cash and cash equivalents	$ 285,238	$ 700,441	$ 694,139
Accounts receivable, net	617,175	669,850	816,315
Notes receivable, current portion	60,504	81,108	104,452
Due from affiliates	8,642	50,000	-
Prepaid expenses and other current assets	1,529	1,900	2,631
Total current assets	973,088	1,503,299	1,617,537
Property and equipment:			
Furniture, fixtures and equipment	69,510	96,716	96,716
Less accumulated depreciation	(68,021)	(96,716)	(96,095)
Total property and equipment, net	1,489	-	621
Other assets:			
Notes receivable, net of current portion	38,989	43,502	94,238
Operating right of use asset, net	136,400	272,800	329,560
Intangible assets, net	24,069	25,896	27,723
Total other assets	199,458	342,198	451,521
Total assets	$ 1,174,035	$ 1,845,497	$ 2,069,679
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Line of credit	$ 55,161	$ 174,821	$ 130,560
Accounts payable and accrued expenses	348,907	314,559	319,233
Due to affiliates	27,920	36,965	33,410
Deferred revenue	52,001	42,612	36,344
Deferred initial franchise fees	51,930	44,360	58,210
Operating lease liability	140,105	140,105	106,579
Total current liabilities	676,024	753,422	684,336
Deferred initial franchise fees, net of current portion	80,400	78,900	99,060
Operating lease liability, net of current portion	-	135,969	222,981
Total liabilities	756,424	968,291	1,006,377
Stockholders' equity:			
Common stock, $.01 par value; 10,000 shares authorized, 3,000 shares issued and outstanding	30	30	30
Additional paid in capital	970	970	970
Retained earnings	416,611	876,206	1,062,302
Total stockholders' equity	417,611	877,206	1,063,302
Total liabilities and stockholders' equity	$ 1,174,035	$ 1,845,497	$ 2,069,679

DAZSER-BAL Corporation

Statements of Income
December 31, 2025, 2024 and 2023

Year ended December 31,	**2025**	2024	2023
Revenue			
Janitorial services	$ 6,281,557	$ 5,921,517	$ 5,477,468
Supply sales	7,856	4,708	120,220
Initial franchise fees	83,130	76,010	140,010
Total revenue	6,372,543	6,002,235	5,737,698
Direct costs			
Subcontractors	4,333,741	4,103,288	3,792,082
Royalties and fees	447,117	420,139	387,530
Insurance	187,310	108,204	183,366
Supplies and equipment	17,848	10,032	106,996
Total direct costs	4,986,016	4,641,663	4,469,974
Gross profit	1,386,527	1,360,572	1,267,724
Operating expenses			
General and administrative	896,631	819,039	717,791
Management fee	480,000	290,000	110,000
Depreciation and amortization	2,199	2,451	2,899
Total operating expenses	1,378,830	1,111,490	830,690
Income from operations	7,697	249,082	437,034
Other income (expense)			
Interest income	21,195	37,161	20,049
Interest expense	(15,467)	(11,123)	(5,104)
Other income	1,980	13,784	9,075
Total other income	7,708	39,822	24,020
Net income	$ 15,405	$ 288,904	$ 461,054

DAZSER-BAL Corporation

Statements of Stockholders' Equity
December 31, 2025, 2024 and 2023

	Common Stock		Additional Paid-in		
	Shares	Amount	Capital	Retained Earnings	Total
Balance at December 31, 2022	3,000	$ 30	$ 970	$ 761,248	$ 762,248
Distributions	-	-	-	(160,000)	(160,000)
Net income	-	-	-	461,054	461,054
Balance at December 31, 2023	3,000	30	970	1,062,302	1,063,302
Distributions	-	-	-	(475,000)	(475,000)
Net income	-	-	-	288,904	288,904
Balance at December 31, 2024	3,000	30	970	876,206	877,206
Distributions	-	-	-	(475,000)	(475,000)
Net income	-	-	-	15,405	15,405
Balance at December 31, 2025	3,000	$ 30	$ 970	$ 416,611	$ 417,611

DAZSER-BAL Corporation

Statements of Cash Flows
December 31, 2025, 2024 and 2023

Year ended December 31,	2025	2024	2023
Cash flows from operating activities:			
Net income	$ 15,405	$ 288,904	461,054
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,199	2,448	2,899
Amortization - operating right of use asset	136,400	109,852	70,406
Credit loss recovery	(384)	-	-
Decrease (increase) in operating assets:			
Accounts receivable	78,176	220,545	(376,784)
Prepaid expenses and other current assets	371	731	(614)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued expenses	34,348	(4,674)	59,711
Deferred revenue	18,459	(27,742)	(46,790)
Operating lease liability	(135,969)	(106,578)	(74,003)
Net cash provided by operating activities	149,005	483,486	95,879
Cash flows from investing activities:			
Net change in due to/from affiliates	32,313	(46,445)	12,808
Cash paid for purchases of fixed assets	(1,861)	-	-
Net cash provided by (used in) investing activities	30,452	(46,445)	12,808
Cash flows from financing activities:			
Net activity on line of credit	(119,660)	44,261	13,339
Distributions to stockholders	(475,000)	(475,000)	(160,000)
Net cash used in financing activities	(594,660)	(430,739)	(146,661)
Net (decrease) increase in cash	(415,203)	6,302	(37,974)
Cash at beginning of year	700,441	694,139	732,113
Cash at end of year	$ 285,238	$ 700,441	$ 694,139
Supplemental disclosure of cash information			
Cash paid during the year for interest	$ 15,467	$ 11,123	$ 5,104

NOTE A – Summary of Significant Accounting Policies

DAZSER-BAL Corporation (the Company), a regional franchise of Jani-King Franchising, Inc., engages in operating and franchising custodial maintenance businesses that perform complete janitorial maintenance and related services under the trade name "Jani-King of Baltimore" in Baltimore City and in Anne Arundel, Baltimore, Carroll, Harford and Howard Counties, Maryland.

The board of directors originally approved the franchise agreement with Jani-King Franchising, Inc. on April 1, 1988. The term of the original franchise agreement was 10 years with automatic renewals totaling 40 additional years and additional extensions available.

Basis of Presentation

The Company prepares its financial statements and accompanying notes using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Estimates

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

Receivables

Accounts receivable primarily consists of trade receivables and is reported as the customers' outstanding balances, less any allowance for credit losses. The expected credit losses are measured using an expected-loss model that reflects the risk of loss and considers the losses expected over the outstanding period of the receivable.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for principally under accelerated methods. The lives of property and equipment currently being depreciated are:

Furniture, fixtures and equipment	3 – 7 years
Vehicles	5 years

Depreciation expense related to property and equipment for the years ended December 31, 2025, 2024 and 2023 was $372, $623 and $1,071, respectively.

Intangible Assets

Intangible assets that have finite useful lives are amortized on a straight-line basis based on estimated lives as follows:

Master franchise	50 years

Impairment of Long-Lived Assets

Long-lived assets, which consist primarily of identifiable intangible assets, are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In cases where undiscounted expected future cash flows are less than carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. The Company has determined that there is no indication that any of the long-lived assets held by the Company were impaired as of December 31, 2025, 2024 or 2023.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606),* and subsequently issued several ASUs further updating Topic 606.

Collectively these ASUs introduced a new principles-based framework for revenue recognition and disclosure. The core principle of the standard is when an entity transfers goods or services to customers it will only recognize revenue to the extent of the consideration it expects to be entitled to for those goods or services. The standard also expands the required disclosures to include the disaggregation of revenue from contracts with customers into categories that depict how the nature, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Janitorial Service Revenue and Subcontractor Costs

The Company contracts directly with customers, controls the right of service of the contractual arrangement, and has the ability to direct other third parties (generally the franchisees) to perform the services for the customer on the Company's behalf. The revenues from these services are recorded at gross revenue in janitorial services revenues and the related direct costs (principally payments to the Company's franchisees that perform the janitorial services) are included in cost of revenues in the period in which the services are provided.

Cost of revenues includes the net payment to the Company's franchisees after deducting fees associated with those payments and other items, such as contract administration, billing and related services, advertising assessments and royalty fees.

The Company's contracts with customers consist exclusively of arrangements with the customer to perform janitorial maintenance and related services. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

Once a contract is identified, the Company evaluates whether it is a combined or single contract and whether it should be accounted for as more than one performance obligation. Generally, most contracts are for a one year period with automatic renewal and a cancelation notification period of 60 days prior to the anniversary date.

At contract inception, management assesses the services promised to customers and identifies a performance obligation for each promise to transfer to the customer a service, or a bundle of services, that is distinct. To identify the performance obligation, management considers all services promised in the contract, regardless of whether they are explicitly stated or are implied by customary business practices. Performance obligations are primarily satisfied over time as related services are provided. The Company elected the practical expedient which allows the Company to recognize revenue for the amount for which the Company has the right to invoice. Customers are typically billed on a monthly basis and have the right to consideration from customers in an amount that corresponds directly with the performance obligation satisfied to date. The time between completion of the performance obligation and collection of cash is generally 30 to 60 days.

Contracts generally can be modified to account for changes in specifications and requirements. Management considers contract modifications to exist when the modification either changes the consideration, creates new performance obligations, or changes the existing scope of the contract and related performance obligations. Historically, contract modifications have been for services that are not distinct from the existing contract, since the Company provides a bundle of services that are highly inter related, and are therefore treated as if they were part of that existing contract. Such modifications are generally accounted for prospectively as part of the existing contract.

Contract assets consist of billed trade receivables which represent amounts from work completed in which the Company has an unconditional right to bill the customer.

Initial Franchise Fees

Franchisees are granted the right to operate under the "Jani-King" name on behalf of the Company's contracts with customers for a period of 10 years, with the right to renew at no additional fee.

The Company offers numerous plans in its franchise program. Under these plans, the initial franchise fee ranges from $14,000 to $65,000 and is based on the initial business offered. The plans also differ in the financing arrangements offered regarding the amount of down payment. On December 31, 2025, there was a total of 55 active franchises.

	2025	2024	2023
Number of Franchises Sold	7	5	6
Gross Franchise Fees	$ 92,200	$ 42,000	$ 72,000

The Company's franchise contracts are considered to include multiple promises that represent distinct performance obligations. The Company's obligations to provide training, equipment and initial business are recognized as revenue over the first three years of the franchise agreement as those goods and services are delivered. Other performance obligations are considered a single performance obligation and recognized over the life of the 10 year franchise agreement.

Amounts from sales of franchises are recognized over the franchise term (or shorter term for distinct performance obligations) as the franchisee performs in accordance with the terms of the franchise agreement. Amounts recognized are recorded in revenues and deferred amounts are classified as other liabilities.

Royalties and Fees

Under terms of the franchise agreement, a royalty is paid to Jani-King Franchising, Inc. equal to the greater of 5% of the gross proceeds of all franchises sold or $325 each. In addition, royalties are paid to Jani-King Franchising, Inc. which equal 5% of cleaning revenue.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay corporate income taxes on its taxable income. Instead, stockholders are liable for individual income taxes on their respective shares of the Company's taxable income.

Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2022.

Interest and penalties associated with unrecognized tax benefits would be classified as other expense in the statements of income.

Reclassification

Certain amounts in the prior year financial statements were reclassified to conform to the presentation in the current year. These reclassifications had no change on prior year reported net income.

Note B – Accounts Receivable

Accounts receivable are presented net of the allowance for credit losses at December 31, 2025, 2024 and 2023 and are summarized as follows:

	2025	2024	2023
Accounts receivable	$ 617,175	$ 669,741	$ 816,315
Allowance for credit losses	-	-	-
Net	$ 617,175	$ 669,850	$ 816,315

Note C – Notes Receivable

Notes receivable at December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
Notes receivable (franchise sales) from franchisees in monthly installments over 36 months including interest at 12%. Mature at various dates through 2028.	$ 71,832	$ 67,504	$ 93,899
Notes receivable (finder's fees) from franchisees in monthly installments over 12 to 72 months including interest at 12%. Mature at various dates through 2027.	11,589	5,908	9,851
Notes receivable (equipment sales) from franchisees in monthly installments over 3 to 24 months including interest rates ranging from 0% to 12%. Mature at various dates through 2026.	16,572	51,798	96,540
Subtotal	99,993	125,210	200,290
Allowance for credit losses	(500)	(600)	(1,600)
Total	99,493	124,610	198,690
Less: current portion	(60,504)	(81,108)	(104,452)
Notes receivable, net of current portion	$ 38,989	$ 43,502	$ 94,238

Maturities of notes receivable are as follows at December 31, 2025:

Year ending December 31,	
2026	$ 60,504
2027	25,407
2028	14,082
Total	$ 99,993

Note D - Intangible Assets

Intangible assets at December 31, 2025, 2024 and 2023 consist of a master franchise with a gross carrying amount of $100,000 and accumulated amortization of $75,931, $74,104 and $72,277, at December 31, 2025, 2024 and 2023, respectively.

