FRANCHISE DISCLOSURE DOCUMENT

Kitchen Guard Franchising, Inc.
(A Delaware Corporation)
6700 Forum Drive, Suite 150
Orlando, FL 32821
1-940-331-0740
www.kitchenguardfranchise.com

The franchise offered is for a Kitchen Guard Services business which will provide commercial kitchen exhaust system cleaning, air duct cleaning, vapor cleaning, grease containment, filter exchanges, inspection, maintenance, and restoration services to commercial kitchens and restaurants, as well as other services authorized by us.

The total investment necessary to begin operation of a new Kitchen Guard franchise is $210,486 to $285,883. This includes $49,499 to $56,497 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Justin Ghadery, at Kitchen Guard Franchising, Inc., 6700 Forum Drive, Suite 150, Orlando, FL 32821.

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

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

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

Issuance Date: April 1, 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 and losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits "F" and "G."
How much will I need to invest?	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 supplies you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21, or Exhibit "B" includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Kitchen Guard Services 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 Kitchen Guard Services franchisee?	Item 20 or Exhibits "F" and "G" list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation in the city and state of our then-current National Headquarters (presently Orlando, Florida). Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

2. **Mandatory Minimum Payments**. You must make mandatory minimum royalty payments or advertising fund payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

3. **Short Operating History**. The franchisor is at an early stage of development and has limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

4. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

5. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW.

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

2. A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

3. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

4. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

5. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

6. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(a) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(b) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

7. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

8. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise
G. Mennen Williams Building
525 West Ottawa, 1st Floor
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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ITEM 1: FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "**we**" or "**our**" or "**us**" or "**Company**" means the franchisor, Kitchen Guard Franchising, Inc. "**You**" means the person or the legal entity (such as a corporation, partnership, or limited liability company) that enters into the franchise agreement ("**Franchise Agreement**") and its owners.

The Franchisor, Parents, Predecessors, and Affiliates

We are a Delaware corporation formed on June 23, 2023, with our principal business address at 6700 Forum Drive, Suite 150, Orlando, FL 32821, and we conduct business under our corporate name and our proprietary marks, including the mark "Kitchen Guard Services". Our parent is Clintar, Inc. d/b/a EverSmith Brands ("EverSmith Brands"), a Delaware corporation formed on July 2, 2021, with an address at 6700 Forum Drive, Suite 150, Orlando, FL 32821. EverSmith Brands' parent is EverSmith Brands Intermediate Holding Company (f/k/a Clintar Intermediate Holding Company), a Delaware corporation formed on November 25, 2020, and EverSmith Brands Holding Company (f/k/a Clintar Holding Company), a Delaware corporation formed on November 25, 2020, each with an address of 6700 Forum Drive, Suite 150, Orlando, FL 32821. EverSmith Brands Holding Company (f/k/a Clintar Holding Company) is directly or indirectly controlled by Riverside Micro-Cap Fund V, L.P. and Riverside Micro-Cap Fund V-A, L.P each of which are Delaware limited partnerships that maintain their principal place of business at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111. The Company's agents for service of process are set forth in Exhibit A.

We began offering franchises as of August 2023. We do not operate a business of the type being offered in this disclosure document. We have not conducted business in any other line of business or offered franchises in any other line of business. We have no other business activities. As of December 31, 2025, we have 38 franchises operating in the United States.

Our affiliate U.S. Lawns, Inc. ("U.S Lawns") has offered franchises under the mark "U.S. Lawns" since August 1986. U.S. Lawns' principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A U.S. Lawn franchise offers outdoor commercial property and landscaping services. As of December 31, 2025, U.S. Lawns had 208 franchises operating in the United States.

Our affiliate Restoration Specialties Franchise Group, LLC ("Prism Specialties") has offered franchises since April 2012 and in September 2021 the franchises have operated under the mark "Prism Specialties." Prism Specialties' principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A Prism Specialties franchise offers electronic, art, textile, and document recovery, repair, and restoration services. As of December 31, 2025, Prism Specialties had 90 franchisees operating in the United States.

Out affiliate milliCare Franchising, LLC ("milliCare") and its predecessors have offered franchises since January 2011. milliCare's principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A milliCare franchise offers cleaning and maintenance of floor coverings and interior finishes and related services under the mark "milliCare Floor & Textile Care." As of December 31, 2025, milliCare had 48 franchises operating in the United States and 9 international franchises.

Our affiliate TruServe Groundscare, Inc. is an Ontario corporation formed on January 1, 2008, with an address at 80 Tiverton Ct Suite 205. Markham, ON, Canada L3R 8T3, offers outdoor commercial property service franchises under the "Clintar Commercial Outdoor Services" mark in Canada. Our affiliate and its predecessor have offered Clintar Commercial Outdoor Services franchises since 1982. As of December 31, 2025, there were 21 franchised Clintar Commercial Outdoor Services businesses operating in Canada.

Our affiliate The Seals Franchising, LLC ("The Seals") has offered franchises since August 2019. The Seals' principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A The Seals franchise offers the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware and cutting board. As of December 31, 2025, The Seals had 6 franchises operating in the United States.

Our affiliate 1 TOM Plumber Global LLC ("1 Tom") has offered franchises under the Mark "1-Tom-Plumber" since October 2020. 1 Tom's principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A 1 Tom franchise offers emergency plumbing services and repairs at commercial and residential properties. As of December 31, 2025, 1 Tom had 56 franchises operating in the United States.

EverSmith Brands, our parent company, is also the parent company of our affiliates listed above.

The Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses, manages the investment funds that are the owner of EverSmith Brands Holding Company. The Riverside Company maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111.

While there is no common control between EverSmith Brands and the franchise platforms listed below and therefore are not considered affiliates required to be disclosed in Item 1, we disclose these franchise companies as The Riverside Company also manage various investment funds that own, in whole or in part, directly or indirectly, these other franchise companies.

Evive Brands

ALL Franchising, LLC ("ALL") and its predecessors have offered franchises under the mark "Assisted Living Locators" since May 2006. ALL's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. An Assisted Living Locators franchise assist seniors and their families in locating assisted living facilities, memory care communities, nursing homes, senior care homes and independent living senior communities. As of December 31, 2025, ALL had 171 franchises operating in the United States.

B & P Burke, LLC ("B&P") has offered franchises under the mark "Grasons" since May 2014. B&P's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. A Grasons franchise offers estate sale and business liquidation services. As of December 31, 2025, B&P had 69 franchises operating in the United States.

Brothers Parsons Franchising LLC ("Brothers") and its predecessor have offered franchises under the mark "The Brothers that just do Gutters" since July 2015. Brothers' principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 8525. A "The Brothers that just do Gutters" franchise provides gutter installation, maintenance, cleaning, repair, and related services and products. As of December 31, 2025, Brothers had 401 franchises operating in the United States.

Executive Home Care Franchising, LLC ("Executive Care") has offered franchises under the mark "Executive Home Care" since June 2013. Executive Home Care's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. An Executive Home Care franchise offers in-home comprehensive care and medical services to home care clients, and supplemental healthcare staffing services to institutional clients. As of December 31, 2025, Executive Care had 79 franchises operating in the United States.

MB Franchise Holdings, Inc. ("MB") and its predecessors have offered franchises under the mark "Maid Brigade" since June 1984. MB's A Maid Brigade franchise provides supervised team cleaning services to home and light commercial offices and related services and products. As of December 31, 2025, MB had 286 franchises operating in the United States.

Pacific Lawn Sprinklers Franchise LLC ("Pacific Lawn") and its predecessors have offered franchises under the "Pacific Lawn Sprinklers" marks since November 2023. Pacific Lawn's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 8525.A Pacific Lawn franchise provides installation and maintenance services. As of December 31, 2025, Pacific Lawn had 71 franchises operating in the United States.

Shine Development LLC ("Shine") and its predecessors have offered franchises under the "Shine" marks since March 2012. Shine's principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 8525.A Shine franchise offers residential and commercial window cleaning, pressure washing, house detailing, and holiday and outdoor lighting services. As of December 31, 2025, Shine had 77 franchises operating in the United States.

Head-to-Toe Brands

BCC Franchising, LLC ("BCC") and its predecessor have offered franchises since March 2007 under the mark "Bishops". BCC's principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Bishops franchise offers haircuts, coloring, and barber services. As of December 31, 2025, BCC had 40 franchises operating in the United States.

Crown Extension Bar, LLC ("Crown") has offered franchises since December 2025 under the mark "Delta Crown." Delata Crown's principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Delta Crown franchise offers semi-permanent hair extensions and hair extension related salon services. As of December 31, 2025, Delta Crown had 1 franchise operating in the United States.

Frenchies, LLC ("Frenchies") has offered franchises under the mark "Frenchies Modern Nail Care" since April 2015. Frenchies' principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Frenchies Modern Nail Care franchise offers hand and foot care. As of December 31, 2025, Frenchies had 26 franchisees operating in the United States.

The Lash Franchise Holdings, LLC ("Lash") and its predecessor has offered franchises under the mark "Lash Lounge" since March 2010. Lash's principal business address is 550 Reserve Street, Suite 380, Southlake, TX 76092. A Lash Lounge franchise offers permanent and temporary eyelash and eyebrow extensions and other eye enhancing services. As of December 31, 2025, Lash had 131 Lash Lounge franchises in the United States.

Best Life Brands

Blue Moon Franchise Systems, LLC ("Blue Moon") has offered franchises under the mark "Blue Moon Estate Sales" since August 2013. Blue Moon's principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A Blue Moon franchise sells personal property as well as the provision of consignment sales for those who are downsizing, relocating, or are deceased. As of December 31, 2025, Blue Moon had 136 franchises in operation in the United States.

Boost Franchise Systems, LLC ("Boost") has offered franchises under the mark "Boost Home Healthcare: since July 2021. Boost's principal business address is 900 Wilshire Drive, Suite 102,Troy, MI 48084. A Boost franchise offers intermittent care ordered by a doctor and performed by a home health aide and other licensed healthcare providers to patients of all ages with acute and chronic long term complex health conditions within the patient's residence or within health care facilities. As of December 31, 2025, Boost had 3 franchises in operation in the United States.

CarePatrol Franchise Systems, LLC ("CarePatrol") and its predecessor has offered franchises under the "CarePatrol" mark since April 2009. CarePatrol's principal address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A CarePatrol franchise offers senior living placement, referral, and consulting services to families. As of December 31, 2025, CarePatrol had 215 Care Patrol franchises operating in the United States and 2 in Canada.

ComForCare Franchise Systems, LLC ("ComForCare") and its predecessor has offered franchise under the mark "ComForCare Home Care" since April 2021. ComForCare's principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A ComForCare Home Healthcare franchise offers (i) companionship and personal/domestic care services, and other special needs services, primarily on a non-medical basis, for seniors and people of all ages so that they may remain in their residences, (ii) supplemental healthcare staffing services for persons who need this kind of assistance in their home or a facility in which they reside, and (iii) private duty nursing services. As of December 31, 2025, ComForCare had 270 franchises operating in the United States and 19 in Canada.

Next Day Access, LLC ("Next Day") has offered franchises under the "Next Day Access: mark since 2012. Next Day's principal business address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. A Next Day Access franchise offers ramps and other products and accessories that enhance the life of physically disabled or challenged persons. As of December 31, 2025, Next Day had 91 franchises operating in the United States and 1 in Canada.