Amortization expense was $1,827 for each of the years ended December 31, 2025, 2024 and 2023, and future annual amortization is expected to be $1,827 through 2039.

Note E – Line of Credit

The Company maintains a Line of Credit Agreement with PNC Bank in the amount of $500,000. This Line of Credit bears interest at Daily Secured Overnight Financing RATE (SOFR) plus 2.25% (5.94% at December 31, 2025) and is secured by all assets of the Company. In addition, it is guaranteed by Stephen E. Roesch, principal shareholder and by DAZSER Management Corporation, DAZSER-BHM Corporation, DAZSER-ORL Corporation and DAZSER-TPA Corporation.

As of December 31, 2025, 2024 and 2023, there were outstanding balances of $55,161, $174,821, and $130,560, respectively, on this line of credit which matures on October 31, 2026.

Note F – Leases

The Company leases office facilities and vehicles. The office facilities are leased from a related party as discussed in Note H. The vehicle leases are all short term leases as discussed in Note H. Lease expense for the years ended December 31, 2025, 2024 and 2023 was as follows:

	2025	2024	2023
Operating lease costs – related party	$ 142,823	$ 118,283	$ 101,131
Short-term lease costs - related party	23,509	27,684	26,558
Total lease costs	$ 166,332	$ 145,967	$ 125,876

Additional Lease Information	2025	2024	2023
Weighted-average discount rate – operating lease	3%	3%	3%
Weighted-average remaining lease term – operating lease	1 year	2 years	3 years
ROU assets obtained in exchange for new operating lease liabilities	$ -	$ 53,093	$ 329,560

At December 31, 2025 the Company is committed to future minimum lease payments as follows:

Year ending December 31,	
2026	$ 142,392
Total lease payments	142,392
Less imputed interest	(2,287)
Future maturity of lease liability	$ 140,105

Note G – Concentrations

For the year ended December 31, 2025, 2024 and 2023, one customer accounted for 19%, 20%, and 10%, respectively of net revenues. At December 31, 2025 two customers accounted for approximately 53% of net accounts receivable. At December 31, 2024 and 2023 three customers accounted for 56% and 59%, respectively of net accounts receivable.

From time to time the Company's cash balance may exceed federally-insured limits. The Company has not experienced any losses in such accounts, and management believes the Company is not exposed to any significant risk of loss on its cash accounts.

Note H – Related Party Transactions

The Company has certain transactions with affiliates. Because of the nature of these relationships, the amounts charged for these transactions may have been different if the parties were not related. Affiliates that the Company has transactions with are related through common ownership and consist of the following:

DAZSER Management Corporation (DMC) - provides the Company with administrative and management services. Fees charged to the Company by DMC for these services totaled $480,000, $290,000 and $110,000 for the years ended December 31, 2025, 2024 and 2023, respectively and are reflected as management fees in the accompanying statements of income.

DAZSER-BAL Properties (DBP) - leases office facilities to the Company under a three-year lease renewal that expires in December 2026. Rent charged to the Company by DBP totaled $142,823 and $118,283 for the years ended December 31, 2025 and 2024, respectively. During the year ended December 31, 2023, rent charged to the Company under a three year lease renewal that expired in December 2023 was $101,131. These amounts are included in general and administrative expenses in the accompanying statements of income.As of December 31, 2025, 2024 and 2023, the stockholders of the Company are listed as the guarantors on a mortgage loan associated with the property under lease with a principal balance of $307,098, $357,463 and $401,163, respectively.

DAZSER-BAL Services, Inc. (DBS) - is a franchisee of the Company and provides janitorial services under certain of the Company's cleaning contracts. Amounts charged to the Company by DBS for these services totaled approximately $640,000, $412,000 and $103,000 for the years ended December 31, 2025, 2024 and 2023, respectively and are included in subcontractors costs in the accompanying statements of income.

As a result of the above transactions, the Company has reflected amounts due from affiliates of $8,642 and 50,000 at December 31, 2025 and 2024, respectively with no amounts due from affiliates at December 31, 2023; and amounts due to affiliates of $27,920, $36,965 and $33,410 at December 31, 2025, 2024 and 2023, respectively, in the accompanying balance sheets.

Note I – Variable Interest Entity

Variable interest entities (VIEs) are entities in which equity investors lack the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. VIEs are consolidated by the primary beneficiary. The primary beneficiary is the party who has the power to direct the activities of a VIE that most significantly impact the entity's economic performance and who has an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity.

The Company determines whether it is the primary beneficiary of a VIE upon initial involvement with the VIE, and the Company reassesses whether it is the primary beneficiary of a VIE on an ongoing basis. The determination of whether the Company is the primary beneficiary of a VIE is based upon the facts and circumstances for the VIE and requires significant judgment. The Company assesses variable interests in a VIE to determine whether there is an obligation to absorb the losses of or has the right to receive benefits from the VIE that could potentially be significant to the VIE. The determination of whether the Company's variable interest is significant to the VIE also requires significant judgment.

The Company holds variable interests in a related party VIE with whom it shares common ownership, but is not under common control with the Company, due to a leasing arrangement for the Company's office facilities in which the Company’s stockholders are guarantors of the VIE's mortgage note payable. A new mortgage was entered into on September 3, 2021 while the old mortgage was paid during 2020. The Company does not have plans to provide any subordinated financial support to this VIE, and the Company believes the lease payments made are at market rates. The Company has no exposure to loss with respect to the involvement with this VIE at December 31, 2025, 2024 and 2023. See further discussion at Note H.

The Company does not have the power to direct the activities that most significantly impact the economic performance of the VIE and consequently is not the primary beneficiary of the VIE. Accordingly, the Company does not consolidate the VIE. The Company also holds variable interests in certain other related party VIEs with whom it shares common ownership, but are not under common control with the Company.

The Company has no other variable interests in these entities and does not have the power to direct the activities that most significantly impact the economic performance of the VIEs. Accordingly, the Company does not consolidate these VIEs.

Note J – Subsequent Events

The Company has evaluated subsequent events through March 3, 2026, the date on which the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment or disclosure in the accompanying financial statements.

Jani-King International, Inc. and Subsidiaries

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

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

Jani-King International, Inc. and Subsidiaries

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

Jani-King International, Inc. and Subsidiaries

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600 North Pearl, Suite 1700
Dallas, TX 75201

Independent Auditor's Report

Those Charged with Governance
Jani-King International, Inc.
Dallas, Texas

Opinion

We have audited the consolidated financial statements of Jani-King International, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025, 2024 and 2023, and the related consolidated statements of income and comprehensive income, shareholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, P.C.

March 27, 2026

Consolidated Financial Statements

Jani-King International, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31,	**2025**	2024	2023
Assets			
Current Assets			
Cash and cash equivalents	**$ 8,584,301**	$ 8,425,754	$ 6,923,028
Short-term investments	**20,941,571**	27,344,677	27,160,000
Short-term investments, restricted	**5,225,000**	5,275,000	5,275,000
Accounts receivable, net	**11,650,098**	14,677,646	17,551,670
Notes receivable, current	**1,816,609**	1,164,557	1,298,993
Reinsurance premiums receivable	**1,565,612**	1,707,544	1,776,830
Inventory	**-**	-	56,375
Deferred reinsurance acquisition costs	**185,682**	173,733	180,341
Other assets – current	**1,944,747**	1,405,919	2,236,612
Total Current Assets	**51,913,620**	60,174,830	62,458,849
Non-Current Assets			
Property and equipment, net	**5,532,076**	5,632,979	5,566,186
Operating lease right-of-use assets	**5,506,293**	6,191,114	3,692,432
Notes receivable, net of current	**684,778**	473,576	1,123,723
Intangible assets, net	**3,529,790**	3,090,625	-
Notes receivable from related party	**-**	150,000	750,000
Total Non-Current Assets	**15,252,937**	15,538,294	11,132,341
Total Assets	**$ 67,166,557**	$ 75,713,124	$ 73,591,190

Jani-King International, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31,	**2025**	2024	2023
Liabilities and Shareholder's Equity			
Current Liabilities			
Due to franchisees	**$ 7,168,931**	$ 7,938,630	$ 10,671,570
Accounts payable and accrued expenses	**9,243,068**	9,896,538	8,677,312
Accounts payable due to related party	**-**	-	7,500,000
Term notes payable, current	**901,498**	737,648	2,462,800
Operating lease liability, current	**1,287,482**	1,195,520	1,312,735
Unearned reinsurance premiums	**1,554,460**	1,412,817	1,475,837
Accrued income taxes	**1,113,656**	1,175,946	1,363,351
Deferred franchise revenues, current	**1,009,640**	791,472	504,383
Total Current Liabilities	**22,278,735**	23,148,571	33,967,988
Non-Current Liabilities			
Term notes payable, net of current	**4,194,475**	3,275,927	2,709,333
Operating lease liability, net of current	**4,511,417**	5,192,397	2,598,881
Insurance reserves	**3,729,716**	3,877,561	4,353,059
Deferred franchise revenues, net of current	**8,951,202**	9,250,480	6,740,119
Total Non-Current Liabilities	**21,386,810**	21,596,365	16,401,392
Total Liabilities	**43,665,545**	44,744,936	50,369,380
Commitments and Contingencies			
Shareholder's Equity			
Common stock, $10 par value; 100 shares authorized, issued, and outstanding	**1,000**	1,000	1,000
Additional paid-in capital	**9,000**	9,000	9,000
Retained earnings	**24,129,908**	31,480,383	23,927,061
Accumulated other comprehensive loss	**(638,896)**	(522,195)	(715,251)
Total Shareholder's Equity	**23,501,012**	30,968,188	23,221,810
Total Liabilities and Shareholder's Equity	**$ 67,166,557**	$ 75,713,124	$ 73,591,190

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Income and Comprehensive Income

Year ended December 31,	**2025**	2024	2023
Revenues			
Commercial cleaning services	**$ 100,337,969**	$ 126,699,649	$ 121,249,648
Regional franchise royalties	**38,023,049**	36,661,592	35,724,901
Advertising fees	**7,991,851**	7,955,053	7,751,334
Preopening services and franchise rights	**958,705**	2,253,995	1,239,678
Leasing, supplies and transfer fees	**868,447**	677,791	1,240,725
Total Revenues	**148,180,021**	174,248,080	167,206,286
Cost of Revenues	**76,539,025**	99,349,469	94,880,876
Gross Profit	**71,640,996**	74,898,611	72,325,410
Operating Costs and Expenses			
Selling, general, and administrative expenses	**44,829,262**	44,651,914	48,896,271
Legal settlements	**15,500**	500	(1,200,000)
Depreciation and amortization	**1,008,774**	755,792	586,776
Total Operating Costs and Expenses	**45,853,536**	45,408,206	48,283,047
Operating Income	**25,787,460**	29,490,405	24,042,363
Other Income (Expense)			
Loss on sale of company-owned regions	**-**	-	(51,105)
Net realized gain (loss) on sales of property and equipment	**-**	55,438	(206,833)
Interest expense	**(542,537)**	(305,096)	(428,560)
Interest income	**1,490,342**	1,723,708	1,432,504
Other income, net	**-**	46,500	147,058
Total Other Income (Expense)	**947,805**	1,520,550	893,064
Income, before income tax expense	**26,735,265**	31,010,955	24,935,427
Income tax expense	**1,158,240**	1,092,133	173,297
Net Income	**25,577,025**	29,918,822	24,762,130
Other Comprehensive Income (Loss)			
Foreign currency translation	**(116,701)**	193,056	(51,206)
Other Comprehensive Income (Loss)	**(116,701)**	193,056	(51,206)
Comprehensive Income	**$ 25,460,324**	$ 30,111,878	$ 24,710,924

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Shareholder's Equity

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
Balance, December 31, 2022	$ 1,000	$ 9,000	$ 30,126,631	$ (664,045)	$ 29,472,586
Net income	-	-	24,762,130	-	24,762,130
Foreign currency translation	-	-	-	(51,206)	(51,206)
Net distributions to shareholder	-	-	(30,961,700)	-	(30,961,700)
Balance, December 31, 2023	1,000	9,000	23,927,061	(715,251)	23,221,810
Net income	-	-	29,918,822	-	29,918,822
Foreign currency translation	-	-	-	193,056	193,056
Net distributions to shareholder	-	-	(22,365,500)	-	(22,365,500)
Balance, December 31, 2024	1,000	9,000	31,480,383	(522,195)	30,968,188
Net income	-	-	25,577,025	-	25,577,025
Foreign currency translation	-	-	-	(116,701)	(116,701)
Net distributions to shareholder	-	-	(32,927,500)	-	(32,927,500)
Balance, December 31, 2025	$ 1,000	$ 9,000	$ 24,129,908	$ (638,896)	$ 23,501,012