Threshold Brands

Maid Pro Franchise, LLC ("MaidPro") has offered franchises under the "Maid Pro" mark since February 1997. MaidPro's principal business address is 77 North Washington Street, Boston, MA 02114. A Maid Pro franchise offers home cleaning services for residential and commercial customers. As of December 31, 2025, MaidPro had 255 franchises operating in the United States and 14 in Canada.

Men In Kilts US, LLC ("MIK") has offered franchises under the mark "Men in Kilts" since March 2019. MIK's principal place of business is 77 North Washington Street, Boston, MA 02114. A Men in Kilts franchise offers window cleaning, gutter cleaning, pressure washing, siding cleaning, snow removal and other related services. As of December 31, 2025, MIK had 27 franchises operating in the United States.

Pestmaster Franchise Network, LLC ("Pestmaster") and its predecessor has offered franchises under the "Pestmaster" mark since June 2021. Pestmaster's principal business address is 9716 South Virginia Street, Suite E, Reno, NV 89511. A Pestmaster franchise offers structural and agricultural pest control and related services. As of December 31, 2025, Pestmaster had 75 franchises operating in the United States.

USA Insulation Franchise, LLC ("USA Insulation") has offered franchises under the "USA Insulation" mark since March 2006. USA Insulation's principal business address is 17700 Saint Clair Avenue, Cleveland, OH 44110. A USA insulation franchise offers residential insulation services. As of December 31, 2025, USA Insulation had 96 franchises operating in the United States.

Granite Garage Floors Franchising, LLC ("Granite") has offered franchises under the mark "Granite Garage Floors" since June 2013. Granite's principal business address is 110 Mansell Circle, Suite 375, Roswell, GA 30075, A Granite Garage Floors franchise sells and installs residential garage floor coating systems. As of December 31, 2025, Granite had 57 franchises operating in the United States.

Mold Medics Franchising LLC ("Mold Medics") has offered franchises under the "Mold Medics" mark since December 2020. Mold Medics' principal business address is 811 Washington Avenue, Carnegie, PA 15106. A Mold Medics franchise offers mold remediation, air duct cleaning, radon testing and mitigation services, and other services and products. As of December 31, 2025, Mold Medics had 18 franchises operating in the United States.

Sir Grout Franchising, LLC ("Sir Grout") has offered franchises under the "Sir Grout" mark since August 2007. Sir Grout's principal business address is 77 North Washington Street, Boston, MA 02114. A Sir Grout franchise offers grout and tile cleaning, sealing, caulking and restoration services and other services. As of December 31, 2025, Sir Grout had 91 franchises operating in the United States.

Miracle Method LLC ("Miracle") and its predecessors have offered franchises under the "Miracle Method" mark since September 1996. Miracle's principal business address is 4310 Arrowswest Drive, Colorado Springs, CO 80907. A Miracle Method franchise offers refinishing and restoration of bathtubs, sinks, showers, tiles, countertops, and similar surfaces. As of December 31, 2025, Miracle Method had 213 franchises (inclusive of sub-franchises) and 2 master franchises operating in the United States.

PHP Franchise, LLC ("PHP") has offered plumbing service franchises under the mark "Plumbing Paramedics" and heating and air conditioning installation and service franchises operating under the mark "Heating + Air Paramedics" since November 2021. PHP's principal business address is 750 E. 150th Street. Noblesville, IN 46060. As of December 31, 2025, PHP had 15 Plumbing Paramedics and 22 Heating + Air Paramedics franchises operating in the United States.

The Franchise Offered

The Company franchises a kitchen exhaust and cleaning business, and related services, under our trademark, distinctive logo, identifying commercial symbol or design mark "Kitchen Guard Services" and name "Kitchen Guard" or accompanying distinctive logo and such other marks as we authorize from time to time (the "**Marks**"). All these services are provided with respect to commercial kitchens (collectively, the "**Kitchen Guard System**" or the "**Franchised Business**"). A Kitchen Guard franchisee provides kitchen exhaust cleaning, filter exchange, floor and surface pressure washing, filter chemical sales, fan repair and maintenance, and vapor cleaning consistent with

the National Fire Protection Association's ("NFPA") NFPA 96 Standard for Ventilation Control and Fire Protection of Commercial Cooking Operations (collectively, the "**Services**"). The Company reserves the right to introduce new Services or eliminate any current or other Services during the term of the Franchise Agreement as part of the Kitchen Guard System. You must provide all Services that the Company requires and approves for your franchise. You may not provide Services to residential customers without the Company's express prior written consent.

The Market For The Services

The general market for the services that you will offer is highly competitive and consists of all retail restaurants and commercial kitchens, such as schools, institutions, hotels, country clubs, and other similar commercial customers within your designated territory ("**Territory**").

Your competitors will include both independent contractors and other businesses that offer commercial exhaust hood cleaning, kitchen cleaning, restoration services, and may include us or other Kitchen Guard franchisees.

Industry-Specific Regulations

Your Franchised Business will be subject to federal, state, county, and municipality laws and regulations that regulate business in general and those that apply to commercial cleaning, maintenance and repair businesses including but not limited to kitchen exhaust hood cleaning, oven cleaning and restoration businesses in general. If your state, county or local government licenses or regulates contractors, including kitchen exhaust hood cleaners, you must be licensed before offering any Services. You must investigate all applicable laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us.

OSHA and health regulations as well as other state and local specific safety and workplace regulations may affect the types of safety devices and equipment you must make available to or be required to offer to your employees. These can vary from jurisdiction to jurisdiction and specific inquiry should be made with your state and local authorities.

Except as provided above, we are not aware of any specific laws or regulations that apply to this industry. Applicable laws and regulations are subject to change. Specific inquiries should be made with your state and local authorities.

ITEM 2: BUSINESS EXPERIENCE

Chief Executive Officer: Justin Ghadery

Justin Ghadery has served as our Chief Executive Officer since January 2026. Prior to this, he served as our President since March 2025 and as our Chief Operating Officer since September 2024 until December 2025; he held this same position for EverSmith Brands and with each of our affiliates. Mr. Ghadery served as our Interim Brand President from November 2024 to March 2025, and had the same role with our Affiliate, Prism Specialties, from October 2024 to March 2025. Mr. Ghadery has served on the Board of Advisors for Best Life Brands since September 2022 and on the International Franchise Association's Veteran Affairs Committee since January 2023. From December 2021 through August 2022, Mr. Ghadery served as the Chief Operating Officer for Afterburn Holdings, an Orangetheory Fitness area developer in Houston, Texas.

Chief Financial Officer: Keri Thoma

Keri Thoma has served as our Chief Financial Officer since January 2025 and holds the same position in EverSmith Brands and with each of our affiliates. Previously, Ms. Thoma served as Chief Financial Officer and Chief People Officer for Concierge Home Care in Jacksonville, Florida, from November 2020 to December 2024.

Senior Vice President, Brand Development: John Dobelbower

John Dobelbower has served as our Senior Vice President since April 2026 and holds the same position in EverSmith Brands and with each of our affiliates since April 2026. Mr. Dobelbower served as Vice President of Pirtek USA in Rockledge, Florida from March 2024 to April 2026. Previously, from May 2020 to March 2024, Mr. Dobelbower was the Team Lead of Development at Neighborly Brands in Waco, Texas.

Brand Leader: Tim Breen

Tim Breen has served as our Brand Leader since March 2025. Mr. Breen served as the VP of Operations Excellence/Services at Red Lobster in Orlando, Florida from June 2023 to July 2024. Before this, he was the Director of Market Integrations/Franchise Performance with Subway in Milford, CT from January 2020 to June 2023.

Chairman and Director: Michael Eblin

Michael Eblin has served as Chairman of our parent's Board of Directors and as a director of our affiliates since February 2025. Mr. Eblin has served as CEO of Clearlake, LLC in Glendale, Arizona since April 2014.

Director: Brian Sauer

Brian Sauer has served as a director since our inception and in the same capacity for our affiliates TruServe Groundscare, Inc. since December 2020, MilliCare, Inc., Inc. since September 2021, MilliCare Franchising, LLC since its inception in January 2022, U.S. Lawns since January 2024, and our parent EverSmith Brands since July 2021. Mr. Sauer is a senior partner in The Riverside Company, in its Santa Monica, California offices and has been with the company since 2004.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

Our Senior Vice President, Brand Development, John Dobelbower, was at the time doing business as Green Option Recycling and filed a bankruptcy petition under Chapter 7 of the U.S. Bankruptcy Code on January 6, 2020, in the Western District of Texas, No. 20-bk-600133. On April 9, 2020, the bankruptcy court entered a discharge.

Other than the above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

All initial fees are due when you sign the Franchise Agreement and are nonrefundable.

Franchise Agreement

On the date you sign the Franchise Agreement, you must pay an Initial Franchise Fee to the Company of $49,000. We are currently offering a discount on purchasing additional Kitchen Guard Franchise Agreements. If you buy additional Franchise Agreement(s) at the same time as your first, you'll receive a $9,000 discount on the Initial Franchise Fee for each additional Franchise Agreement. If you are approved to purchase an additional Kitchen Guard franchise after at least two years of operating experience and provided that you also meet our current expansion requirements (as outlined in Item 12), you may receive a 50% discount on the then-current Initial Franchise Fee. Please note that we reserve the right to discontinue this offer at any time, and any such change will be reflected in the then-current FDD. We reserve the right to reduce the Initial Franchise Fee for rural, secondary markets and/or for conversions of existing businesses that offer similar services.

In our most recent fiscal year, Franchisees paid Initial Franchise Fees ranging between $40,000 and $49,000. The low end was for the purchase of a second territory at the same time as the first, and the high end was the standard fee for a new territory.

From time to time, we may offer incentive programs to prospective franchisees for a limited time basis. Occasionally, we may establish various franchise expansion programs, which are generally, but not exclusively, available only to existing franchise owners to provide incentives to franchisees to expand their existing franchise territories or service

lines. These programs, which are established and maintained at our sole discretion, and uniformly offered to similarly situated prospects or franchisees, may include reduced or rebated fees or certain credits.

Grand Opening Advertising

You must engage in a Grand Opening Advertising campaign, and spend, as we may direct, a minimum of $1,000 monthly on local marketing, advertising, public relations, and promotions. The required Grand Opening Advertising spend will begin two months prior to opening and end no earlier than twelve months after opening (your "Grand Opening Advertising Spend"). We have the right to determine how to spend the Grand Opening Advertising budget and the methods of marketing, advertising, media, and content of the Grand Opening Advertising campaign and promotional program. While we reserve the right to collect your Grand Opening Advertising Spend in the amount of $1,000 and expend it on your behalf, we currently only require it to be spent. You may spend additional amounts on other pre-opening advertising that is arranged or approved by us.

Technology Fee

You must sign a license agreement for the use of the Franchisee Website and subscribe to and use the required operating software for all Kitchen Guard businesses which currently includes Microsoft Office 365, plus a franchise management software program. Additional software will be used for scheduling, marketing, tracking, etc. The Technology Fee for use of these services is currently payable to us at $499 per month.

Veteran and First Responders Discount

We participate in the Veterans Transition Franchise Initiative (commonly referred to as "VetFran"), which seeks to provide opportunities for veterans who want to be in business. If you are a veteran of the U.S. Armed Forces who has been honorably discharged (such as DD214), you may be eligible to receive a $10,000 discount off the Initial Franchise Fee for the first Franchise awarded to you.