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	**2025**	2024	2023
Cash Flows from Operating Activities			
Net income	**$ 25,577,025**	$ 29,918,822	$ 24,762,130
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on sale of corporate owned regions	**-**	-	(51,105)
Net realized (gain) loss on sales of property and equipment	**-**	(55,438)	206,833
Depreciation and amortization	**1,008,774**	755,792	586,776
Amortization of right-of-use assets	**1,293,772**	1,306,506	1,508,052
Bad debt expense	**138,801**	282,403	71,078
Changes in operating assets and liabilities:			
Accounts receivable and notes receivable, current	**1,436,695**	2,853,318	(2,926,224)
Reinsurance premiums receivable	**141,932**	69,286	(410,546)
Inventory	**-**	56,375	26,942
Deferred reinsurance acquisition costs	**(11,949)**	6,608	(11,880)
Other assets	**(538,828)**	830,693	33,108
Notes receivable, non-current	**(211,202)**	650,147	(190,440)
Due to franchisees, accounts payable and accrued expenses	**(1,423,169)**	(1,513,714)	(1,701,729)
Accounts payable to related party	**-**	(7,500,000)	7,500,000
Operating lease liability	**(1,197,969)**	(1,328,887)	(1,490,931)
Unearned reinsurance premiums	**141,643**	(63,020)	100,297
Accrued income taxes	**(62,290)**	(187,405)	(270,102)
Legal settlements payable	**-**	-	(3,396,472)
Deferred franchise revenues	**(81,110)**	2,797,450	1,397,554
Insurance reserves	**(147,845)**	(475,498)	(688,638)
Net Cash Provided by Operating Activities	**26,064,280**	28,403,438	25,054,703
Cash Flows from Investing Activities			
Sales (Purchases) of short-term investments, net	**6,403,106**	(184,677)	(7,295,510)
Change in restricted short-term investments	**50,000**	-	1,975,000
Acquisitions, net of cash acquired	**-**	(3,509,261)	-
Purchases of property and equipment	**(547,036)**	(475,772)	(969,122)
Proceeds from sale of corporate owned regions	**-**	-	785,000
Proceeds from sale of property and equipment	**-**	-	7,450
Net Cash Provided by (Used in) Investing Activities	**5,906,070**	(4,169,710)	(5,497,182)

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	**2025**	2024	2023
Cash Flows from Financing Activities			
Receipts on notes receivable from related parties	**$ 150,000**	$ 600,000	$ 10,087,757
Net distributions to shareholder	**(32,927,500)**	(22,365,500)	(30,961,700)
Proceeds from term notes	**2,120,821**	1,304,242	1,000,000
Payments on term notes	**(1,038,423)**	(2,462,800)	(1,124,467)
Net Cash Provided by (Used in) Financing Activities	**(31,695,102)**	(22,924,058)	(20,998,410)
Effect of Currency Translation on Cash and Cash Equivalents	**(116,701)**	193,056	(51,206)
Net Increase (Decrease) in Cash and Cash Equivalents	**158,547**	1,502,726	(1,492,095)
Cash and Cash Equivalents, beginning of year	**8,425,754**	6,923,028	8,415,123
Cash and Cash Equivalents, end of year	**$ 8,584,301**	$ 8,425,754	$ 6,923,028
Supplemental Disclosures of Cash Flow Information			
Interest paid during the year	**$ 497,663**	$ 301,378	$ 562,389
Income taxes paid during the year	**1,609,465**	2,111,113	278,823
Forgiveness of debt related to repurchase of region	**(800,000)**	-	-
Recognition of right-of-use assets obtained in exchange for new operating lease liabilities	**608,951**	3,805,188	613,776

See accompanying notes to consolidated financial statements.

1. Organization

Jani-King International, Inc. (separately or together with its subsidiaries, as the context requires, the Company) is incorporated in the State of Texas and is a marketer and franchisor of commercial cleaning services. The Company sells and supports commercial cleaning franchises, which operate under the Company's trademarks and franchise system in the United States of America and internationally. The Company provides the framework for franchisees to provide commercial cleaning services to a variety of commercial enterprises, including services to specialized markets such as hospitals and other health care providers, hotels and resorts, schools and other educational institutions, and large event venues, such as athletic stadiums and arenas. This framework consists of the marketing and sale of commercial cleaning services, training and administrative support for franchisees, a proven business model, and the use of a widely-recognized registered trademark.

Jani-King International, Inc. is a wholly owned subsidiary of JAC Holdings, LLC, a Texas limited liability company (Parent Company).

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

JKI Indemnity SPC, a wholly owned subsidiary of the Company, was incorporated under the laws of the Cayman Islands on December 15, 1999. Its principal activity is to reinsure a portion of the workers compensation and general liability risks of the Company and its franchisees that choose to participate in the Company's insurance program.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and reported amounts of revenues and expenses during the reporting periods. An estimate is made in the calculations and assessments of allowance for credit losses, and in the calculations of the insurance reserves. Actual results may differ from the estimates.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include $759,567, $495,118, and $413,850 at December 31, 2025, 2024, and 2023, respectively, on deposit with banks outside of the United States, including foreign branches of United States financial institutions.

The Company holds its cash and cash equivalents both within and outside the United States at high credit quality institutions. At times, cash on deposit with any one bank may be in excess of the government insured limits. The Company has not experienced, and management does not expect to experience in the future, any losses as a result of these concentrations.

Short-Term Investments

Short-term investments are comprised of funds deposited in a money market account at a major United States bank and are stated at fair value. The deposits have an aggregate fair value of $20,941,571, $27,344,677, and $27,160,000 at December 31, 2025, 2024, and 2023, respectively.

Restricted Short-Term Investments

Restricted short-term investments are comprised of certificates of deposit and money market accounts the Company intends to hold for more than three months and other time deposits at a major bank and are stated at fair value. The deposits have an aggregate fair value of $5,225,000, $5,275,000, and $5,275,000 at December 31,2025, 2024, and 2023, respectively, and mature within eleven months of year end. The Company intends to hold the investments until their maturity. The investments are restricted and pledged as security for the issuance of irrevocable letters of credit to support liabilities under reinsurance contracts of JKI Indemnity SPC.

Accounts Receivable, Notes Receivable, and Reinsurance Premiums Receivable

Accounts receivable consist primarily of billings to commercial customers for commercial cleaning services and royalties due from regional franchisees.

Notes receivable consist of amounts due from unit franchisees for the purchase of equipment and promissory notes due from regional franchises. The notes receivable due from unit franchisees provide for payment for the equipment purchased over a 12 to 36-month period.

Allowance for credit risk for accounts receivable and notes receivable is established based on various factors including credit profiles of the Company's customers or regional franchisees, historical payments, and current economic trends. The Company reviews the allowance for accounts receivables and notes receivable from regional franchisees by assessing individual accounts receivable and notes receivable. The Company reviews the allowance for accounts receivables from customers by assessing individual accounts receivable over a specific aging and amount. All other balances are pooled based on historical collection experience. The estimate of expected credit losses is based on information about past events, historical loss experience, balances past due by aging category, prior payment history with affected customers, geographic conditions, current economic conditions, and forecasts of future economic conditions that affect the collectability. The Company also takes into account any known disputes or collection issues with customers. Accounts receivable and notes receivable are written-off on a case by case basis, net of any amounts that may be collected. Interest accrues on the notes receivable over the life of the notes. However, interest income is not accrued on notes that are past due. Interest income on such notes is recognized when cash is received. The Company generally does not charge interest on past due customer accounts.

Reinsurance premiums receivable are amounts due from the fronting insurance company, which collects premiums and remits the Company's portion of the annual premiums in equal monthly installments over the term of the policies.

Deferred Reinsurance Acquisition Costs

Deferred reinsurance acquisition costs consist primarily of commissions and other costs that vary with and are primarily related to the production of insurance business and are amortized over the

terms of the underlying policies to which they relate. The portion at the consolidated balance sheet dates, which will be expensed in the future, is deferred and reported as deferred reinsurance acquisition costs.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are provided using the straight-line method over the following estimated useful lives:

Property and Equipment	Estimated Useful Lives (Years)
Buildings and improvements	20-39
Aircraft	10-20
Furniture, office equipment, and automobiles	5
Leasehold improvements	Useful life of the asset or the lease term, whichever is shorter

All maintenance and repair costs are expensed as incurred. Asset purchases and significant improvements that extend the remaining useful life of an asset are capitalized if the cost is over $5,000. When assets are sold or otherwise disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is reflected in income.

Operating Lease Right-of-Use Assets and Operating Lease Liabilities

ASU 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use (ROU) asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the non-cancelable lease term. Expenses for finance leases are comprised of the amortization of the ROU asset and interest expense recognized based on the effective interest method.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Company elected:

- The package of practical expedients permitted under the transition guidance, which does not require the Company to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification, and initial direct lease costs.

The standard also provides for several accounting policy elections, as follows:

- When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all leases.
- The Company elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 7.

Intangible Assets

In January 2014, the FASB issued ASU 2014-02, *Intangibles-Goodwill and Other (Topic 350)*. ASU 2014-02 allows all entities, except public business entities and not-for-profit entities, to amortize goodwill and certain other intangible assets on a straight-line basis over ten years or less than ten years if the entity demonstrates that another useful life is more appropriate.

Intangible assets consisting of franchise rights reacquired from regional franchisees, are stated at cost, and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the asset. If the carrying value of the asset exceeds the expected future cash flows, impairment exists and is measured as the amount by which the carrying value exceeds the estimated fair value of the asset. No impairment was recorded for the years ended December 31, 2025, 2024, or 2023.

Unearned Reinsurance Premiums

Reinsurance premiums assumed are recognized on a pro-rata basis over the term of the policies. The unearned portion at the consolidated balance sheet dates is included in unearned reinsurance premiums.

Insurance Reserves

Insurance reserves represent the actuarially determined estimate of the costs to settle claims and claims adjustment expenses, including claims that have been incurred but not yet reported, of the Company's insurance subsidiary.

Income Taxes

The Company is a qualified subchapter S subsidiary of the Parent Company under the Internal Revenue Code. As such, the Company does not pay federal corporate income taxes; however, its income and expenses are included in the federal income tax return of the Parent Company. Some states do not recognize the subchapter S filing status and assess taxes directly against the Company, while other states that do recognize the subchapter S filing status require or allow the Company to make tax payments on behalf of its ultimate individual owner. The Company records such payments as income tax expense when incurred.

The Company's foreign subsidiaries are taxed by the jurisdictions in which they operate. Such taxes are included in income tax expense on the consolidated statements of income and comprehensive income as they are incurred.

Accrued income taxes reported in the consolidated financial statements represent state and foreign income taxes payable by the Company.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an examination. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood

of being realized upon ultimate settlement with the relevant tax authority. There was no amount recorded as a liability for unrecognized tax benefit in any of the periods presented.

Because the Company is a pass-through entity for federal income tax purposes and for substantially all of the state jurisdictions in which it is required to file an income tax return, the effect of any changes in tax positions that result from an examination of its tax returns are borne principally by the Company's ultimate individual owner. The impact of any changes that may be borne by the Company would be highly unlikely to be material to the financial position or results of operations of the Company. Tax returns for 2021 and later are still subject to examination by the federal and state tax authorities.

Any penalties and interest assessed against the Company by taxing authorities are included in income tax expense. There were no such amounts included in income tax expense in the years ended December 31, 2025, 2024, and 2023.

Fair Value of Financial Instruments

In accordance with FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, certain assets and liabilities carried at fair value are categorized based on the level of judgement associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 – Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The Company believes the carrying amounts of financial instruments as of December 31, 2025, 2024, and 2023, including cash and cash equivalents, short-term investments, short-term investments, restricted, accounts receivable, notes receivable, notes receivable from related party, accounts payable and accrued expenses, and accounts payable due to related party, approximate their fair values due to their short maturities. The Company believes that its debt balances approximate fair value as they bear interest at market rates.

Revenue Recognition

The FASB issued ASU 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)*, creating a practical expedient that simplifies the identification of performance obligations for private company franchisors for certain pre-opening services. The pre-opening services provided by a franchisor to a franchisee can be accounted for as a single performance obligation, distinct from the franchise license. The Company elected to apply the practical expedient allowed by ASU 2021-02, and has elected to account for all qualifying pre-opening activities as a single performance obligation. Pre-opening services per ASU 2021-02 are defined as follows:

- 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 of 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 or about regulations affecting franchisee's business.
- Inspection, testing, and other quality control programs.