We also offer a First Responder Incentive Program to recognize individuals who have served their communities in emergency response roles. Qualified first responders may be eligible to receive a $10,000 discount off the Initial Franchise Fee for the first Franchise awarded to them. For purposes of this program, "First Responder" generally includes individuals who have served in an official capacity in public safety roles such as law enforcement, firefighting, emergency medical services, or emergency communications. Eligibility is subject to minimum service requirements and verification of qualifying service. Additional eligibility criteria, qualifying roles, and documentation requirements are described in the Operations Manual.

To qualify for either incentive, the eligible veteran or first responder must own at least 51% of the franchised business.

Referral Fee

We pay a referral fee ("Referral Fee") to any of our current franchisees or those of any affiliated brand if they are the first to refer a new candidate to us who meets our qualifications and signs a Franchise Agreement within six (6) months of the date of referral. Currently, the Referral Fee is $10,000 for each successful referral. This incentive payment is only paid for the first franchise purchased by the referred new franchisee, and other limitations may apply. We may change or eliminate the referral program at any time without notice. Franchisees participating in the referral program are not our sales agents and are not authorized to make any statements on our behalf, including any statements related to the financial performance or prospect for success of any franchise.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	8% - 10% of Gross Billings. 10% on Gross Billings up to $1,499,999; 9% on Gross Billings between $1,500,000 up to $2,999,999; and 8% on Gross Billings $3,000,000 and above. You must pay us a minimum monthly royalty of $750 - $2,000 depending on how long you have been operating.	15th of each month for the Gross Billings for the previous month, or otherwise as we may direct from time-to-time.	In certain circumstances, we may collect a Minimum Monthly Royalty from you. Minimum Royalties commence on the twelve-month anniversary of your completion of the Kitchen Guard Academy Initial Training Program. (See Notes 1 & 2)
Promotional Fund	2% of your Gross Billings (Note 3)	Same as Royalty	Same as Royalty
Technology Fee	The then-current fee (currently, $499 per month), which may be increased periodically up to the greater of the fee (or aggregate fees) any vendor charges us or an affiliate for your technology services, which may include a fee based on percentage of sales. Additional licenses may be requested for a fee.	Same as Royalty	Additional licenses are at your request. Includes access to our suite of Software. We reserve the right to vary the cost only up to the actual increase determined by our third-party provider for the services that you request. (Note 4).
Annual Conference	Currently, $975 a year plus travel expenses.	As incurred on the date we specify	We may increase this fee, but it will not exceed $2,000 per year plus travel expenses. See Note 5
Regional Account Management Fee	Variable, although the current range of the fee is 1%-10% of the fees paid by the regional account.	Will be deducted from amounts owed to you for Regional Accounts Work	We will administer and manage the Regional Accounts program. This fee will not increase by more than 50% in any calendar year. See Note 6.
Local Marketing	You are required to spend a minimum of $1,000 a month on Local Marketing starting two months prior to opening and continuing for the first year.	Upon invoice	We may either (i) collect and spend these funds on your behalf, or (ii) direct you on how to allocate them.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	The then-current transfer fee. Currently, $15,000 for the first agreement (reduced to $5,000 if sold to an existing Kitchen Guard Franchisee) plus $2,500 for each additional franchise agreement transferred in the same transaction.	Upon transfer	Paid at closing of the transfer. The Transfer Fee will not increase by more than 5% in any calendar year. See Note 7.
Resale Assistance Fee	$10,000 plus any actual commission due	As incurred. Before transfer	Payable by you if we find a buyer for your franchise. See Note 8.
Renewal Fee	You must pay us the then-current fee, which is presently $5,000, not to exceed 20% of the then-current Initial Franchise Fee.	At the time of renewal	If you elect to renew the franchise, sign the then-current Franchise Agreement and sign a Release. Each term is for a period of ten (10) years.
Supplier and Equipment Testing	Our costs	When billed	In the event you wish us to approve a particular supplier, item of equipment, or supply item, you will reimburse us for our costs of testing or inspecting new suppliers or equipment.
Failure to Maintain Insurance Fee	Our costs, together with interest at the lower of 3% above the prime interest rate charged by our primary bank and the maximum rate permitted by applicable law, from the date the expense is incurred until the date we receive payment.	When billed	If you fail to obtain or maintain any insurance that is required under the Franchise Agreement, we may obtain the required insurance at your sole cost and expense.
Management Fee	15% of Gross Sales plus expenses.	Payable weekly out of Franchise proceeds.	The Management Fee is paid to us in the event we exercise our right to step in and operate your Franchised Business in certain circumstances, including your default, death, disability or prolonged absence. The reimbursable expenses include travel, lodging and meals.

Type of Fee	Amount	Due Date	Remarks
Audit	100% of understated royalty, plus interest at the maximum rate allowable by law (not to exceed 18% per year), and late fees as well as reimbursement for the cost of the audit.	Upon demand	Payable if audit shows an understatement exceeding 2% of Royalties, Promotional Fund contributions or other amounts due to the Company, paid in addition to any applicable late fees. See Note 9.
Additional Training or extraordinary consultation	$750 per day, plus travel and lodging expenses.	Upon invoice	Payable if you: (a) request our assistance, (b) an audit shows a significant operational deficiency, (c) you breach the Franchise, or (d) following the death or incapacity of the franchisee, and (e) we deem it necessary to provide additional training. See Note 10
Interest	Interest: 18% per year or the highest amount allowed by applicable law, whichever is less.	Upon invoice	This applies to all overdue fees/payments and reports you owe us. See Note 11.
Interest/Late Fees/NSF Fees	Interest: 18% per annum or the highest rate allowed by law. Late Fee: The then current fee, presently, $25 per occurrence, per day. NSF Fee: the actual fee charged by the bank or financial institution, plus an administrative fee of $5 per payment returned by the bank for non-sufficient funds; currently, $55	Upon demand	This applies to all overdue fees/payments and reports you owe us or for NSF. Applies to understatements in amounts revealed by audit or otherwise. If state statute limits the fee charged, state law shall prevail. See Note 12.
Non-compliance Fees	If you are not compliant with the Franchise Agreement, in addition to any other remedies, there is a non-compliance fee of up to $1,000 per occurrence.	As incurred	Payable if you violate our System Standards or other material requirements. See Note 13.
Costs and Attorney's Fees	Will vary under the circumstances	As incurred	See Note 14.
Indemnification	Will vary under circumstances.	As incurred	See Note 15

(1) "**Gross Billings**" means the gross amount billed by you during any calendar month, whether or not payment is received therefore, on account of Approved Services performed by or on behalf of you, directly or indirectly, and on account of any and all other related goods and services sold or rendered under or in connection with your use of the Marks (including the sale of unauthorized goods and services), and including work performed for or on behalf of persons or business entities which are customers of yours as of the Effective Date. Gross Billings excludes sales taxes collected and paid to the proper authorities. The term "Gross Billings" does not include proceeds from any business identified on Exhibit B to the Franchise Agreement and which is operated in accordance with Section 3.3 of the Franchise Agreement.

(2) The continuing royalty and license fee (the "**Royalty**") will range between 8% and 10% of Gross Billings. You will pay 10% of your annual Gross Billings up to $1,499,999, 9% of your annual Gross Billings between $1,500,000 and $2,999,999, and 8% of your annual Gross Billings above $3,000,000.

You must pay a minimum monthly Royalty for each Territory you own. Royalty obligations begin immediately upon the Effective Date of your Franchise Agreement; the minimum monthly Royalty described below commences on the twelve-month anniversary of your completion of Kitchen Guard Training Academy and shall be in the following amounts:

Months 12 to 18: $750 per month

Months 19 to 24: $1,000 per month

Months 25 and thereafter: $2,000 per month

All fees are payable to the Company and are not refundable for any reason. Notwithstanding the foregoing, if you are in default under your Franchise Agreement, your royalty rate shall be eleven percent (11%) of Gross Revenue.

(3) Expenses and costs of advertising and promotion will be paid for through contributions by franchisees to a promotional fund (the "**Promotional Fund**"). The Promotional Fund may be used as determined solely by the Company: to develop and purchase national, regional, and local advertising in any media (including a Website (defined below) for the Kitchen Guard franchise network) and promotional materials; to acquire the services of in-house and outside advertising and public relations professionals; to carry on other advertising and promotional activities as the Company deems advisable; and to pay the reasonable expenses of administering the Promotional Fund. We will prepare an annual unaudited accounting of the Fund and will make it available for your review upon your written request. The Company retains sole discretion over the use of the Promotional Fund.

(4) You must sign a license agreement for the use of the Franchisee Website and subscribe to and use the required operating software for all Kitchen Guard businesses which currently includes Microsoft Office 365, plus a franchise management software program. Additional software will be used for scheduling, marketing, tracking, etc. The term "Website" means one or more websites the Company develops or operates that feature the Marks and contain information, and marketing for the Company and the Kitchen Guard System. Multi-unit locations are eligible for a discount of up to 40% on each additional unit after the first, contingent upon the sharing of certain services among the units.

(5) The registration fee for the annual conference is currently $975. Every Kitchen Guard franchisee (or the General Manager) for every Territory must attend the Kitchen Guard Annual Conference at least 6 times during the Initial Term and 3 times during each Renewal Term as a condition to renewal of your franchise. You must pay for all of your travel expenses incurred during the Kitchen Guard Academy Initial Training Program, including airfare or other travel expenses, food, and lodging.

(6) The amount of the management fee varies from customer to customer based upon a number of factors including: (i) the direct cost of administrative and management oversight provided; (ii) the associated overhead cost such as payment terms (financing) and risk management (insurance); and (iii) the profit margin.

(7) The Transfer Fee is $15,000 if transfer is to outside 3rd party. The Transfer fee is $5,000 if the transfer is to a person or entity that already owns or controls a majority interest in an existing Kitchen Guard franchise. If multiple Franchise Agreements are transferred as part of the same transaction, the Transfer Fee for each additional

Agreement after the first is $2,500.00 The Transfer Fee is due on or before the effective date of the transfer. Transfers include sales, gifts, donations, and exchanges for value or without value.

(8) If we find a buyer for your business, the fee will be $10,000 plus any commission due to any brokers or other third parties. Alternatively, if you find a buyer on your own, no resale assistance fee will be charged.

(9) You are responsible for all costs of any audit if (i) the audit reveals an understatement of two percent (2%) or more of Gross Sales for any period, or (ii) the audit is made necessary by your failure to provide timely reports, records, or other requested information. These costs may include, without limitation, legal and accounting fees, travel, lodging, meals, and applicable per diem charges. Interest and late fees will apply to any amounts found to be due as a result of the audit. Repeated audit variances or intentional underreporting of Gross Sales may result in termination of the franchise. For a description of audit rights, procedures, and recordkeeping requirements, see Item 11, Computer System and Audit and Recordkeeping. The foregoing remedies are in addition to any other remedies available under applicable law. In the event any audit reveals that your information has been inaccurately reported, we reserve the right to audit other entities owned, controlled by, or affiliated with you.

(10) We may require you to pay us an additional training fee and all travel and lodging expenses we incur if the training is provided at your franchised business location. If the additional training is held at our headquarters, you will also be responsible for all of your costs and expenses related to travel, lodging, meals and wages. You will also have to pay the current fee for extraordinary training or consultations.

(11) Should you be in default of the Franchise Agreement, in lieu of termination, and in addition to any other remedies under the Franchise Agreement, we may elect to assess a non-compliance fee of $1,000 per occurrence.

(12) This applies to all overdue fees, payments, and reports you owe us, including any amounts revealed by an audit. For a description of audit rights, procedures, and recordkeeping requirements, see Item 11, Computer System and Audit and Recordkeeping.

(13) If we prevail in any action or other legal/administrative proceeding brought against you arising out of the Franchise Agreement or any other agreement with us, you must reimburse us for our reasonable attorneys' fees and other costs paid that we incurred in such proceedings in the event we prevail. If you bring any legal action to interpret or enforce the terms of the Franchise Agreement or any other agreement with us, and your claim in such action is denied or the action is dismissed, then we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending the matter, and to have such an amount awarded as part of the judgment in the proceeding.

(14) You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims, or demands arising out of, or related to, the operation of your Franchised Business. Your indemnification obligations are described more fully in the Franchise Agreement.

(15) Except as otherwise disclosed, all fees in this Item 6 are uniformly imposed on all Kitchen Guard Franchisees.

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ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Expenditure	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is to be Made
Initial fee [1]	$49,000	$49,000	Lump Sum	Upon signing Franchise Agreement	Company
Training [2]	$1,386	$4,598	As Incurred	During first year	Airlines, hotels, restaurants, and other vendors
Equipment, Inventory, and Supplies, marketing supplies [3]	$55,125	$85,085	Lump Sum or Financed if applicable	Upon signing Franchise Agreement	Approved Vendors
Rent - 3 months [4]	$4,125	$19,800	As Incurred	Before opening and monthly	Landlord
Tenant improvements [5]	$1,000	$7,000	As Incurred	Before opening	Landlord and Suppliers
Vehicle Expenses [6]	$3,500	$7,000	As Incurred	Before opening and monthly	Vendors
Computer equipment, phones, and Technology Fees [7]	$3,300	$5,500	As Incurred	Before opening and monthly	Vendors and Company
Miscellaneous [8]	$6,050	$9,900	As Incurred	As needed	Vendors, Government Agencies, insurance agents, etc.
Local Marketing [9]	$6,000	$6,000	Monthly	Before Opening and monthly	Company or Vendors
Additional Funds – Three Months [10]	$81,000	$92,000	As Incurred	As needed	Employees, Vendors, Utilities, Etc.
Total – three months [11]	**$210,486**	**$285,883**			

None of these fees or expenses that you pay to us are refundable. You may be able to get refunds of the fees listed above from the landlord or vendor. We do not finance any part of your initial investment.

(1) The non-refundable Initial Fee is $49,000.

(2) You must pay for all of your expenses incurred during the Kitchen Guard Academy Initial Training Program, including airfare or other travel expenses, food, and lodging. The estimate is for two people.

(3) Opening Inventory of uniforms, marketing items, equipment, supplies, in inventory, vehicle wrap & installation, and chemicals. The estimate varies based on shipping costs and local tax rates. We estimate that you will need to purchase an additional $60,000-$80,000 of equipment and supplies between months 4-12.

(4) You must lease space for your business. You must lease space for your business. A typical start-up Kitchen Guard location is between 1,500 and 3,000 square feet. We estimate that costs will range between $11 a square foot and $25 a square foot. Some markets may experience higher or lower lease rates. Rental charges and terms will vary.

You should consult a local real estate expert. Provided your proposed location for the Business satisfies our site selection criteria, we will not unreasonably withhold our acceptance of the site. If you have two Kitchen Guard franchises with contiguous territories, you may not be required to have a separate warehouse for each franchise.

(5) The cost of the tenant improvements will depend on the size, location, and condition of the premises, and landlord contributions, if any. Your cost will be a function of the condition of the real estate and the extent of the necessary improvements. The low end assumes space requiring minimal changes to conform the space to an office and warehouse. The high end assumes a space requiring a greater degree of modifications.

(6) You are required to own or lease a service van for your business. You may lease, or you also have the option to acquire a 2021 or newer model with under 60,000 miles. The range in the table above includes the first three months of estimated lease payments (based upon a 5-year lease). The amount you will pay will depend on the amount of your down payment (if any). Your expenses may be higher than the estimate, depending on whether you purchase or lease a new vehicle. The vehicles must be painted and wrapped according to our color and design specifications, and the trademarks must be professionally applied before the vehicle is put into service. We estimate that you will need to purchase a second vehicle before the end of the first year.

(7) Includes computer hardware, software, and peripheral equipment, the monthly Technology Fee, which is currently $499 per month, and telephone hardware and services.

(8) Includes insurance, signage, business license fees, security deposits, utility set-up costs, and incorporation fees.

(9) You must engage in a Grand Opening Advertising campaign, and spend, as we may direct, a minimum of $1,000 monthly on local marketing, advertising, public relations, and promotions. The required Grand Opening Advertising spend will begin two months prior to opening and end no earlier than twelve months after opening (your "Grand Opening Advertising Spend"). We have the right to determine how to spend the Grand Opening Advertising budget and the methods of marketing, advertising, media, and content of the Grand Opening Advertising campaign and promotional program. While we reserve the right to collect your Grand Opening Advertising Spend and expend it on your behalf, we currently only require it to be spent. You may spend additional amounts on other pre-opening advertising that is arranged or approved by us. This estimate includes two months prior to opening and the first three months following your open date.

(10) This amount of working capital is projected to cover initial operating expenses, payroll costs, royalty, promotional fund fees, security deposits, professional fees, networking association fees, and any other general business expenses for a period of 3 months. We estimate that you will need an additional $40,000-$60,000 of working capital between months 4-12. The estimate of additional funds does not include an owner's salary or draw. These figures are estimates only.

This estimates your initial start-up expenses for the initial phase of three months. This estimate is based on our franchisees' experiences and our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document. Actual costs may vary and may be affected by factors beyond our control, including tariffs, inflation, supply chain disruptions, and changes in vendor pricing.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business in strict compliance with our prescribed methods, standards, and specifications as outlined in the Kitchen Guard System Confidential Operating Manual (collectively, the "Operations Manual"). We may modify the Operations Manual at our sole discretion. It remains confidential and our exclusive property; you may not disclose, duplicate, or use it without authorization. The Operations Manual's provisions are incorporated into the Franchise Agreement as if fully stated therein. You are responsible for keeping your copy current. In case of a dispute regarding its content, our master copy at corporate headquarters will prevail.

Approved Services and Suppliers

To maintain the high standards of quality associated with the Kitchen Guard System, you must purchase

products and inventory only from the Company, an affiliate of the Company, or another supplier designated by the Company. Currently, neither the Company nor any affiliate are the supplier of any products or services to System franchisees, but we reserve the right to sell proprietary and non-proprietary equipment and supplies, in the future to franchisees.

You may only offer services that we approve, as listed in the Operations Manual. We may require you to purchase items from designated suppliers to ensure service quality, supply continuity, and marketplace efficiency. You will not receive any material benefit from using designated suppliers.

We may modify standards and specifications based on our experience and that of our franchisees. Changes may apply to services, products, signage, furnishings, supplies, fixtures, and equipment, as specified in the Franchise Agreement or Operations Manual. Compliance with these changes may increase your costs, which you must cover, though no modification will materially alter your fundamental rights under the Franchise Agreement.

We reserve the right to derive revenue from your required purchases. We are the sole approved vendor for the Software Suite that we license to you. As of our fiscal year, which ended on December 31, 2025, Kitchen Guard Franchising, Inc., derived $361,505 or 19% of our total revenue of $1,938,635 resulting from required franchisee purchases or leases. No officer of the Franchisor owns an interest in any other approved supplier.

The required inventory of products, equipment, and supplies necessary to operate the Franchised Business is listed in the Kitchen Guard System Confidential Operating Manual (the "Operations Manual"). The required purchase of products and equipment from the Company, its affiliates or its designated suppliers, or according to our specifications is 50% to 60% of your overall purchases in establishing your business, and 10% to 20% of your overall purchases in operating your business.

You may purchase equipment and supply items only from Company-approved suppliers or, if there is no approved supplier for a particular equipment or supply item, from suppliers who meet all of the Company's specifications and standards as to quality, composition, and functionality and adequately demonstrate their capacity and facilities to supply your needs in the quantities, at the times, and with the reliability necessary for an efficient operation. The Company provides certain of its specifications and standards to approved suppliers in the course of doing business with them and will share its criteria for approving approved suppliers with a franchisee upon request in the process of reviewing requested alternative suppliers. The Company reserves the right to designate a single supplier for any equipment and supply items and to require you to use such a designated supplier exclusively, which exclusive designated supplier may be the Company or its affiliates.

Supplier Approval Process

If you wish to purchase any equipment or supplies that have not been approved by the Company or from a supplier who has not been approved by the Company, you must submit a written request to change products or suppliers to the Company. To obtain approval of any proposed alternative equipment, supply item, or supplier, you must provide the Company with documentation from a source independent of Franchisee or the proposed supplier which demonstrates to the Company's satisfaction that the proposed alternate equipment, supply item, or supplier performs as well as the item or supplier to be replaced. The Company has the right to further test any proposed equipment or supply item, and to further evaluate any proposed alternate supplier. There is no fee charged to franchisees or proposed suppliers for the Company to test any proposed equipment or supply item or to evaluate any proposed supplier. The Company will notify you within 90 days of the approval or disapproval of products, equipment, supplies, and suppliers.

Regardless of the above, the Company reserves the right to disapprove of proposed and existing suppliers, products, equipment and supplies for any reason, including the number of such suppliers or items that have already been approved. The Company may revoke the approval of suppliers if their product no longer satisfies our quality standards or for any other reason by written notice or update to the Operations Manual. The Company may at any time require the substitution of newly developed proprietary products for non-proprietary items.

Insurance Required Purchases

You must obtain and maintain insurance during the entire term of the Franchise Agreement. This insurance

should protect you, your employees, and us, including our officers, employees, and any other individuals we designate. The insurance should cover any loss, liability, fire, injury, death, property damage, or theft related to the operation or promotion of the business.

The types of insurance and minimum coverage amounts listed below are what we require, but these may not be enough for your specific needs or state requirements. It is your responsibility to ensure that you have the appropriate coverage. We may also require you to use specific insurance providers.

You must keep these insurance policies in place throughout the term of your Franchise Agreement and provide proof of coverage when we request it. The insurance must come from carriers rated "A" or better by A.M. Best & Company, Inc. and be licensed in your state. All policies must (1) name us (and any other people or entities we specify) as additional insured parties. (2) Include a waiver of subrogation rights against us. (3) Not reduce your coverage if we file a claim. (4) Be primary insurance without relying on other insurance we may have. (5) Notify us at least 10 days in advance if a policy is about to be canceled or changed.

Each year, you must submit proof that you meet our insurance requirements. Occasionally, we may update the required insurance limits or types of coverage to reflect changes in business practices, legal standards, or other factors. If this happens, we will give you at least 90 days' written notice.

The current insurance requirements are:

(i) **Commercial General Liability, Contractor's Pollution Liability Insurance, and Professional Liability Insurance**. Coverage for "bodily injury," "property damage," and "personal and advertising injury" with no exclusion or limitation applying to the products / completed operations liability coverage. Limits must be at least $2,000,000 general aggregate, $2,000,000 products and completed operations aggregate, $1,000,000 personal and advertising injury limit, and $1,000,000 per occurrence.