The Company derives its revenue primarily from commercial cleaning services performed by franchisees, royalties from regional franchisees, and franchise sales. The Company accounts for revenue from contracts with customers (commercial cleaning services customers, regional franchises, and unit franchises), which comprises 100% of its revenue, through the following steps:

- Identification of the contract with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company has a direct contractual relationship, generally for initial and renewal periods of one year, with its commercial cleaning services customers for the services rendered and holds title to the related receivables. The revenue from commercial cleaning services is recognized as the services are performed and is included in commercial cleaning services revenues. Commercial cleaning services revenue amounts are invoiced and due on a monthly basis. The related direct costs (principally payments to the Company's unit franchisees that perform the commercial cleaning services) are recognized in cost of revenues in the month in which the services are provided. Cost of revenues includes payments to the Company's unit franchisees after deducting payments for variable sales-based fees that range collectively from 14% to 19% of the franchisee's gross sales as well as for product and equipment charges. The variable sales-based fees paid by the unit franchisees include royalty, accounting, technology and advertising fees.

The Company also receives monthly variable sales-based royalty and advertising fees from regional franchisees. These variable sales-based fees range from 3% to 7% of the regional franchisee's gross revenue.

The Company recognizes the sales-based fees as it has the "right to invoice" in the period in which the related sales occur in accordance with the "sales-based royalty" exception. The royalty fees are subject to monthly minimum amounts. When the monthly minimum amount is exceeded, the Company recognizes the variable sales-based royalty fees. When the monthly minimum amount is not exceeded, the Company recognizes the fixed monthly minimum amount.

Advertising fees are recognized in the consolidated statements of income and comprehensive income on a gross basis. All advertising expenses are charged to selling, general, and administrative expense as incurred. When advertising fees are over-spent (expenses exceed the fees), the expenses are not deferred beyond the date they are incurred or beyond the date the advertising first appears. Because the Company does not have the discretion to spend advertising fees on other operating expenses when advertising fees are under-spent (fees exceed the expenses), the Company accrues additional advertising expenses to match the advertising fees recognized.

The Company receives fixed, non-refundable upfront consideration for the sale and transfer of regional and unit franchises, which is related to providing pre-opening services and the sale of franchise rights. Additionally, for regional franchises, the non-refundable upfront transaction price amount includes consideration related to the franchisee's right to use functional intellectual property provided by the Company through the transfer of a proprietary franchise management and sales management, customer relationship management, and accounting software license. The non-refundable upfront transaction price is invoiced and due from the franchisee upon execution of the franchise agreement. The unit franchisee has the option to pay the Company a portion of the upfront transaction price amount over a prescribed time period.

The Company allocates the non-refundable upfront transaction price to the pre-opening services, franchise right, and regional franchise software license performance obligations relative to their standalone selling prices and recognizes these amounts in preopening services and franchise rights. The Company has determined the standalone selling prices of the software license and pre-opening services by using the expected cost plus a margin approach. The Company has used the residual approach to determine the standalone selling price of the franchise right. The Company recognizes franchise software license fee revenue upon the transfer of the software license to the regional franchisee. The Company recognizes pre-opening services revenue over the time period that these services are performed. Because the non-refundable upfront transaction price amount received for the franchise right represents an advance payment for future services to be provided, the Company recognizes franchise right fee revenue ratably over the term of the related franchise agreement beginning at the opening date of the franchise location.

The Company's agreements generally do not include any significant financing components.

Performance Obligations

A significant portion of the Company's performance obligations are satisfied over time. The Company satisfies performance obligations for pre-opening services over the time period that these services are provided to the franchisee. The performance obligations related to the franchise right and continuing franchise services, including the accounting, technology services, and advertising are satisfied over time as the franchisee utilizes the franchise right and as the services are rendered

each month. The Company satisfies the sale of product (e.g., software license) and equipment performance obligation at the point in time that the product or equipment is delivered to the franchisee.

Sales-based fees are recognized over time using the "sales-based royalty" exception, which states that revenue will be recognized at the later of when the subsequent sales occur or when the satisfaction or partial satisfaction of the performance obligation to which the royalty relates occurs.

The aggregate amount of the upfront transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for executed agreements includes amounts yet to be recognized from franchise sales and transfer fees. These amounts are reflected in the deferred franchise revenues account, which is classified as a contract liability in the accompanying consolidated balance sheets as shown in the following table:

Year ended December 31,

	2025		2024		2023	
	Amount	**(%)**	Amount	(%)	Amount	(%)
Deferred franchise revenues, current	**$ 1,009,640**	**10.1**	$ 791,472	7.9	$ 504,383	7.0
Deferred franchise revenues, net of current	**8,951,202**	**89.9**	9,250,480	92.1	6,740,119	93.0
Total Deferred Franchise Revenues	**$ 9,960,842**	**100.0**	$ 10,041,952	100.0	$ 7,244,502	100.0

The deferred franchise revenue amounts do not include the value of unsatisfied performance obligations related to those agreements for which the Company recognizes revenue at the amount for which it has the right to invoice for services performed. Additionally, this balance does not include revenue related to performance obligations that are part of an agreement with an original expected duration of one year or less. Lastly, this balance does not include variable consideration recognized using the "sales-based royalty" exception.

The following table summarizes deferred revenue activity:

Year ended December 31,	**2025**	2024	2023
Balance, beginning of year	**$ 10,041,952**	$ 7,244,502	$ 5,846,948
Fees received from franchise sales and transfer fees	**929,480**	4,926,486	2,672,282
Franchise sales and transfer fees revenue recognized	**(1,010,590)**	(2,129,036)	(1,274,728)
Balance, end of year	**9,960,842**	10,041,952	7,244,502
Less: current	**(1,009,640)**	(791,472)	(504,383)
Deferred Franchise Revenues, net of current	**$ 8,951,202**	$ 9,250,480	$ 6,740,119

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Company's revenue based on the timing of the transfer of goods and services to its customers:

Year ended December 31,

	2025		2024		2023	
	Amount	**(%)**	Amount	(%)	Amount	(%)
Point in time recognition	**$ 3,163,182**	**2.1**	$ 3,016,141	1.7	$ 3,002,236	**1.8**
Over time recognition	**145,016,839**	**97.9**	171,231,939	98.3	164,204,050	**98.2**
Total Revenues	**$ 148,180,021**	**100.0**	$ 174,248,080	100.0	$ 167,206,286	**100.0**

Neither the type of good or service sold, nor the location of sale significantly impacts the nature, amount, timing, or uncertainty of revenue and cash flows.

Taxes Collected from Customers

In the course of its business, the Company collects various taxes from customers including, but not limited to, sales taxes. Because the amounts of such taxes are determined by various taxing authorities and the Company collects the taxes on behalf of those authorities, the Company does not include the taxes collected as a component of revenues.

Advertising Costs

All advertising expenditures are charged to selling, general, and administrative expenses as incurred. Advertising costs were $8,762,544, $9,092,093, and $8,721,055 for the years ended December 31, 2025, 2024, and 2023, respectively.

Foreign Currency Transactions and Translations

The Company has regional franchisees in several countries outside of the United States. The royalties due to the Company from its non-United States regional franchisees are calculated in the functional currency of the country in which the regional franchisee operates but are converted to and remitted in United States dollars by the regional franchisee. The Company records those royalties at the amount of United States dollars received.

The Company conducts operations in Brazil, Great Britain, and Belgium through indirectly wholly owned subsidiaries. The functional currency of the Company is the United States dollar. The functional currency of its operations in Brazil is the Brazilian real, in Great Britain the British pound, and in Belgium the euro. Assets and liabilities of the Company's foreign operations are translated into United States dollars at the exchange rate at the consolidated balance sheet dates. Revenues and expenses are translated at the average exchange rate during the applicable period. Adjustments resulting from the translation of foreign currencies into United States dollars are included in the foreign currency translation adjustment, which is a component of accumulated other comprehensive loss in shareholder's equity. As of December 31, 2025, 2024, and 2023, and for each of the years then ended, the assets, liabilities, revenues, and expenses attributable to foreign subsidiaries were not material to the consolidated financial statements of the Company.

There has been no significant fluctuation from the exchange rates used at December 31, 2025, through the date the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the Company's prior period consolidated financial information in order to confirm to the current year presentation. These presentation changes did not impact the Company's consolidated net income, cash flows, total assets, total liabilities, or shareholder's equity.

3. Accounts Receivable, Net

Accounts receivable consist of the following:

December 31,	**2025**	2024	2023
Trade accounts receivable	**$ 13,828,098**	$ 17,903,646	$ 20,526,070
Allowance for credit losses	**(2,178,000)**	(3,226,000)	(2,974,400)
Accounts Receivable, Net	**$ 11,650,098**	$ 14,677,646	$ 17,551,670

The following table summarizes the activity in the allowance for credit losses:

Year ended December 31,	**2025**	2024	2023
Balance, beginning of year	**$ 3,226,000**	$ 2,974,400	$ 2,910,600
Bad debt expense	**138,801**	282,403	71,078
Accounts written off	**(1,186,801)**	(30,803)	(7,278)
Balance, end of year	**$ 2,178,000**	$ 3,226,000	$ 2,974,400

There were no account concentrations on December 31, 2025, 2024, and 2023.

4. Property and Equipment, Net

Property and equipment are comprised of the following:

December 31,	**2025**	2024	2023
Land	**$ 104,116**	$ 104,116	$ 104,116
Buildings and improvements	**5,364,877**	5,214,775	5,195,648
Leasehold improvements	**672,388**	610,756	515,420
Furniture	**2,008,673**	1,957,506	1,932,225
Office equipment	**1,536,116**	1,369,385	1,219,926
Automobiles	**1,573,792**	1,446,975	1,446,616
Aircraft	**5,824,151**	5,824,151	5,824,151
	17,084,113	16,527,664	16,238,102
Less: accumulated depreciation	**(11,552,037)**	(10,894,685)	(10,671,916)
Property and Equipment, Net	**$ 5,532,076**	$ 5,632,979	$ 5,566,186

Depreciation expense for the years ended December 31, 2025, 2024, and 2023, was $647,939, $621,417, and $586,776, respectively.

5. Intangible Assets, Net

Intangible assets are comprised of the following:

December 31,	**2025**	2024	2023
Reacquired franchise rights	**$ 4,025,000**	$ 3,225,000	$ 466,637
Less: accumulated amortization	**(495,210)**	(134,375)	(466,637)
Reacquired Franchise Rights, Net	**$ 3,529,790**	$ 3,090,625	$ -

The Company recognized amortization of purchased franchise rights for the years ended December 31, 2025, 2024, and 2023 of $360,835, $134,375, and $0, respectively.

6. Debt

Debt is comprised of the following:

December 31,	Interest Rate, December 31, 2025 (%)	Maturity Date	**2025**	2024	2023
Term loan A	5.37%	March 2025	**$ -**	$ 150,000	$ 750,000
Term loan B	5.37%	June 2027	**2,232,533**	2,559,333	2,886,133
Term loan C	5.37%	December 2029	**1,714,286**	-	-
Airplane loan secured by airplane	5.37%	November 2029	**1,043,394**	1,304,242	1,536,000
Auto loan secured by vehicle	7.69%	May 2029	**105,760**	-	-
Total Debt			**5,095,973**	4,013,575	5,172,133
Less: current			**(901,498)**	(737,648)	(2,462,800)
Term Notes Payable, net of current			**$ 4,194,475**	$ 3,275,927	$ 2,709,333

In June 2019, the Company entered into a credit agreement with its current primary lender providing for up to $30,860,000 of loans (Credit Facility). In July 2022, the 2019 credit agreement was amended to reduce the provided amount to $24,418,000 and change the maturity to July 2027.

In December 2024, the 2019 credit agreement was amended to provide for a term loan of $2,000,000 (Term Loan C), decrease the amount provided to $24,286,567, and change the maturity as shown below. The amended Credit Facility provided for a revolving credit facility of up to $14,500,000 (Credit Facility Revolving Loan) and change the maturity to December 2027, a term loan of $200,000 (Term Loan A) and change the maturity to March 2025, a term loan of $2,586,567 (Term Loan B) and change the maturity to June 2027, a new term loan of $2,000,000 (Term Loan C), which included a delayed draw borrowing of up to $2,000,000, and with a maturity to December 2029, and a revolving

credit facility of up to $5,000,000 (Franchise Advance Revolving Facility) and change the maturity to December 2027.