Limits must specifically confirm coverage for pollution, including mold and lead, with minimum limits of $1,000,000 each incident, with $1,000,000 aggregate. The limited liability pollution endorsement does not meet the pollution insurance requirement. Contractual liability coverage including the assumed personal and advertising injury endorsement must be included to cover the indemnity provisions of this Franchise Agreement. The exclusion for employer's liability shall not apply to claims for covered contractually assumed liability claims.

Such policy shall contain a waiver of subrogation endorsement as to claims against us.

We and our parents and affiliates shall be named as an additional insured on this policy on a primary and noncontributory basis and with both a CG-2037 Products/Completed Operations Form and a Grantor of Franchise Form CG2029 or an insurer's comparable form.

(ii) **Workers' Compensation and Employers' Liability**: You must have the required workers' compensation insurance with limits of at least $1,000,000 per accident, $1,000,000 per disease, and a $1,000,000 policy limit. In certain states, additional coverage may be needed. In "Monopolistic States," including Ohio, North Dakota, Washington, Wyoming, and West Virginia, "Stop Gap" coverage must be purchased separately or added to the commercial general liability policy and/or workers' compensation and employers' liability policy. "Stop Gap" in Ohio must not contain exclusion with the "substantially certain to occur" language.

(iii) **Commercial Automobile Liability**: Insurance must cover $1,000,000 for bodily injury and property damage, including coverage for hired and non-owned vehicles You must name us and our Affiliates as additional insured, and such policy shall contain a waiver of subrogation endorsement as to claims against us.

(iv) **Umbrella Liability Insurance:** You are required to maintain a commercial umbrella liability insurance policy with minimum limits of $1,000,000 per occurrence and aggregate and shall list the commercial general liability, pollution liability, and automobile liability as scheduled underlying policies.

You must carry any other such insurance coverages or amounts as required by law or agreement related to the Franchised Business.

No deductible or self-insured retention can exceed $5,000 for any required policy, except that you may have

retention of up to $10,000 on the Umbrella Liability Insurance policy. You cannot reduce, cancel, or change any policy without our written consent.

Commercial General Liability, Automobile Liability Insurance, and Umbrella or Excess Liability Insurance policies will name Kitchen Guard Franchising, Inc. as an additional insured **at the carrier level** and any other entities that we designate (the "Indemnified Parties"), will contain no provision which in any way limits or reduces coverage for you in the event of a claim by any one or more of the Indemnified Parties, will extend to and provide indemnity for all obligations assumed by you and all items for which you are required to indemnify us, will be primary to and without right of contribution from any other insurance purchased by the Indemnified Parties, and will provide, by endorsement, that we receive at least ten days prior notice of any intent to cancel or materially alter any policy. Whenever a change is made to your policy, and before the expiration of any insurance coverage, you must submit to us a copy or certificate or other acceptable proof of such insurance with a copy of the Additional Insured Endorsement on your policy. On occasion, we may request complete copies of all insurance policies to ensure compliance with the insurance provisions of this contract.

Periodically, we may modify the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards, and other relevant circumstances. You will receive at least 90 days advance written notice of any change.

Technology Required Purchases

You may be required to equip your facility with a computer system containing certain minimum hardware and software, including the Franchisee Website. While the Company provides certain software and the Franchisee Website, it is not obliged to supply all hardware or software items. Refer to Item 11 for more details

Purchasing Arrangements and Revenue

The Company and/or an affiliate may negotiate purchase arrangements with suppliers (including price terms) for the benefit of franchisees and to promote the overall interests of the Kitchen Guard Services franchise network and our interests as the Franchisor. We are not required to negotiate purchase arrangements. Currently, there are no purchasing or distribution cooperatives. We do not provide material benefits to a franchisee based on a franchisee's use of designated or approved suppliers; however, a franchisee who does not use such sources will be in breach of the Franchise Agreement.

The Company has the right to receive payments from suppliers on account of their dealings with you and other franchisees, and we may use the amounts received without restriction and for any purpose the Company and its affiliates deem appropriate.

We and our affiliates also reserve the right to derive revenue from any of the purchases or leases System franchisees are required to make in connection with the Franchised Business. In 2025, we received $2,873.13 in rebates for purchases by Franchisees from approved supplier.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Franchise Agreement §§ 2.1, 3.1	Item 11

	Obligation	Section in Agreement	Item in Disclosure Document
b.	Pre-opening purchases/leases	Franchise Agreement §§ 3.1, 3.10, 3.13, 3.14, 3.2, 3.22	Items 8, 11
c.	Site development and other pre-opening requirements	Franchise Agreement §§ 3.2, 3.4	Items 7, 11
d.	Initial and ongoing training	Franchise Agreement §§ 2.4, 2.5, 2.6, 3.4	Item 11
e.	Opening	Franchise Agreement § 3.7	Item 11
f.	Fees	Franchise Agreement §§ 2.4, 2.5, 2.7, 3.13, 3.14, 3.16, 3.17, 4.1-4.5	Items 5, 6, 7
g.	Compliance with standards and policies - Operations Manual	Franchise Agreement §§ 2.3, 3.12, 3.28, 7.6	Item 11
h.	Trademarks and proprietary information	Franchise Agreement §§ 1.1, 3.11, 3.19	Items 13, 14
i.	Restrictions on products/ services offered	Franchise Agreement §§ 1.1, 1.2, 2.7, 2.8, 2.9, 3.3, 3.13, 3.15, 3.20	Item2 8, 16
j.	Warranty and customer service requirements	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Franchise Agreement §§ 1.3, 3.3, 3.9, 3.30, 6.1	Item 12
l.	Ongoing product/service purchases	Franchise Agreement §§ 3.13, 3.14	Item 8
m.	Maintenance, appearance and remodeling requirements	Franchise Agreement §§ 3.11, 3.18, 3.22, 7.6	Item 11
n.	Insurance	Franchise Agreement § 3.21	Item 7
o.	Advertising	Franchise Agreement §§ 3.16, 4.3	Items 6, 11
p.	Indemnification	Franchise Agreement § 3.25	None
q.	Owner's participation/ management/staffing	Franchise Agreement §§ 3.3, 3.4, 3.5, 3.6, 3.7, 3.26, 3.30	Item 15
r.	Records and reports	Franchise Agreement §§ 3.15, 3.28	Item 11
s.	Inspections and audits	Franchise Agreement §§ 2.10, 3.15	Item 6
t.	Transfer	Franchise Agreement § 5	Items 6, 17
u.	Renewal	Franchise Agreement § 1.4	Item 17
v.	Post-termination obligations	Franchise Agreement §§ 3.18, 3.27, 3.29, 6.2, 6.5	Item 17, Exhibit D"

	Obligation	Section in Agreement	Item in Disclosure Document
w.	Non-competition covenants	Franchise Agreement §§ 1.3, 3.3, 3.18	Item 17, Exhibit "D"
x.	Dispute resolution	Franchise Agreement §§ 6.3, 6.4, 6.5, 7.1, 7.2, 7.5, 7.6, 7.7	Item 17

ITEM 10 FINANCING

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

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

Except as listed below, the Company is not required to provide you with any assistance.

Pre-Opening Obligations

Site Selection Assistance

The Company will have the right to approve the selection of a site for your warehouse facilities and office, which will not be unreasonably withheld. Officing &/or warehouse facilities must be within your territory description within the franchise agreement. If the Company reasonably withholds its approval of your proposed site, and you do not later locate an acceptable site, you may not commence operation of the Franchised Business. Failure to office within your territory description is in default of the franchise agreement and may result in termination of the agreement. You must give the Company written notice and photographs of inside and outside the premises of the proposed location. If the Company does not give you written notice of disapproval within 20 business days after receipt of your notice, the location will be deemed to be approved by the Company (Franchise Agreement § 2.1). Generally, the Company considers, with respect to location, factors such as whether the proposed location is near the center of the Territory, within easy access to major roads, visibility, accessibility both for trucks using the workplace and for customers entering the office, and the professional appearance of the office. We do not generally own the premises and generally do not lease them to franchisees. We may terminate the Franchise Agreement if you do not secure an acceptable site within 60 days of its effective date. If you do not already own/lease space in the territory, you must execute a lease within 180-days of its effective date (Franchise Agreement § 3.1).

The Company will, if requested by you, provide you with advice concerning a generalized space plan, workflow, and general layout of an office and warehouse facility that is typically used in the Kitchen Guard Services franchise network (Franchise Agreement § 2.2).

The Company or a supplier designated by Company (which may be an affiliate) will sell to the Franchisee such Kitchen Guard Proprietary Products as are set forth in the Operations Manual, and such other Proprietary Products which Franchisor may hereafter develop or obtain. The sale or lease by Franchisor or such other person of such Proprietary Products or equipment to Franchisee will include a commercially reasonable markup (Franchise Agreement § 2.8).

The Company will provide sources of supply for the purchase or lease of non-Proprietary Products as well as equipment and fixtures for use in providing Services. A list of approved suppliers and approved products will be included in the Operations Manual and may be revised by the Company from time to time in its sole discretion. The Company reserves the right to designate a single supplier for any equipment and supply items and to require

Franchisee to use such a designated supplier exclusively, which exclusive designated supplier may be the Company or its affiliates. The Company and its affiliates may receive payments from suppliers on account of such supplier's sales to Franchisee and other franchisees, and The Company may use all amounts so received without restriction and for any purpose Franchisor and its affiliates deem appropriate (Franchise Agreement § 2.9). The Company does not typically provide additional assistance related to the delivery and installation of such equipment and products, but reserves the right to do so.

The Company will give you access to the Operations Manual for your use during the term of the franchise (Franchise Agreement § 2.3). The Operations Manual may be in electronic, digital, or another format. The Table of Contents of our Operations Manual is attached as Exhibit "E." Our Operations Manual consists of approximately 250 pages.

A representative of the Company will advise and assist you in the opening of your Franchised Business and in establishing and standardizing procedures and techniques essential to the operation of a Kitchen Guard System business. There is no fee for this assistance (Franchise Agreement § 2.6).

Time to Open

You must open your business upon satisfactory completion of the Kitchen Guard Academy Initial Training Program, completion of the tenant improvements and the issuance of a certificate of occupancy for the business premises at the Location. If you do not live in the Territory, or do not already own/lease space in the Territory, you must secure a location and sign a lease within 180-days of signing the Franchise Agreement. Franchisees typically open their business within 180 days after signing the Franchise Agreement. You must open your business no later than 270 days after signing the Franchise Agreement. Factors which may affect the time to open your business include the ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, scheduling of training, and delayed delivery or installation of equipment, fixtures, and signs.

Ongoing Assistance

During the operation of the Business:

1. We may provide updates to the approved products and services you will offer to customers, as well as approved vendors.

2. We will furnish you from time to time with updated and revised material for the Operations Manual (Franchise Agreement § 2.3).

3. We will assist you in the development of a plan to address various operational aspects and goals for the Business (Franchise Agreement § 2.6).

4. We will provide a continuing advisory service which may include consultation on promotional, marketing and advertising techniques, and customer relations (Franchise Agreement § 2.7).

5. We, or a person or entity we designate (which may be an affiliate of the Company) will sell various proprietary products and equipment to you, as detailed in the Operations Manual (Franchise Agreement § 2.8).