The Credit Facility Revolving Loan bears interest at daily SOFR plus 1.60%, payable monthly. No amounts were due under the Credit Facility Revolving Loan as of December 31, 2025, 2024, and 2023. The Credit Facility Revolving Loan commitment includes a $3,000,000 letter of credit sublimit, of which $1,000,000, $1,000,000, and $1,000,000 was used as of December 31, 2025, 2024, and 2023, respectively, that incurs a fee of 1.50% per annum, payable quarterly. The letters of credit issued under the facility are used to support liabilities under reinsurance contracts of the Company's insurance subsidiary.

The Term Loan A for $3,000,000 was drawn in March 2020 and had a balance outstanding of $200,000 at the time of the latest amendment and requires payments in monthly installments of $50,000 on the last day of each month beginning April 2020 and ending March 2025, of principal plus interest at daily SOFR plus 1.60%. The Term Loan A was paid in full in March 2025.

The Term Loan B for $3,360,000 was drawn in June 2019 and had a balance outstanding of $2,586,567 at the time of the latest amendment and requires payments in monthly installments of (A) $35,000 monthly for the period beginning July 2021 and ending June 2022, and (B) $18,900 plus an amount equal to 10% of the principal amount outstanding of the Term B delayed draw divided by 12 monthly for the period beginning July 2022 and ending June 2027 which is $27,233 of principal plus interest at daily SOFR plus 1.60%. The Term Loan B matures in June 2027, and the unpaid balance at that date is due in full. The loan can be repaid in full or in part, without penalty, at any time prior to its maturity. In 2023 the Company borrowed $1,000,000 of the available delayed draw.

The Term Loan C for $2,000,000 was drawn in January 2025 and requires payments in monthly installments of $23,810 on the last day of each month beginning January 2025 and ending December 2029, of principal plus interest at daily SOFR plus 1.60%. The Term Loan C matures in December 2029, and the unpaid balance at that date is due in full. The loan can be repaid in full or in part, without penalty, at any time prior to its maturity.

No amounts had been drawn on the Franchise Advance Revolving Facility as of December 31, 2025.

The obligations under the Credit Facility are secured by substantially all the Company's assets, including its accounts and notes receivable and a negative pledge of all of its real estate. All obligations of the Company under the Credit Facility are personally guaranteed by the owner of the Parent Company.

The Credit Facility contains various restrictions and covenants, including maintaining certain minimum financial ratios. At December 31, 2025, the Company was in compliance with such requirements.

In November 2019, the Company entered into a credit agreement with its primary lender providing for a term loan for $2,560,000 (Aircraft Loan) used to purchase an aircraft. The Aircraft Loan required payments in monthly installments of $21,333 of principal plus interest at 3.095% beginning December 2019 and ending October 2024. The Aircraft Loan matures in November 2024, and the unpaid balance at that date was paid in full.

In November 2024, the Company entered into a credit agreement with its primary lender providing for a term loan for $1,304,242 (Aircraft Loan) used to refinance an aircraft loan. The Aircraft Loan

required payments in monthly installments of $21,737 of principal plus interest at 1.50% over term SOFR rate beginning January 2025 and ending December 2030. The Aircraft Loan matures in December 2030, and the unpaid balance at that date is due in full.

In May 2025, the Company entered into a credit agreement providing for a term loan of $120,821 (Auto Loan) used to purchase a vehicle. The Auto Loan requires payments in monthly installments of $2,941 beginning June 2025 and ending May 2029 at an interest rate of 7.69%. The Auto loan matures in May of 2029, at which time the unpaid balance will be paid in full.

As of December 31, 2025, the aggregate maturities of the Company's term notes payable are as follows:

Year ending December 31,	
2026	$ 901,498
2027	2,482,672
2028	579,350
2029	1,132,453
2030	-
Total	$ 5,095,973

7. Commitments and Contingencies

Operating Leases

The Company has real property leases for its regional offices and various facilities, used for general operating purposes, with original terms ranging from one year to six and a half years. Generally, the leases have available renewal options that extend the terms of the underlying leases by between three and ten years. For certain of the Company's real property leases, it is responsible for paying variable operating expenses including property taxes, insurance, and maintenance and repair costs.

Leases

ROU assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Company's sole discretion. The Company regularly evaluates the renewal and early termination options and when it is reasonably certain of exercise, the Company includes such options in the lease term. Additionally, upon adoption of the new standard, the Company made judgments regarding lease terms for certain of its real property leases that were in month-to-month status or that contained auto-renewal clauses. The Company estimated a lease end date based on the required length of usage of the property and calculated a ROU asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the ROU assets and lease liabilities, the Company uses the rate implicit in the lease, or if not readily available, the Company uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

ROU assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Company made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Company:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determined whether contracts contain embedded leases.
- Allocated consideration in the contract between lease and non-lease components.

See Note 8 for a discussion of the Company's material leasing transactions with related parties.

The following table summarizes the operating lease ROU assets and operating lease liabilities:

December 31, 2025	
Operating lease ROU assets	$ 5,506,293
Operating lease liabilities:	
Current	$ 1,287,482
Long-term	4,511,417
Total Operating Lease Liabilities	$ 5,798,899

Below is a summary of expenses incurred pertaining to leases:

Year ended December 31,	**2025**	2024	2023
Operating lease expense	**$ 1,515,527**	$ 1,524,512	$ 1,619,952
Short-term lease expense	**220,585**	16,738	349,168
Variable lease expense	**188,068**	135,209	160,615
Total Operating Lease Liabilities	**$ 1,924,180**	$ 1,676,459	$ 2,129,735

The ROU assets and lease liabilities were calculated using a weighted-average discount rate of 3.68%, 3.54%, and 2.36%, respectively, for the years ended December 31, 2025, 2024, and 2023. As of December 31, 2025, 2024, and 2023, the weighted-average remaining lease term was 6.2 years, 7.11 years, and 4.69 years, respectively.

The table below summarizes the Company's scheduled future minimum lease payments as of December 31, 2025:

Year ending December 31,		
2026	$	1,478,929
2027		1,189,414
2028		856,491
2029		766,579
2030		551,311
Thereafter		1,764,843
Total Future Lease Payments		6,607,567
Less: amount representing interest		(808,668)
Total Lease Liabilities		5,798,899
Less: current portion included in operating lease liabilities		(1,287,482)
Lease Liabilities Included in Operating Lease Liabilities, net of current	$	4,511,417

Advertising

The Company advertises to maximize the general public recognition and acceptance of its registered trademarks and to promote the commercial cleaning services provided by its franchisees. Advertising typically includes various forms of media including television, on-line, print, vehicle signage, billboards, and large event venues such as athletic stadiums and arenas sponsorship.

Accounts payable and accrued expenses include $3,190,254, $3,041,398, and $2,674,283 at December 31, 2025, 2024, and 2023, respectively, to pay for advertising expenditures to be used to promote the sale of commercial cleaning services to a variety of commercial enterprises, including services to specialized markets such as hospitals and other health care providers, hotels and resorts, schools and other educational institutions, and large event venues such as athletic stadiums and arenas, as well as general brand awareness.

Legal Proceedings

In 2021, the Company agreed to a settlement of two related class action lawsuits in California and a related individual settlement. The settlements (i) require total payments from the Company in the amount of $15,500,000, (ii) include a release of all claims reasonably related to the litigation, and (iii) specify that the Company will not sell any new commercial cleaning franchises in California until January 1, 2024, unless California law materially changes. As a result of the settlement, the Company's franchisees located in California were dissolved.

The Company entered into service agreements with certain legacy franchisees to continue to provide certain administrative functions related to billing and collections. Amounts recognized in revenue for 2025, 2024, and 2023 related to these agreements were not significant. The settlements were paid in annual installments through 2023. The expense of these settlements, less related imputed interest, is included in legal settlements in the 2021 consolidated statement of income and comprehensive income. During 2025, 2024, and 2023, the Company made payments (including interest) under the settlements totaling $0, $0, and $3,500,000, respectively. As of December 31, 2025, there are no amounts due related to the foregoing settlement.

The Company is party to various other legal claims and litigation arising in the normal course of its business. Management does not believe that the results of such claims and litigation, individually or in the aggregate, will have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

Letters of Credit and Other

The Company's insurance subsidiary has obtained $6,225,000 of irrevocable standby letters of credit in support of its insurance reserves. Letters of credit totaling $5,225,000 are secured by an equivalent amount of restricted short-term investments of the insurance subsidiary, and the remainder has been issued under the Company's principal credit facility. The investments pledged to support the letters of credit as of each year end are included in restricted short-term investments in the accompanying consolidated balance sheets.

As required by the laws of certain states, the Company has guaranteed the performance and obligations of certain of its regional franchisees to their unit franchisees. The Company has not been called upon to perform under any of these guarantees and believes it is unlikely to be called upon to do so in the future. Therefore, no amount has been recorded in the consolidated financial statements related to such guarantees.

Cybersecurity Incident

The Company experienced a ransomware attack in December 2024. The Company engaged professional services firms to assist with the investigation, and remediation and breach notification. We conducted a detailed review of all files and information that were potentially compromised by the attack. That review recently concluded and we have identified certain personal information that was exposed. All required notifications have been made. Costs incurred relating to this matter have not been material; however, we may incur additional costs in the future, which may be substantial. The Company is unable to estimate the total financial losses from this breach.

8. Related Party Transactions

Note Receivable from Related Party

Notes receivable from related party at December 31, 2022 consisted of $9,487,575 term note to the owner of the Parent Company, bearing interest at 1.70% per annum, which requires monthly payments of $55,000 (inclusive of principal and interest) through November 2023. In 2023, this note was paid in full.

In 2020, the Company made a $3,000,000 loan to the owner of the Parent Company. The note bears interest at SOFR plus 1.6% per annum and required an initial payment of $500,000 of principal plus interest due on January 31, 2021 and monthly payments of $50,000 of principal plus interest until maturity in March 2025. The loan was paid in full in March of 2025.

Leases from Related Parties

The Company leases space for certain of its regional offices from companies directly or indirectly owned by the Parent Company. Such leases have original terms of ten years, include stipulated escalations at various points in the lease term, and contain other terms and conditions typical of similar leases of office space. The Company paid rent of $72,860, $72,860, and $72,860 under these leases during 2025, 2024, and 2023, respectively.

Consulting Agreement with Related Parties

The Company entered into a consulting agreement with the Parent Company in 2023. The Company paid consulting fees of $7,500,000 under the agreement in 2023. The full amount of these fees are included in selling, general and administrative expenses on the face of the consolidated statements of income and comprehensive income and the related payable is presented as accounts payable to related parties on the consolidated balance sheets. The fees were paid in full in 2024.

Other

The Company received royalties of $966,409, $1,037,541, and $1,023,269 in 2025, 2024, and 2023, respectively, from regional franchisees owned in whole or in part by persons who were directors or officers of the Company during such periods.

9. Employee Benefit Plan

The Company sponsors the Jani-King International, Inc., 401(k) Plan (the Plan), which covers all employees of the Company that meet the eligibility requirements. Participants in the Plan are allowed to contribute up to 15% of their pre-tax annual compensation, not to exceed the maximum allowable by IRS regulations. Contributions to the Plan by the Company may be made at the discretion of the Board of Directors. The Company did not make any contributions to the Plan in 2025, 2024, and 2023.

10. Acquisitions

During 2025, the Company reacquired the Louisville and Dayton regional franchises from their respective franchisees. The transactions were accounted for as asset acquisitions in accordance with ASC 805, *Business Combinations*. The total consideration paid for both regions was $800,000, which was satisfied through the forgiveness of pre-existing notes receivable owed by the franchisees to the Company. As the transactions did not involve the exchange of cash, they are presented as a non-cash investing activity in the supplemental disclosures of the consolidated statements of cash flows. The entire purchase price was allocated to reacquired franchise rights and is included in intangible assets, net, on the consolidated balance sheet as of December 31, 2025. The reacquired franchise rights are being amortized on a straight-line basis over their estimated useful life of ten years.

During 2024, the Company reacquired the St. Louis and Grand Rapids regional franchises from their respective franchisees. The transactions were accounted for as asset acquisitions in accordance with ASC 805, *Business Combinations*. The total consideration paid for both regions was $3,509,261, paid in cash. The purchase price was allocated as follows: $3,225,000 to reacquired franchise rights, included in intangible assets, net, $259,261 to accounts receivable, and $25,000 to fixed assets, on

the consolidated balance sheet as of December 31, 2024. The reacquired franchise rights are being amortized on a straight-line basis over their estimated useful life of ten years.

In each of the foregoing transactions, the Company reacquired franchise rights, including the right to operate within the respective territories and to service the existing customer base, directly from the regional franchisee. No liabilities were assumed in connection with any of the acquisitions.