6. We have the right to determine the prices, and establish minimum and maximum prices, or minimum advertised prices, of the products and Services you offer and sell which you must adhere to, subject to law. We retain the right to modify the prices from time to time. We also have the right to establish suggested prices for the Kitchen Guard products and Services you offer and sell, which you are not be required to adhere to (Franchise Agreement § 3.15).

7. We and our agents have the right of entry and inspection of your premises, the right to observe the manner in which you render services, and the right to confer with your employees, customers, and business associates (Franchise Agreement § 2.10).

Advertising and Promotional Requirements

You are responsible for funding all local advertising and promotional activities in compliance with our

policies, as outlined in the Operations Manual.

You must engage in a Grand Opening Advertising campaign, and spend, as we may direct, a minimum of $1,000 monthly on local marketing, advertising, public relations, and promotions. The required Grand Opening Advertising Spend will begin two months prior to opening and end no earlier than twelve months after opening. We have the right to determine how to spend the Grand Opening Advertising budget and the methods of marketing, advertising, media, and content of the Grand Opening Advertising campaign and promotional program. While we reserve the right to collect your Grand Opening Advertising Spend and expend it on your behalf, we currently only require it to be spent. You may spend additional amounts on other pre-opening advertising that is arranged or approved by us (Franchise Agreement § 3.16).

The Franchised Business must have at all times, commencing on the day you open for business, at least one dedicated, full-time, fully trained to our satisfaction, salesperson.

All advertising, sales, or promotional materials require our prior approval, which will not be unreasonably withheld. You must submit materials for review, and if we do not respond within 15 business days, approval is automatically granted (Franchise Agreement § 3.17). You may not advertise or promote the business on any website or social media platform, including but not limited to Facebook, X, LinkedIn, TikTok, blogs, or forums, unless both the platform and the content have been authorized by us in advance. We control all aspects of the Kitchen Guard website, including its design, content, and updates. While we may create pages featuring your Franchised Business, we are not obligated to do so. If we require you to provide content for such pages, you must do so at your expense using our templates, subject to our approval. You may not establish or maintain a separate website, splash page, or social media profile related to the System or your Franchised Business without our prior written approval. You must claim, update, and pay for all online business listings as directed by us or our affiliates. We may modify policies regarding internet use as necessary. You acknowledge that we and/or our affiliates are the sole owners of www.kitchenguard.com and any other domain names we register. You waive any ownership rights to these or any similar domain names, including abbreviations, acronyms, phonetic variations, or visual variations. You are prohibited from registering any domain names that include or resemble our brand names (Franchise Agreement § 3.17).

Advertising Council

The Company intends to establish a franchisee advisory council to provide input and suggestions regarding use of the Promotional Fund. The franchisee advisory council will serve in an advisory capacity only and will not have any operational or decision-making power. The Company has the power to form, change, dissolve, and merge the franchise advisory council.

Local Advertising Cooperatives

The Company does not have the power to require cooperatives to be formed.

Promotional Fund

You must contribute 2% of your Gross Billings to a promotional fund (the "**Promotional Fund**"). Only Kitchen Guard franchisees will contribute to the Promotional Fund.

The Promotional Fund is administered by the Company. The Promotional Fund may be used as determined solely by the Company and without consideration of geographical location of franchisees: to purchase national, regional, and local advertising in any media, including broadcast, print, and electronic media (including a Website for the Kitchen Guard franchise network); advertising and promotional materials; to acquire the services of in-house and outside advertising and public relations professionals; research and development, tests or target marketing, the conducting of surveys, brand development and promotion, to defray the expense of training programs intended to develop the marketing and promotional skills of franchisees and their employees; to carry on other advertising and promotional activities, including utilizing Networking Media Websites (such as Facebook, X, and LinkedIn) and other emerging media; and to pay the reasonable expenses of administering the Promotional Fund, including the reasonable compensation of the Company's employees and expenses of the advisory council while working on behalf of the Promotional Fund. The Promotional Fund will not be used for selling additional franchises; ; however, we may state

in any advertisements that franchises are available and contact Kitchen Guard for information regarding this opportunity.

During our last fiscal year ending December 31, 2025, Fund income was spent in the following approximate amounts: 60% on website management and digital marketing; 6% on advertising and promotions; 32% on industry conventions and entertainment; and 2% on administrative expenses.

Upon request, the Company will account annually, within 120 days of the end of each year, with a financial statement that reports for all Promotional Fund contributions received and spent, together with the balance on account for that year. Other than the foregoing financial statement report, Franchisor does not separately make financial statements of the Promotion Fund available for review. Franchisor is not required to have the Promotional Fund audited. Amounts not spent in a given year are carried over to the next year. The Company is not required to spend any amounts from the Promotional Fund in any franchisee's territory, and the Company is not required to spend any advertising amounts generally in any franchisee's territory.

Software and Computer System

You must equip your facility with a computer system meeting our specifications within 15 days of signing the Franchise Agreement. None of the hardware used in the computer system is proprietary to the Company. Currently, the minimum requirements for the computer system, which may be purchased from any computer equipment manufacturer, are Windows 10 or higher with Office Suite of products. We currently require the following software: Microsoft Office 365, and QuickBooks Online plus a franchise management software program that the Company may require. Within 14 days of obtaining the system, you must secure high-speed internet access, a branded email address(which we will either provide or you may obtain through our designated supplier) and which email addresses all of your employees must use in conducting Kitchen Guard business communications, and a Website for your Franchised Business through our designated supplier (the "Franchisee Website").

We have independent access to all data that is stored on your computer system or within the required Software system(s), including sales information and customer data, with no contractual limitations. You must take all actions we specify to ensure our continual access (Franchise Agreement § 3.29).

You are required to participate in any System-wide area network, intranet system, or extranet we implement, which may be used for: (i) submitting required reports; (ii) access the Operations Manual; (iii) downloading approved marketing materials; (iv) communicating with us and other franchisees; and (v) participate in online training. Use of these networks must comply with our security standards and protocols, including encryption, content restrictions, and prohibitions against the transmission of libelous, derogatory, or defamatory statements (Franchise Agreement § 3.32).

You must provide full access to financial and business records according to our reporting formats and schedules, which we may modify from time-to-time. We may retrieve, analyze, download, and use all data stored or used on your Computer System with no contractual limitation on our right to the information. The costs for data storage, communication software, internet access, additional hardware and software needed to implement and maintain these services are at your responsibility (Franchise Agreement § 3.32).

You must subscribe to and use the Kitchen Guard operating software and all other required software to manage your business, submit financials, for customer relations management, marketing purposes, and for general operations management. We are not responsible for maintaining, updating, or upgrading any software or hardware used in operation of the Business. However, you are required to make periodic updates, modifications, patches, and upgrades to software as directed by us from time to time. There are no contractual limitations on the frequency or cost of such software updates. These updates may include user fees, software licensing fees, or technical support fees. Estimated annual costs for maintenance and support are $1,000–$2,000. You must pay the then-current Technology Fee, which is presently $499 per month. Estimated costs for computer hardware, software, and peripherals range from $1,500 to $3,000. You are responsible for installing and maintaining current antivirus software on all business computers and devices.

You may be required to upgrade your Computer System hardware to meet new software requirements. However, upgrades to your Computer System will not be required more frequently than once every three years, unless

earlier replacement is reasonably necessary due to changes in applicable law, security requirements, manufacturer obsolescence, or incompatibility with required software. The cost of these upgrades is estimated to be between $3,300 and $6,600, and the specific details will be provided to you in writing.

You must maintain internet access at the required speeds as specified in the Operations Manual.

It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Computer System or other technology used in the operation of your Business, including but not limited to all data protection or security laws. This includes requiring that you take all steps, including but not limited to those related to visibility and management of your Business that are necessary to ensure that your business is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see pcisecuritystandards.org), or such successor organization or standards that we may reasonably specify. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents.

We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of the franchise, including standards and specifications for Approved Services and Products, equipment, signs, furnishings, supplies, fixtures, inventory, computer systems (hardware, software, applications, data network and internet connection minimum bandwidth capacities), privacy policies, encryption requirements, data and IT security policies - including implementation of phishing and other security awareness programs and training, cyber incident notification requirements, and Artificial Intelligence policies by written notice to you or through changes in the Operations Manual. We may issue our standards or specifications for goods and services, and changes to those standards and specifications, in writing directly to you or our approved supplier. You may incur an increased cost to comply with these changes at your own expense.

Audit and Recordkeeping

You must maintain accurate business records, reports, accounts, books, and data relating to the operation of your Franchised Business, including all POS, accounting, and management systems. We and our designees may, at any time during normal business hours, review, copy, or analyze these records to verify compliance with the Franchise Agreement.

We may reconstruct your sales through reasonable methods of analysis if necessary to verify the accuracy of reports or payments. You are required to provide documentation supporting your reported sales if requested. We may also review records of other businesses in which you have an ownership or management interest, and in certain circumstances, we may request access to personal tax returns or other financial records of the owners to verify reported sales.

If an audit discloses any underreporting or misstatement, you may be required to pay additional amounts due, plus interest, and reimburse us for the costs of the audit if the understatement exceeds two percent (2%) or the audit was necessitated by your failure to provide required records or reports. In addition, repeated audit variances or intentional misreporting may result in termination of the Franchise Agreement, as described in Item 17.

Your POS and management systems must remain online and accessible so that we may remotely access, copy, or analyze the data. You may not purge or delete data except as permitted in the Operations Manual. All audits, review of records, and reconstructions of sales will be conducted in accordance with the Franchise Agreement.

Operations Manual

The Company will give you access to the Operations Manual for your use during the term of the franchise (Franchise Agreement § 2.3). The Operations Manual may be in electronic, digital, or another format. You will be permitted to review the Operations Manual prior to purchasing a franchise. We may revise the Operations Manual at any time. The current Operations Manual table of contents, as of the date of this Disclosure Document contains 412 pages, and the pages devoted to each topic are noted in Exhibit E.

Initial Training

The Company will conduct a comprehensive Initial Training Program in the management and operation of the

Franchised Business (Franchise Agreement § 2.4). The Kitchen Guard Academy Initial Training Program is part in-person and part online. All parts of the Initial Training Program must be successfully completed after signing the Franchise Agreement, but prior to beginning operations; however, it may be completed at any point within that timeframe. You are responsible for all travel, food, lodging and other expenses incurred by you and any of your employees in connection with attendance at the Kitchen Guard Academy Initial Training Program. The first five modules in the Initial Training Program are pre-recorded training videos which must be completed prior to attending in-person training.

TRAINING PROGRAM

Owners

Subject	Hours of Classroom Training	Hours of Hands-On Training	Location
Kitchen Exhaust Cleaning • Safety • Cleaning Techniques • Filters • Repairs • Warehouse maintenance • Tools	10	0	Online (optional)
Sales • Introduction to the market • Fundamentals • Overcoming objections • Communication • Negotiations • Value proposition • Customer Relationship • Sales Tools & Technology	10	0	Online
The Kitchen Guard System • Franchise Support • Business Operations • Daily Operations • Financial/Accounting • Safety • Chemical usage • Business Systems • Logistics • Equipment • Marketing • Sales overview • Software usage	0	32	Escondido, CA, or other locations in the U.S. chosen by the Franchisor
Sales • Safety and regulations • Upselling • Customers • Overcoming objections • CRM/Proposal software	0	32	Escondido, CA, or other location in the U.S. chosen by the Franchisor. (optional)

Subject	Hours of Classroom Training	Hours of Hands-On Training	Location
• Call blocks • Marketing • Sales Cycle			
Total	10 hours	8 days	

Sales Professionals

Subject	Hours of Classroom Training	Hours of Hands-On Training	Location
Kitchen Exhaust Cleaning • Safety • Cleaning Techniques • Filters • Repairs • Warehouse maintenance • Tools	10	0	Online (optional)
Sales • Introduction to the market • Fundamentals • Overcoming objections • Communication • Negotiations • Value proposition • Customer Relationship • Sales Tools & Technology	10	0	Online
Sales • Safety and regulations • Upselling • Customers • Overcoming objections • CRM/Proposal software • Call blocks • Marketing • Sales Cycle	0	32	Escondido, CA, or other location in the U.S. chosen by the Franchisor. (optional)
Total	10-20 hours	4 days	

Technicians

Subject	Hours of Classroom Training	Hours of Hands-On Training	Location
Kitchen Exhaust Cleaning • Safety • Cleaning Techniques • Filters • Repairs • Warehouse maintenance • Tools	10	0	Online
Kitchen Exhaust Cleaning • Industry overview • Safety and standards • General cleaning techniques • Chemical usage • Kitchen Guard process • Software usage	0	40	Escondido, CA, or other location in the U.S. chosen by the Franchisor. (optional)
Total	10 hours	5 days	

The online modules are available on demand through Kitchen Guard Academy. The in-person portion of the Kitchen Guard Academy Initial Training Program is held regularly, usually every other month. The instructional materials will be provided by the Company and will consist of the Operations Manual, forms, and other training materials.

Our Initial Training Program is overseen by Tim Breen, our Brand Leader. Mr. Breen has over 30 years of operations experience. Additional employees and others who have at least six months' experience (for example, opening, operations, or systems management) will assist in technical skills training related to equipment and product usage, sales, cleaning and maintenance techniques.

Your General Manager must complete the entire Kitchen Guard Academy Initial Training Program to our satisfaction. You must pay for all travel, food, lodging, and other expenses for your employees that attend any component of the Kitchen Guard Academy Initial Training Program.

A representative of the Company will visit your location within 60 days after your business opens to assist you in the operation of your business.

Ongoing Training

The Company will provide ongoing training on specific, job-related issues to you and/or your employees as the Company deems appropriate. This training may include on-site training at a franchisee's location. Ongoing training subjects will include job costing and scheduling, employee management, equipment usage, and sales and marketing. Additionally, the Company will provide ongoing general training to introduce new products, services, and equipment, to review sales and marketing practices, and to discuss other relevant topics at its annual conference. Other specific training modules may be offered on from time-to-time (some via electronic learning vehicles) through Kitchen Guard Academy, which you, your principal owners, or your designee involved in the Franchised Business for each Territory, must attend. Attendance requirements at other ongoing training sessions will be determined by the content of the class. You must pay for all travel, food, lodging, and other expenses (Franchise Agreement § 2.5). Currently, we may charge $750 for extraordinary training that is required by us or requested by you which we deem appropriate or necessary.

ITEM 12: TERRITORY

When you sign the Franchise Agreement, we grant you a Territory defined by geographic boundaries that will have between 1,000 and 2,000 retail food service locations within those boundaries. The actual boundaries of the Territory and the designation of the Territory will be set forth on an exhibit to the Franchise Agreement that will be signed by both you and the Company.

We will not operate or grant a franchise for others to operate a Kitchen Guard franchised business within the Territory (except as described with respect to Regional Accounts below in this Item 12), although we or another franchisee may from time to time service particular customers in the Territory in the event you are unable or unwilling for whatever reason to meet the service needs of those customers, all as set forth in the Operations Manual. We do retain the right to use other channels of distribution (e.g. the Internet, catalog, telemarketing, direct marketing) inside your Territory using our Marks or other trademarks. We do not have to pay you for exercising our rights, which includes soliciting or accepting orders in your Territory for Regional Accounts or instances where you are unable or unwilling to meet the service needs of customers. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You have no options, rights of first refusal, or similar rights to acquire additional franchisees.

You may not solicit or accept orders from customers outside of your Territory, and you may not solicit or accept orders from customers within your Territory if services to that customer are provided, in whole or in part, outside of your Territory. You also may not make sales within or outside of your Territory using other channels of distribution, including the Internet, direct mail, telemarketing, or other direct marketing without the Company's consent.

To keep your Territory, you must comply with the terms of Franchise Agreement and satisfy the performance criteria and generate a minimum of $40,000 in Gross Billings per month in the Territory beginning in your fourth year of operation. If you fail to meet your minimum performance requirements, we may terminate your Franchise Agreement upon notice to you. We may permit you to relocate your Territory to an open territory, provided that you provide us with notice of the change and you secure a location within the new territory. You may relocate your warehouse facilities and office with our written consent, which will not be unreasonably withheld provided the new location is located within your Territory. Any relocation will be at your sole expense, and we may charge our then-current relocation fee (if any) for services that we render in connection with the relocation. When considering a request for relocation, we may take into account the desirability of the proposed new location, its distance from other and future-planned franchised locations, the traffic patterns, security, cost, and the demographics of the area, as well as any other related factors we deem appropriate.

We have the right to solicit Regional Accounts wherever they are located. In order to enable us to negotiate special arrangements involving Regional Accounts, including responding to requests for proposals ("RFP") involving locations which may or may not be in your Territory, at our request, you must promptly evaluate the applicable Regional Account location(s) located within your Territory and prepare a bid package for each such location in accordance with such formats, procedures and specifications as we may establish, including any supplemental or modified bid package which we may require in order to satisfy the requirements of the Regional Account (each a "Bid Package"). If we accept the Bid Package, you must honor your proposal and sign all agreements and other documents and instruments as we and the Regional Account may require to fulfill the agreed on contract terms ("Regional Account Agreement"). We will give you the first opportunity to submit a Bid Package on each proposed Regional Account location which is within your Territory and to perform Approved Services to Regional Account locations located in your Territory; provided, however, that we may, as applicable, submit Bid Packages and perform such Approved Services or cause other owners or contractors to do so, if: (a) you fail to timely submit a Bid Package in accordance with our request, or if we determine that the Bid Package submitted by you is likely to be rejected by the Regional Account; (b) we reject your Bid Package or if the Regional Account notifies you or us that it does not wish to be served by you; (c) you for any reason fail or refuse to perform in accordance with the Bid Package and Regional Account Agreement; (d) you, at the time of the issuance of the RFP or submission of the Bid Package, are in default of your obligations or under any other agreement with us, or under any other Regional Account Agreement to which you are party; or (e) you are, in our judgment exercised in good faith, not qualified, equipped or otherwise

capable to satisfy the RFP or Regional Account Agreement requirements or to perform the services as required. We may, but are not obligated to, compensate you for Approved Services performed by us, our affiliates or other owners or contractors for Regional Account locations located in your Territory in such amounts (if any) as we determine.

We or an affiliate may charge a management fee to offset the sales and administrative expenses of processing and managing Regional Accounts. We reserve the right to modify the Regional Accounts Program from time to time.

In addition to the Regional Accounts program, as it may be modified from time to time, an affiliate of ours may offer you subcontract work in accordance with its then-current procedures for servicing Centrally Managed Accounts. For purposes of this Agreement, the term "Centrally Managed Accounts" refers to customer accounts for multi-site, geographically dispersed real estate portfolios utilizing a network of subcontractors to perform the services. Our affiliates are not obligated to provide you with any subcontract work and may offer such work to your competitors.

The Company does not have any present plan to establish another business offering similar services under a different trade name or trademark, but it retains the right to do so. In addition, we may purchase, merge, acquire or be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities under any names or marks other than the Marks regardless of the location of these businesses and/or facilities, which may be within your Territory or immediately near it. You will receive no compensation for these activities.

The Company retains the right to solicit and sell to accounts within the Territory that also have locations outside of the Territory, including, but not limited to, solicitation and sales via direct marketing campaigns, telemarketing, and by use of the Internet and other online computer networks, without compensating you.

If the Company enters into an agreement to provide any Services to any customer which has a location in your designated Territory, the Company may offer you the right to service this account at such location at the terms upon which the Company and this account have agreed. If there is more than one franchisee licensed by the Company in your Territory, the Company may allocate opportunities to service these accounts between those franchisees, as the Company in its sole discretion deems appropriate. If, for any reason, you elect not to service such an account that is offered to you, the Company may, in its sole discretion, service this account or appoint any other party to service this account (Franchise Agreement § 2.11).

Periodically during the term of the Franchise Agreement, the Company may provide you with the names of potential customers for Services within your Territory obtained by sales representatives employed by us or an affiliate; provided, however, that customer preferences will be honored. The Company has the sole discretion regarding the allocation of leads. The Company may provide you with leads for potential customers for Services in locations that are not part of any franchisee's Territory, but we are not required to do so. If you service customers located outside of your Territory, you do not receive any rights in or to these areas (Franchise Agreement § 2.12).

Additional Franchises

Upon receiving your written request, we may award you additional franchises at our discretion, provided that you meet the then-current criteria we utilize in the awarding of additional franchises. The criteria to be awarded an additional Franchise are listed in our Manuals and may be updated at any time.

ITEM 13: TRADEMARKS

We grant you a limited, non-exclusive license to use our primary mark "Kitchen Guard Services" and certain other Marks in connection with the operation of your Franchised Business within your Territory, provided you use these Marks as outlined in your Franchise Agreement and the Operations Manual. The following are our primary trademarks that we have applied to have registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Application Date	Register and Serial Number
	June 30, 2023	98/067208
KITCHEN GUARD	June 30, 2023	98/067203
KITCHENGUARD	June 30, 2023	98/067191
	June 30, 2023	98/067213

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Marks. There are no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. We have filed all required affidavits in connection with the Marks.

You must assist the Company to the extent it reasonably requests in obtaining or maintaining any registration of any of the trademarks, including by providing advertising samples.

There are no agreements which limit the rights of the Company to use or license its trademarks.

You must follow the Company's rules when you use the Marks. All uses of the Marks by you must clearly state that you are independently owned and operated. You may not use the Marks as part of a partnership, corporation, limited liability company, or other legal entity name. If you own any business(es) other than the Franchised Business, neither you nor your personnel engaged in such other business(es) may conduct the same under any of the Marks or operate in any manner so as to cause confusion of origin or sponsorship between the Company's services and products and the services or products offered or rendered by such other business(es). You have no right to compensation or otherwise if the Company requires you to modify or discontinue using the Marks.

You must promptly notify the Company of any unauthorized use of any of the Marks, or any colorable variation of the Marks, by third parties. You must promptly notify the Company of any claim, demand, or suit against you based upon, or arising in connection with, your use of the Marks. You have no authority to defend or prosecute any action relating to the Marks, and the Company in its sole discretion may elect to defend or prosecute any action relating to the Marks. If the Company defends or prosecutes any action relating to the Marks, you will sign any and all documents and do all acts necessary to carry out the litigation. The Company has no obligation to protect your right to use the Marks or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. The Company has the sole right to direct and control any administrative proceeding or litigation involving the Marks, including the right to settle the proceedings or litigation.