11. Subsequent Events

The Company evaluated events and transactions that occurred after December 31, 2025, through March 27, 2026, the date these consolidated financial statements were available to be issued, and determined no events had occurred that would have significantly affected these consolidated financial statements, other than those previously disclosed financial statements, other than those previously disclosed.

EXHIBIT F SUPPLY AND EQUIPMENT PACKAGES

Package "A"

These items are provided to you at no extra cost.

JANI-KING® Business Cards	200
JANI-KING® T-Shirts	4
JANI-KING® Polo Shirt	1
JANI-KING® Training Manuals	1 set
JANI-KING® Policies & Procedures Manual (PDF)	1
JANI-KING® Training Videos	1 set

Package "B"

The Initial Offering Period will not begin until you show us that you have the items listed below. If you wish, you can purchase them from us at a discounted price when you purchase your franchise.

Commercial Backpack Vacuum	1
Trash Barrel (32 Gallon) & Dolly	1
Trash Barrel Nylon Bag	1
Trash Barrel Caddy	1
Dust Mop Handle & Frame	1
Dust Mop Microfiber Head	2
Side Press Dual Bucket Mop System	1
Wet Mop Handle	1
Looped Microfiber Mop Head	2
Unger Flat Mop System (Handle, Frame, Bucket, Cart)	1
18" Microfiber Flat Mop Heads	2
"Pulse" Mop	1
Microfiber Cloths (Blue, Red, Green)	1 pack each
Nitrile Gloves	1 box
Toilet Bowl Brush	1
Wet Floor Sign	1
Spray Bottle / Sprayer	3
Glass Cleaner (Concentrate)	1
Multipurpose / Neutral Cleaner (Concentrate)	1
Disinfectant Cleaner (Concentrate)	1
Acid Bowl Cleaner	1
Stainless Steel Cleaner	1
Retail Value	$2,300
Your Cost	**$250 (plus tax)**

Package "C"

You should own, lease or have access to the equipment listed below.

17" Low-Speed floor machine and pad holder	1
Wet/Dry vacuum with 10-gallon tank	1
Smart Phone with Voice Mail and Email capability	1

EXHIBIT G OTHER NOTES & AGREEMENTS

1) **FRANCHISE PROMISSORY NOTE**

2) **EQUIPMENT PROMISSORY NOTE**

3) **RECEIPT OF MAINTENANCE AGREEMENT & FINDERS FEE AGREEMENT**

4) **OWNERS STATEMENT**

5) **TRANSFER AGREEMENT**

6) **BUSINESS PROTECTION PLAN (BPP) ELECTION FORM**

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Franchise Promissory Note

HOLDER **MAKER(S)**

Principal Sum	$9,000.00	Number of Payments	36
Annual Interest Rate	12%	First Payment Date	
Monthly Payment	$298.93	Last Payment Date	

FOR VALUE RECEIVED, the undersigned ("Maker") hereby promises to pay to the order of [Franchisor Name] ("Holder"), or to such other party or parties as a holder of this note may designate, in lawful money of the United States, the principal sum and interest thereon from the date hereof on the unpaid balance of said principal sum until paid, according to the terms shown above.

It is agreed that each installment, when paid, shall be credited first on interest then due and the remainder on principal, and interest shall thereupon cease upon the principal then credited. Should the interest not be so paid, it shall, at the sole option of the Holder, become a part of the principal and thereafter bear like interest as the principal. The acceptance of any payment by Holder, after any default hereunder, shall not operate to extend the time of payment of any amount(s) then remaining unpaid hereunder or be considered a waiver of any of the other rights of Holder hereunder.

This note and all other obligations, direct or contingent, of any such Maker or endorser hereof to Holder, shall become due and payable immediately at the option of the Holder, without demand or notice upon the happening of any of the following events:

1. The failure to pay any installment of the principal and interest of this note when due.
2. The failure to timely keep or properly perform any of the recitals, covenants, conditions, representations, warranties, obligations or guarantees contained in any agreement between the Maker and Holder.
3. The levy of any attachment, execution, or any other process against all or any part of the assets of Maker.
4. The failure to pay, withhold, collect or remit any tax or tax deficiency when assessed or due.
5. The suspension of the business of Maker, or the making of a general assignment for the benefit of creditors, or the commencement of proceedings for dissolution or liquidation, or the commencement of proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law or statute of the federal or state governments, or the adjudication as bankrupt or insolvent, or the involuntary appointment of a receiver, or applications therefore, or the making of a bulk sale or the giving of notice of intention to do so.
6. At any time, when in the sole opinion of Holder, Maker's financial responsibility shall become impaired or unsatisfactory.

In the event an attorney is employed by the Holder to enforce any of its terms, Maker shall pay reasonable costs and attorney's fees in connection therewith, and such amount shall be secured hereby.

The undersigned shall all be deemed Makers and will jointly, severally and individually be liable as Makers.

This Note is to be construed in accordance with the laws of the State of Florida; venue and jurisdiction is expressly declared to be in Tampa, Hillsborough County, Florida.

_____ _____

Maker Date

_____ _____

Maker Date

_____ _____

Maker Date

_____ _____

Maker Date

Equipment Promissory Note

Maker (Franchisee)			
Equipment Description			
Purchase Price	$	**Interest Rate**	%
Sales Tax	$	**Number of Payments**	
Loan Amount	$	**Payments Start**	
Payment Amount	$	**Payments End**	

FOR VALUE RECEIVED, the undersigned ("Maker") hereby promises to pay to the order of [Franchisor] ("Holder"), or to such other party or parties as a holder of this note may designate, in lawful money of the United States, the Loan Amount and interest thereon from the date hereof on the unpaid balance of said Loan Amount until paid, according to the terms shown above.

It is agreed that each installment, when paid, shall be credited first on interest then due and the remainder on principal, and interest shall thereupon cease upon the principal then credited. Should the interest not be so paid, it shall, at the sole option of the Holder, become a part of the principal and thereafter bear like interest as the principal. The acceptance of any payment by Holder, after any default hereunder, shall not operate to extend the time of payment of any amount(s) then remaining unpaid hereunder or be considered a waiver of any of the other rights of Holder hereunder.

This note and all other obligations, direct or contingent, of any such Maker or endorser hereof to Holder, shall become due and payable immediately at the option of the Holder, without demand or notice upon the happening of any of the following events:

1. The failure to pay any installment of the principal and interest of this note when due.
2. The failure to timely keep or properly perform any of the recitals, covenants, conditions, representations, warranties, obligations or guarantees contained in any agreement between the Maker and Holder.
3. The levy of any attachment, execution, or any other process against all or any part of the assets of Maker.
4. The failure to pay, withhold, collect or remit any tax or tax deficiency when assessed or due.
5. The suspension of the business of Maker, or the making of a general assignment for the benefit of creditors, or the commencement of proceedings for dissolution or liquidation, or the commencement of proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law or statute of the federal or state governments, or the adjudication as bankrupt or insolvent, or the involuntary appointment of a receiver, or applications therefore, or the making of a bulk sale or the giving of notice of intention to do so.
6. At any time, when in the sole opinion of Holder, Maker's financial responsibility shall become impaired or unsatisfactory.

In the event an attorney is employed by the Holder to enforce any of its terms, Maker shall pay reasonable costs and attorney's fees in connection therewith, and such amount shall be secured hereby.

The undersigned shall all be deemed Makers and will jointly, severally and individually be liable as Makers.

This Note is to be construed in accordance with the laws of the State of Florida; venue and jurisdiction is expressly declared to be in Tampa, Hillsborough County, Florida.

By: _____ Date _____

By: _____ Date _____

Receipt of Maintenance Agreement & Finders Fee Agreement

Franchisor		
Franchisee		
Customer		

I, the above named Franchisee, have received, read and understand the Maintenance Agreement for the above named Customer. I agree to adhere to the Cleaning Schedule and all other parts of the Maintenance Agreement, to perform services according to Jani-King's Quality Assurance Program, and follow Jani-King's Policies and Procedures.

I certify that I have sufficient working capital to purchase all needed supplies and equipment and to meet all expected payroll expenses for the first 45 days of service. I understand that a Jani-King representative will contact and/or inspect this Customer from time to time in order to ensure that services comply with the Cleaning Schedule and that the Customer is satisfied with my performance. If a deficiency is discovered, whether through inspection or a Customer complaint, I understand that a Service Fee, Non-Compliance Fee, Quality Assurance Fee or Cancellation Fee described in the Jani-King Policies and Procedures Manual and our Quality Assurance Program may be applied.

I understand and agree that any business in excess of the Initial Business offered to me under my Franchise Agreement will be subject to a Finder's Fee according to the Jani-King Policies and Procedures currently in effect. The Finders Fees options and amounts due are summarized in the following tables:

Contract Amt	$	**Eligible Amount**	$

Ongoing Fee Initial:

Percentage	%

One-Time Fee Initial:

Total Fee	$	**No. of Payments**		**Interest Rate**	
Payment Amt	$	**First Payment**		**Last Payment**	

I agree to pay Franchisor ("Jani-King") the Finders Fee shown above. If the Customer is transferred or cancels service for any reason, I understand that the One-Time Fee must still be paid in full with no cancellation, reduction, abatement or refund. Initial Business will be replaced on a prorata basis only if (1) my employees and I were not a contributing factor to the transfer/cancellation and (2) I am in full compliance with the Jani-King Quality Assurance Program and Jani-King Policies and Procedures Manual.

I agree that any unpaid portion of the Finders Fee shall become due and payable immediately at the option of Jani-King, without demand or notice, if any of the following occurs: (1) I fail to make a payment when due, (2) I fail to comply with my Franchise Agreement or Jani-King Policies and Procedures or (3) If, in the sole opinion of Jani-King, my financial condition becomes impaired or unsatisfactory.

I agree to pay all applicable Service Fees, Non-Compliance Fees, Quality Assurance Fees or Cancellations Fees described in the Jani-King Policies and Procedures Manual on this or any other Jani-King customer that I service. I also agree to pay all reasonable costs and attorneys' fees if Jani-King employs an attorney to enforce this agreement.

By: Franchise Owner, Partner or Officer

Date

Owners Statement

Corporate or LLC Name	

I am a (check one)		Incorporated or Formed (Date)	Under the laws of (State)
	Corporation		
	Limited Liability Company		

The following list includes the name, address and Taxpayer ID of every owner, stockholder or member.

Name	Tax ID	Address

Copies of documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g. articles of incorporation or organization) are attached.

This Owners Statement is current and complete as of the date below.

CORPORATE OR LLC NAME **FEDERAL TAX ID**

By: Date

Transfer Agreement

Franchisor	
Seller(s)	
Buyer(s)	
Transfer Fee	
Effective Date	

IN WITNESS WHEREOF, the parties executed this Transfer Agreement on (date).

JANI-KING

_____

Signature

BUYER(S)

_____

Signature

_____

Signature

_____

Signature

_____

Signature

SELLER(S)

_____

Signature

_____

Signature

_____

Signature

_____

Signature

WHEREAS Seller is a Jani-King Franchisee currently in compliance with all terms and provisions of its Franchise Agreement ("Agreement") with Franchisor ("Jani-King"); and,

WHEREAS Seller wishes to sell, transfer and assign all right, title and interest in the Agreement to Buyer; and,

WHEREAS Jani-King wishes to approve and accept said sale, transfer and assignment;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, Jani-King consents and agrees to the transfer conditioned upon the faithful performance of each of the following:

1. Seller represents that it is the current franchisee and that the sale, transfer and assignment of the Agreement is made for personal and/or business reasons not related to the operation of its Jani-King franchise.

2. Seller agrees to satisfy any and all debts and obligations currently owed to Jani-King, and agrees that the transfer shall be effective only upon payment in full of all amounts due and owing, without regard to the original terms of payment.

3. Seller agrees to pay to Jani-King the Transfer Fee on the date hereof, to cover necessary and reasonable costs associated with the transfer and as required by the Agreement.

4. Seller agrees to adhere to all post-termination covenants of the Agreement, including but not limited to, cessation of any and all use of Jani-King trademarks, trade names, service marks, materials, processes and procedures and to refrain from any activity which would tend to demonstrate any continuing relationship with Jani-King, except as required hereunder.

5. Seller agrees to surrender all keys, access codes, identification materials and other items providing access to customer buildings to Jani-King upon demand.

6. Seller expressly agrees not to engage in, or have any financial interest in, either as an officer, agent, stockholder, employee, director, owner or partner in any business which performs janitorial services, janitorial management, janitorial franchising or contracting, janitorial management sales, or any related business for a period of two (2) years from the date of termination of any current or future franchise agreement between Seller and Buyer and Jani-King or its parent or its subsidiaries except as an officer, director or shareholder of Buyer. Seller and Buyer further agree not to seek to divert business from Jani-King or its parent or its subsidiaries, or their Franchisees for a period of one (1) year from the date of transfer or otherwise as provided in the Agreement.

7. Seller hereby releases any and all claims or causes of action, accrued or which may accrue, which it has against Jani-King, Jani-King International, Inc., Jani-King Franchising, Inc., Jani-King, Inc. or any of their subsidiary corporations, agents, representatives or employees for any reason whatsoever, including but not limited to, breach of any covenants of the Agreement or operations of its franchised business. If you operate a franchise in the state of Maryland, this release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. Seller agrees to indemnify and hold harmless Jani-King, Jani-King International, Inc., Jani-King Franchising, Inc, Jani-King, Inc. or any of their subsidiary corporations, agents, representatives or employees from any and all actions or causes of action which have accrued or may accrue as a result of performance of the Agreement during the period when Seller operated the franchise business.

9. Buyer agrees to provide Jani-King with written notification of any change whatsoever in its corporate structure or its partnership structure, whether in stock ownership or voting or other control, either in an individual transaction or cumulative, and agrees that no stock will be issued or otherwise transferred on its books in any transaction or series of transactions and agrees that no partnership shares will be transferred and any such change in stock ownership or voting control of a corporation or partnership may subject the Agreement to termination, or to the transfer provision of the Agreement at Jani-King's sole option.

10. The parties agree that since the Buyer is accepting the existing business and clients of the Seller, Jani-King has no further obligation to secure any business for Buyer, and Buyer hereby waives all rights to provision of business to be provided by Jani-King pursuant to the Agreement. Buyer will be required to undergo the training currently offered by Jani-King to any Jani-King franchisee.

11. If Buyer is a corporation, it agrees to provide Jani-King with a corporate resolution authorizing the acceptance of the terms of this Agreement, and further authorizing the assignment of the Agreement to Buyer and understands that the transfer and assignment of the rights, duties and obligations under the Agreement shall not be completed until said transfer is approved and accepted by Jani-King.

Business Protection Plan (BPP) Election Form

THIS ELECTION FORM is effective as of the date shown below. The parties are the "**Franchisor**" and the "**Franchisee**" ("**I,**" "**you,**" or "**my**"). You acknowledge that you have been offered the right to participate in the optional Business Protection Plan ("**BPP**") being made available through Insurance Office of America ("**IOA**"), a licensed insurance producer, and you hereby:

[ ] ACCEPT participation in the BPP [ ] REJECT participation in the BPP

Franchisor

Franchisee

Signature

Signed By **Date**

You understand that participation in the BPP is optional. If rejected, you understand that, prior to commencing operations of your franchise, you must provide the Franchisor with a certificate of insurance showing that you have obtained the equivalent amount of insurance coverage with limits as shown in your franchise agreement, naming Franchisor and Jani-King Franchising, Inc., and their respective officers, directors, and employees as additional insureds for all loss or damage originating from, in connection with, or relating to the operation of your Jani-King® franchised business and for all claims or demands for damages to property or for injury or death of persons directly or indirectly resulting from or related to the operation of your Jani-King® franchised business. Upon your acceptance, you acknowledge and agree to the following:

1. If you do participate in the BPP, you are not required to purchase separately that portion of the required liability insurance stated in your franchise agreement that the BPP provides unless and until you cease participating in the BPP. Insurance provided by the BPP is limited to the operations of your Jani-King® franchised business. The BPP coverage begins when your Jani-King® franchised business begins providing services under a Jani-King® franchise agreement. The BPP coverage is only provided for operations where the Franchisor has been notified that services will begin for an account prior to any claims related to such services.

2. Information concerning the benefits of participating in the BPP and the insurance coverages provided through the program, including various insurance summary documents, will be provided to you by a representative of IOA upon request. Please contact IOA if you have any questions concerning the insurance included in the BPP. Neither IOA, Jani-King Franchising, Inc. nor Franchisor make any representation concerning the adequacy of the insurance coverage included in the BPP for your business, nor any representation or warranty concerning the financial condition or solvency of any of the insurers providing coverage through the BPP.

3. The current BPP fee is 4% of your Gross Revenue, as defined in your Jani-King® franchise agreement. The cost for participating in the BPP will be deducted directly from the revenue reported on your monthly Franchise Report. The BPP fee includes a proportional charge for the premium paid to the insurance carrier underwriting the BPP, as well as the cost of administering the program. Franchisor may derive income

from administering the BPP. The cost of the BPP may change in the future due to changes in insurance rates and administrative costs. The Franchisor retains the right to discontinue the BPP upon the granting of reasonable notice to you. Franchisor and IOA reserve the right, in their sole discretion, to change any element of the BPP at any time upon reasonable notice, including without limitation, its provisions, coverage and payment structure. A deductible may apply to any claims submitted, depending on the type of claim submitted, and you agree to pay such deductible.

4. Your participation in the BPP will continue unless (a) you obtain all required coverages elsewhere and provide the Franchisor with at least sixty (60) days prior written notice that you elect to opt out of the BPP, (b) the Franchisor terminates your participation pursuant to Section 8 below, or (c) the Franchisor discontinues the BPP.

5. Participation in the BPP does not include coverage for any liability arising from (a) any personal or business use automobile(s), (b) owned or long-term leased vehicles, or (c) your equipment, supplies, or building if the building out of which you operate your Jani-King® franchised business is different from the Franchisor's. You must secure Business or Commercial Automobile Liability Insurance for such owned and long-term leased vehicles at a limit of liability of $1,000,000 Combined Single Limit. The Franchisor must be included in this policy as an Additional Insured. You are required to purchase this additional insurance and supply proof of insurance to the Franchisor via a certificate of insurance before you will be authorized to begin operations of your Jani-King® franchised business. You remain liable for any amounts not covered under the BPP.

6. You understand that your participation in the BPP includes administration fees paid to IOA and Ancient Oak Insurance Partners, LLC as payment for the following services: (a) assistance with risk assessment; (b) management of overall claims handling processes; (c) assistance with compliance of workers' compensation laws; (d) assistance with risk control; (e) assistance with Certificates of Insurance; (f) insurance coverage analysis; (g) assistance with premium audits; (h) general risk management services; (i) periodic safety training; and (j) other regulatory compliance assistance.

7. You agree to provide wage statements and any payroll information needed to process claims or complete workers compensation payroll audits in a timely manner.

8. IOA and the Franchisor may terminate your participation in the BPP upon reasonable notice to you for any of the following reasons: (a) if you fail to pay any amount owed for your participation in the BPP; (b) if you fail to report all Gross Revenue as such term is defined in your Jani-King® franchise agreement; (c) if you file a fraudulent insurance claim under any of the insurance coverage obtained by you through the Franchisor; (d) if, in the sole discretion of IOA, you have excessive losses; (e) if you fail to comply with insurance carrier payroll audits, or (f) if you do not participate in the janitorial industry for 12 consecutive months.

9. The following is the coverage provided by the BPP. It references the BPP offering of insurance coverages as provided in your Franchise Disclosure Document and Franchise Agreement, including various summary documents provided to you by IOA.

Type of Coverage	Minimum Limits	Deductible
Workers Compensation	Statutory Limits	
Comprehensive General Liability	$1,000,000 per occurrence; $5,000,000 aggregate	$1,000
Employee Dishonesty/Crime	$1,000,000 per occurrence	$1,000
Pollution Liability	$1,000,000 per occurrence; $3,000,000 aggregate	$1,000
Employers Liability	$1,000,000	
Non-Owned Auto	$1,000,000 per occurrence	
Umbrella Policy	$20,000,000	

EXHIBIT H

Guaranty

Franchise Agreement Date :
Franchise Name :
Guarantor Name & Address :

Guarantor Signature _____ Date _____

In consideration of the making by [Franchisor Name] ("Franchisor") of that certain Franchise Agreement, dated as shown above, by and between Franchisor and the Individual Franchisee ("Franchisee"), named above, which the parties agree was made in reliance on this Guaranty, the above signed ("Guarantor") unconditionally guarantees to Franchisor, its successors and assigns (collectively "Franchisor") the complete and timely performance by Franchisee of all terms of the Franchise Agreement, including prompt payment of royalty fees, Promissory Note payments and all other sums due.

In that Guarantor is: (i) a shareholder, member, officer or director of any corporation or limited liability company that holds the franchise; or (ii) otherwise a principal with a beneficial interest in the Franchise Agreement, and thus will be privy to the confidential information and trade secrets of the Franchisor, Guarantor agrees to comply with all covenants of the Franchise Agreement related to the protection of the JANI-KING® trade and service marks, all noncompetition provisions or other restrictive covenants, and all post termination covenants of the Franchise Agreement, including the Noncompetition provisions and other obligations set out regarding transfer, expiration, termination or non-renewal of the Franchise Agreement, and all such covenants shall be binding upon and fully enforceable against Guarantor as though they were fully set forth in this Guaranty. This covenant shall survive any dissolution of marriage, resignation, or other withdrawal of Guarantor from affiliation with Franchisee.

Guarantor waives notice of acceptance of this Guaranty, waives diligence, presentment, and suit by Franchisor to enforce any covenant of the Franchise Agreement or other guarantees herein. Guarantor further waives notice of Franchisee's default under the Franchise Agreement and any notice required to be presented to Franchisee pursuant to the Franchise Agreement.

This Guaranty shall remain effective as to any renewals, modifications or amendments to the Franchise Agreement by Franchisee or its successors or assigns (collectively "Franchisee"), without notice or approval of same by Guarantor, provided any transfer has been approved by Franchisor in accordance with the terms of the Franchise Agreement. This Guaranty shall remain valid until released in writing by Franchisor. No action or inaction by Franchisor shall serve to release this Guaranty.

Franchisor reserves the right to join Guarantor in any action or proceeding commenced against Franchisee. Franchisor may file suit and recover judgment from Guarantor without prior suit or exhaustion of any remedy against Franchisee. If Franchisee is involved in a bankruptcy, reorganization or winding up, no laws, regulations, administrative or judicial determination pertaining to such action shall limit this Guaranty in any way.

This Guaranty shall be binding upon the Guarantor's agents, successors, assigns, heirs, executors, and administrators. Where there is more than one Guarantor, each shall be jointly and severally liable for each obligation of the Guarantor herein.

This Guaranty shall not be revoked or impaired as to any Guarantor by the death of the other party.

If this Guaranty is placed in the hands of an attorney for enforcement, Guarantor agrees to pay all of Franchisor's expenses, including reasonable attorney's fees incurred in its enforcement.

EXHIBIT I TABLES OF CONTENTS FOR MANUALS

1) **JANI-KING® FRANCHISE TRAINING MANUAL**

2) **JANI-KING® FRANCHISE OPERATIONS MANUAL**

3) **JANI-KING® SAFETY MANUAL**

4) **JANI-KING® POLICIES AND PROCEDURES MANUAL**

5) **SUMMARY OF JANI-KING® MANUALS**

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Jani-King Franchise Training Manual

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EXHIBIT J ACTIVE FRANCHISEES

The following are our (Jani-King of Baltimore) franchisees active in the Region as of December 31, 2025.

NAME	ADDRESS	PHONE
Larry J. Smith, LLC	3323 Kerry Rd, Gwynn Oak, MD 21207	(443) 562-1840
ALARIE, Inc	4226 Red Ridge Way, Randallstown, MD 21133	(410) 982-3273
W & K Services, LLC	8405 Foundry St, Savage, MD 20763	(410) 808-9240
Ghost Rider Services of Manchester, LLC	3119 Pyramid Cir, Manchester, MD 21102	(410) 239-4432
Williams Marva Enterprises 225 LLC	6139 Dunroming Rd, Baltimore, MD 21239	(410) 433-9351
McMillian Services, LLC	1214 Halls Chance Ln, Belcamp, MD 21017	(443) 286-1546
Fresh Look, Inc	405 Blueberry Ct, Edgewood, MD 21040	(410) 905-8584
B Moores Services LLC	4232 Herrera Ct, Randallstown, MD 21133	(443) 812-6224
The Ferguson Group, LLC	714 Luke Rd, Middle River, MD 21220	(443) 827-9494
Price Commercial Service Corp	24 Romanoff Ct, Parkville, MD 21234	(410) 529-5021
Bonac Pence, LLC	719 Lions Gate Ln, Odenton, MD 21113	(410) 674-2472
TF & P Services, LLC	8662 Side Saddle Ct, Randallstown, MD 21133	(443) 392-1521
L & S Services, LLC	2200 Booth St, Baltimore, MD 21223	(443) 415-5581
Daugherty Services, LLC	2707 Aspen Dr, Hampstead, MD 21074	(443) 370-8264
Digital BSC, LLC	5902 Fenwick Ave, Baltimore, MD 21239	(443) 865-2265
OVS Services, LLC	2607 Roslyn Ave, Baltimore, MD 21216	(443) 826-5165
DAZSER-BAL Services	2469 Sunset Point Rd, Clearwater, FL 33765	(727) 797-7744
Angion Enterprises, LLC	8800 Admiral Dr, Laurel, MD 20708	(240) 300-4493
NABA LLC	3034 Crest Ave, Hyattsville, MD 20785	(301) 502-2075
Saxon's Future Enterprise LLC	1622 N Forest Park Ave, Gwynn Oak, MD 21207	(443) 310-3467
A Time to Sweep LLC	19 Phlox Cir Apt E, Owings Mills, MD 21117	(443) 204-6563
Martin's Professional Services LLC	6201 Leith Walk, Baltimore, MD 21239	(443) 621-0830
MC Professional Services, LLC	200 River Way Ct Apt 301, Owings Mills, MD 21117	(443) 791-2932
Tina O Services LLC	7898 Tall Pines Ct Apt E, Glen Burnie, MD 21061	(443) 591-3063
1st Priority Enterprise, LLC	1723 Forrest Ave, Parkville, MD 21234	(443) 677-4879
Ruth Professional Services, LLC	7878 Nordau Ct, Jessup, MD 20794	(240) 786-2918
KT & JS Services, LLC	9801 Tailspin Ln Apt 1, Middle River, MD 21220	(443) 531-5725
Environmental Solutions Partners, LLC	8517 Stevenswood Rd, Windsor Mill, MD 21244	(301) 343-3406

NAME	ADDRESS	PHONE
Reagan Enterprise LLC	9777 Tiger Lily Path Apt 1a, Laurel, MD 20723	(240) 464-5443
Floyd Hand On, LLC	7902 Liberty Cir, Pasadena, MD 21122	(443) 714-1503
Stateman & Summers Enterprise	2162 Commissary Cir, Odenton, MD 21113	(800) 380-1845
S & M Company	1506 Elwyn Ave, Crofton, MD 21114	(667) 305-0780
SMS Jones LLC	8 Tameron Pl, Rosedale, MD 21237	(410) 395-4789
Silbak Professional Services, LLC	6205 Twenty Year Chase, Columbia, MD 21045	(443) 676-7775
K&G Group LLC	17 Lockett Ct, Essex, MD 21221	(443) 890-5840
DK Company LLC	7220 Stratton Way, Baltimore, MD 21224	(973) 979-5418
HBD Services	3808 Powhatan Rd, Hyattsville, MD 20782	(202) 489-5375
LTR Multi Purpose Services	1953 Searles Rd, Dundalk, MD 21222	(443) 652-2080
Shannys Professional Services LLC	4007 W Cold Spring Ln, Baltimore, MD 21215	(443) 413-1998
Orbes Pristine Service LLC	8742 Stockwell Rd, Parkville, MD 21234	(443) 834-5282
DZK LLC	9112 Abigail Dr Apt 1d, Rosedale, MD 21237	(410) 340-2795
Grant Way Services LLC	4305 Deer Park Rd, Randallstown, MD 21133	(443) 301-8528
Linchpin Consulting	3216 E Baltimore St, Baltimore, MD 21224	(443) 879-9060
ANDREAMAY LLC	5870 Whisper Way, Elkridge, MD 21075	(410) 934-2708
Samantha Hnin LLC	7701 Sharewood Dr, Jessup, MD 20794	(443) 531-1502
Tidy Touch LLC	9617 Clocktower Ln, Columbia, MD 21046	(443) 527-4901
WFAM Enterprises LLC	9024 Moving Water Ln, Columbia, MD 21046	(443) 710-5878
Our Family Foundation Start to Finish LLC	7604 Hillsway Ave, Parkville, MD 21234	(443) 326-8485
Only Family Here LLC	612 Annapolis Walk Dr, Annapolis, MD 21401	(443) 600-4110
Van Family	7416 Oakland Mills Rd, Columbia, MD 21046	(410) 300-3565
SAAAS Enterprises	9322 Paragon Way, Owings Mills, MD 21117	(443) 431-3817
Aroma Professional Services LLC	9743 Whiskey Run, Laurel, MD 20723	(240) 701-5543
Eco Shine LLC	803 Ramshead Cir, Cockeysville, MD 21030	(443) 904-1515
Casa Services, LLC	3349 N Chatham Rd Apt H, Ellicott City, MD 21042	(443) 322-4920
MJ Settings Corp	6030 Marshalee Dr, Elkridge, MD 21075	(443) 477-8673

The following are Jani-King of Washington, DC franchisees active in Maryland as of December 31, 2025. They operate outside of our Region and are not directly affiliated with us.

NAME	ADDRESS	PHONE
Baptiste, Hantz P. & Baptiste, Domingas F.	3808 Powhatah Road, Hyattsville, MD 20782	(301) 864-1740
Barnes, Selma M.	13452 Buchanan Drive, Fort Washington MD 20744	(301) 417-4300
Capsol, LLC	3714 Wilton Court, White Plains, MD 20695	(240) 475-3031
Emergency Hero, LLC	2227 Forest Glade Lane, Suitland, MD 20746	(614) 499-5244
Emerson, Valerie S.	14102 Town Farm Road, Upper Marlboro, MD 20774	(202) 528-2782
Gomez, Carlos H.	5913 Bethlehem Court, Derwood, MD 20855	(240) 461-6371
Identify Solutions, LLC	7512 Lenham Drive, Fort Washington, MD 20744	(240) 603-3322
JB Company, LLC	12226 Centerhill Street, Silver Spring, MD 20902	(240) 644-4513
Kaiser DC, LLC	3531 Emperor Court, Bowie, MD 20716	(240) 216-2648
Krishna Enterprise Corporation	13215 Lantern Hill Court, Silver Spring, MD 20906	(301) 871-6254
LNS Innovations, LLC	420 Mohican Drive, Frederick, MD 21701	(615) 992-0985
Mojumder Group, LLC	4104 Brushfield Drive, Frederick, MD 21704	(301) 467-5225
Olfus, Eric A.	10803 Kingsmere Court, Upper Marlboro, MD 20774	(301) 661-9064
Quality Home Remodeling, LLC	9525 51st Avenue, College Park, MD 20740	(301) 768-1178
Reyes, Fidel A.	8212 Ironclad Court, Gaithersburg, MD 20877	(240) 620-6577
Thomas, Tracey A. & Thomas, Sabrina B.	145 Riverhaven Drive, Unit 503, National Harbor, MD 20745	(703) 404-9013

The following are Jani-King of Washington, DC franchisees active in Virginia as of December 31, 2025. They operate outside of our Region and are not directly affiliated with us.

NAME	ADDRESS	PHONE
Castillo, Gilberto A.	11236 Edgemoor Court, Woodbridge, VA 22192	(703) 494-1328
Centrimol Nutrition, LLC	43579 Wild George Terrace, Leesburg, VA 20176	(703) 717-9333
Davis, Jeffrey	43765 Raleigh Place, Ashburn, VA 20147	(703) 723-1528
Elite Crew, Inc.	14309 Bismark Avenue, Woodbridge, VA 22193	(571) 276-5893
Fragments, LLC	2801 Classic C Court, Herndon, VA 20171	(301) 580-2138
Genesis Company USA, LLC	2717 Jefferson Drive, Alexandria, VA 22303	(703) 576-2677
Godella, LLC	5213 Beverly Court, Warrenton, VA 20187	(703) 655-6249
Gomez Enterprise, LLC	14800 Daley Lane, Woodbridge, VA 22193	(703) 454-4476
Jigme, Sonam	13006 Rose Petals Circle, Herndon, VA 20170	(703) 796-9179
Mass, Victor R.	34183 Mansours Drive, Locust Grove, VA 22508	(703) 369-0342
Mendoza, Raul & Mendoza, Goldy C.	3319 Sydenham Street, Fairfax, VA 22031	(703) 876-0243
Minmejia LLC	1917 Captain Drive, Fredericksburg, VA 22408	(703) 203-9704
MJA United, LLC	13524 Delaney Road, Woodbridge, VA 22193	(571) 356-7406
MW2, LLC	4 Barnum Drive, Stafford, VA 22556	(301) 379-3908
PA & E, LLC	6172 Edsall Road #51, Alexandria, VA 22304	(571) 572-1936
Padilla, Maria C.	5533 Hollins Lane, Burke, VA 22015	(703) 915-0027
Paredes, Maria M. & Paredes, Carlos V.	6800 Huntsman Boulevard, Springfield, VA 22152	(703) 967-2034
Raytisro, LLC	14 Shadowbrook Lane, Fredericksburg, VA 22406	(571) 277-0900
Ruun, LLC	42564 Olmstead Drive, Ashburn, VA 20148	(703) 930-1614
Samdark Consulting, LLC	17 Invicta Drive, Stafford, VA 22554	(571) 234-7463
Sheikhibrahim, Ahmed	14099 Banberrty Circle, Manassas, VA 20112	(703) 567-2159
Shield, LLC	14503 Anderson Street, Woodbridge, VA 22193	(571) 214-5145
Shinecraft, LLC	24626 Lenah Crossing Drive, Aldie, VA 20105	(443) 540-8015
Simply O.C.D, LLC	1 Thornberry Lane, Stafford, VA 22556	(917) 224-4571
SKLTBF, LLC	14627 Batavia Drive, Centreville, VA 20120	(703) 310-9211
TR & MB, LLC	12304 Exbury Street, Herndon, VA 20170	(579) 259-2091
Whitefield, Desmond	5793 Winston Court, Apt. #62, Alexandria, VA 22312	(703) 622-5365
Yilfu, Kelemua	4120 Point Hollow Lane, Fairfax, VA 22033	(703) 624-2921

EXHIBIT J FRANCHISEES NOT YET OPEN FOR BUSINESS

As of December 31, 2025, the following franchisees have signed agreements but have not yet opened for business.

NAME	ADDRESS	PHONE
None		

EXHIBIT J INACTIVE[1] FRANCHISEES

As of December 31, 2025, we have no inactive franchisees. The following franchisees became inactive in the Region during 2025.

NAME	ADDRESS	PHONE
None		

[1] "**Inactive**" franchisees are no longer servicing customers, but still have a valid Franchise Agreement in effect. They could begin servicing customers again without penalty. Their franchise will automatically terminate if they do not renew their agreement before the renewal date. Their franchise can be terminated if they are in default of the Franchise Agreement.

EXHIBIT J FRANCHISEES LEAVING THE SYSTEM

The following franchisees left the system during 2025. Reasons for leaving include non-renewal of their franchise agreement, sale or transfer of their franchise, termination, or re-purchase.

NAME	ADDRESS	PHONE
Puerto Professional Services LLC	1805 Darrich Dr, Parkville, MD 21234	(443) 613-0952
Next2godliness LLC	7681 Woodpark Ln Apt 204, Columbia, MD 21046	(443) 538-6111
RC Professional Services LLC	10 Gemstone Ct, Windsor Mill, MD 21244	(443) 917-8202
T & Z Carter Group LLC	1638 E 32nd St, Baltimore, MD 21218	(443) 600-9881
GL Account Tax LLC	4601 Hunt Ave, Chevy Chase, MD 20815	(443) 248-9088
JL Parker LLC	187 Deale Rd, Tracys Landing, MD 20779	(410) 867-9571
AMB United LLC	5030 John Buck Ave, Perry Hall, MD 21128	(443) 760-1553

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

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 we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If we do 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, D.C. 20580 and, if you operate a franchise in the State of Maryland, the Maryland Division of Securities.

If you operate a franchise in Maryland, we authorize the Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202 to receive service of process for us in Maryland.

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

Name	Principal Business Address	Telephone Number
Kevin Taylor	7120 Minstrel Way, Suite 208 Columbia, MD 21045	(410) 381-3678

Issuance Date: April 23, 2026

I received a Disclosure Document dated [To be determined]. This Disclosure Document included the following Exhibits:

A. Information about the Franchisor
B. Insurance Requirements
C. System Statistics
D. Franchise Agreement
E. Financial Statements
F. Supply and Equipment Packages
G. Promissory Note, Receipt of Maintenance Agreement / Finder's Fee Agreement, and Owners Statement
H. Guaranty
I. Tables of Contents for Manuals
J. Lists of Active and Former Franchisees
K. Receipt of Franchise Disclosure Document

Signature	Signature
Printed Name	Printed Name
Social Security Number	Social Security Number
Date / Phone	Date / Phone