The Company does not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights that are material to the franchise, however, we claim common law copyright and trade secret protection for several aspects of the System including our Operations Manual, advertising, and business materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of this unauthorized use. We may revise any of our copyrighted materials at our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing, or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider to be our trade secrets and confidential information, including but not limited to methods of kitchen exhaust cleaning, filter exchange, floor and surface pressure washing, filter chemical sales, fan repair and maintenance, and vapor cleaning, and related services; information regarding the setup of an Franchised Business; information about proprietary merchandise; any proprietary software we may now or in the future create; our Operations Manual; trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; standards and specifications for equipment, equipment layout, and lighting; systems and training manuals; training systems; compensation systems; marketing strategies; online marketing systems; merchandise sales systems; sales training; location identification and acquisition; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Franchised Business which may be communicated to you or of which you may be apprised by virtue of your operation of a Franchised Business (collectively, the "Confidential Information"). You shall not, during the term of the Franchise Agreement or after, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to your employees that must have access to it to operate the Franchised Business. Certain additional information, including all data collected from former, existing, and/or potential customers, including customer names and addresses, discounts and credit extensions to customers, rates charged to customers, and customer contracts and status information (collectively "Customer Information"), as well as sources of suppliers and purchasing arrangements with suppliers, also constitute our trade secrets and Confidential Information. All information, knowledge, know-how, techniques, and other data, which we designate as confidential will be deemed Confidential Information for purposes of the Franchise Agreement. We have expended considerable time, effort, and money to develop the System, and the Confidential Information is not well-known outside of the System. The Confidential Information is of great value to us, and we are implementing this non-disclosure policy to protect our trade secrets and Confidential Information. You are prohibited from disclosing Customer Information and our other proprietary information, trade secrets, and Confidential Information to third parties, including entering such information into public/open AI models or any other AI model that uses such information to train the AI unless specifically authorized by us, and you must adhere to any privacy policies we may now, or in the future, establish with respect to Customer Information.

If you, your employees, or principals develop any new concept, process, or improvement in the operation or promotion of the Franchised Business, you must promptly notify us and provide us with all necessary related information without compensation. Any such concept, process, or improvement will become our sole property, and we will be the sole owner of all patents, patent applications, trademarks, copyrights, and other related intellectual property rights. You and your principals will assign to us any rights you may have or acquire, including the right to modify the concept, process, or improvement, and otherwise must waive and/or release all rights of restraint and moral rights. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process, or improvement in all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing these rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any concept, process, or improvement. If these provisions are found to be invalid or otherwise unenforceable, you and your principals will grant us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process, or improvement if this use or sublicense would otherwise directly or indirectly infringe your rights.

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

During the term of the Franchise Agreement, you (if the franchisee is a sole proprietor) or the Principal Operator (if the franchisee is an entity) must devote full time and best efforts to the management and operation of the Franchised Business and must personally supervise its day-to-day operations. You must provide direct supervision of the Business, including supervision of personnel.

With our prior written approval, you may delegate day-to-day management responsibilities to a manager (the "Designated Manager"). The Designated Manager must successfully complete our Initial Training Program before assuming any managerial responsibilities and must devote full time and best efforts to the management and operation of the Franchised Business. The Designated Manager is not required to have an equity interest in the franchise or franchisee entity.

The use of a Designated Manager does not relieve you of your obligations under the Franchise Agreement or your responsibility to ensure that the Franchised Business is properly operated. At all times, the Franchised Business must be staffed by you (or one of your principals who has completed our Initial Training Program) and/or an approved Designated Manager. If you operate from more than one physical location, you must have at least one properly trained and approved Designated Manager at each location, and you must keep us informed at all times of the identity of any employee acting as a Designated Manager.

Failure to comply with these obligations will constitute a default under the Franchise Agreement. To ensure the continued integrity of our Trademarks and system, we may temporarily service customer accounts of the Business until the default is cured.

The franchisee, and if applicable its owners, partners, and spouses, must execute the form of Personal Guaranty attached to the Franchise Agreement as Exhibit C. All shareholders, officers, directors, partners, members, managers, and other employees with access to our proprietary information must execute non-disclosure, non-solicitation, and non-competition agreements in a form acceptable to us.

Any person or entity that is an owner of 5% or more of the franchisee, or any time becomes an owner of a minority interest of the franchisee, must execute the form of personal guaranty attached to the Franchise Agreement, whereby each guarantor personally guarantees the obligations of the franchisee (Franchise Agreement, Exhibit C).

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those products and services that are approved by the Company or that meet with the reasonable specifications and standards established by the Company. You must offer and sell all of the Services that we have approved for your franchise. You must purchase all proprietary products and proprietary equipment from the Company or its designated affiliate. You may purchase equipment and supply items only from sources approved by the Company. The Company may, at any time, require the substitution of newly developed proprietary products for non-proprietary items. The Company has the right to add additional authorized products and services that you must then offer. There are no limits on the Company's right to do so. You may not become a wholesaler or distributor of proprietary products or proprietary equipment, and you may not re-sell proprietary products or proprietary equipment, except in connection with the provision of Services by you. You may not become a wholesaler or distributor of non-proprietary equipment and supplies related to the Services to other franchisees or to customers of the Kitchen Guard System. You may not perform commercial refrigeration gasket replacement or repair; hot-side gasket replacement or repair; door sweep or closer installation; strip curtain installation; or cutting board resurfacing or replacement; and must referral any such work to our affiliate or whomever else we may designate. (See Items 1 and 8).

You may provide the Services only to commercial, industrial, and office customers, and not to residential customers unless we provide our prior written consent. You may provide Services for any non-residential customer in the Territory who is not disapproved in writing by the Company.

You are an independent contractor with control and direction of the Franchised Business and operations,

subject to the conditions specified in the Franchise Agreement and Operations Manual. The Franchised Business you operate is separate and apart from any that we may operate. Neither you nor we may bind each other or make any representations tending to create apparent agency, employment, or partnership.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision		Section in Agreement	Summary
a.	Length of the franchise term	Franchise Agreement § 1.4.1	10 years
b.	Renewal or extension of the term	Franchise Agreement §§ 1.4.2, 1.4.3	You may renew the franchise for two successive ten-year periods on the Company's then current terms if you have not defaulted and meet the requirements for renewal. If you renew the franchise, you must sign the then-current form of franchise agreement, which may have materially different terms and conditions from your original contract, including a higher royalty fee and promotional fee.
c.	Requirements for you to renew or extend	Franchise Agreement §§ 1.4.3, 2.5.2	Sign new franchise agreement, which may contain materially different terms and conditions than your initial franchise agreement, comply with current Franchise Agreement, exercise diligent efforts to develop your franchise during the term in a manner acceptable to us, meet our then current subjective and objective standards for new franchisees, provide us with requested documentation, give notice of desire to renew no earlier than 180 days and no later than 120 days prior to the end of the term, execute a general release, complete required training and consulting programs, and attend all required meetings and events.
d.	Termination by you	None	Not Applicable (subject to applicable law)
e.	Termination by the Company without cause	None	Not Applicable
f.	Termination by the Company with cause	Franchise Agreement § 6.1	The Company can terminate your franchise if you default.

	Provision	Section in Agreement	Summary
g.	"**Cause**" defined-curable defaults	Franchise Agreement § 6.1	You have 5 to 30 days to cure: a non-payment of fees or other amounts due, non-compliance with applicable laws or regulations, failure to perform any obligation under the Franchise Agreement or another agreement between us.
h.	"**Cause**" defined-non-curable defaults	Franchise Agreement § 6.1	Defaults which cannot be cured: bankruptcy foreclosure, inability to pay debts, abandonment, material misrepresentations, willful and material falsification or intentional underreporting of Gross Sales on any report, statement or other written data furnished to us; charge or arrest for certain criminal conduct, repeated defaults even if cured, uncurable breach, failure to maintain minimum performance, unauthorized transfer, breach of covenant not to compete, use of Marks in a business other than the Franchised Business.
i.	Your obligations on termination/nonrenewal	Franchise Agreement §§ 3.20, 6.2, 6.5, 6.6	Obligations include payment of all amounts due including applicable damages, ceasing to use Marks and Proprietary Information, return Operations Manual and other documents, and other obligations.
j.	Assignment of the contract by the Company	Franchise Agreement § 5.1	The Company cannot assign the franchise unless the assignee assumes the Company's obligations.
k.	"**Transfer**" by you – definition	Franchise Agreement § 5.2	Includes transfer of assets and change in ownership.
l.	The Company's approval of transfer by you	Franchise Agreement §§ 5.2, 5.4	The Company is not required to approve transfer requests but may approve transfers if certain conditions are satisfied and will not unreasonably withhold such approval.
m.	Conditions for Company approval of transfer	Franchise Agreement §§ 5.2.4(a)-(i)	The Company has the right to require conditions of transfer to be satisfied, including but not limited to payment of transfer fee; if applicable, payment of resale assistance fee; transferee must qualify, complete training, sign Franchise Agreement, repair premises; you must sign release; transferee, or those controlling, or under common control with, the transferee, cannot, as a result of the transfer or otherwise, control franchises with combined annual revenues of 15% or more of the annual

Provision		Section in Agreement	Summary
			revenues of all Kitchen Guard franchises in the network.
n.	The Company's right of first refusal to acquire your business	Franchise Agreement § 5.5	The Company or its designee can match any offer that you receive.
o.	The Company's option to purchase your business	Franchise Agreement § 6.2	The Company may upon termination purchase all products and supplies which bear the Marks at your cost.
p.	Your death or disability	Franchise Agreement § 5.3	Franchise must be transferred to a qualified successor within 6 months.
q.	Non-competition covenants during the term of the franchise	Franchise Agreement § 3.0	Limits interest in, and employment by, a competing business. The Company may disapprove of certain customers. and subcontractors. Subject to State law.
r.	Non-competition covenants after the franchise is terminated or expires	Franchise Agreement § 3.20	Limits interest in, and employment by, a competing business for 2 years from termination within the defined territory description as well as 25 miles from territory boundary or the territory of any other franchisee. Subject to State law.
s.	Modification of the agreement	Franchise Agreement §§ 2.3, 7.11	Requires consent of you and the Company. The Operations Manual and System may be changed by the Company.
t.	Integration/merger clause	Franchise Agreement § 7.18	Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Franchise Agreement § 6.3	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes must be submitted to non-binding mediation in the state and city of our then-current National Headquarters (presently Orlando, Florida). If not resolved, most disputes must be resolved by binding arbitration in Florida. The fees and expenses of arbitration, not including attorneys' fees, generally will be shared equally by the parties. Subject to State law.
v.	Choice of forum	Franchise Agreement § 7.2	Litigation must be in the applicable federal or state court where our

Provision		Section in Agreement	Summary
			headquarters are located (currently, Orlando, Florida) (subject to applicable state law).
w.	Choice of law	Franchise Agreement § 7.1	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the laws of the state of our then current National Headquarters (presently Florida) will govern (subject to applicable state law).

ITEM 18: PUBLIC FIGURES

The Company does not use any public figure to promote its franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

BACKGROUND

This Item 19 presents historical unaudited information about 38 Kitchen Guard franchised territories ("Franchised Territories") that were open and operating in the United States as of December 31, 2025.

Table A presents historical unaudited information for three Franchised Territories that were owned and operated by an affiliate of the franchisor through April 2025. In April 2025, the business operating these territories was sold to an independent owner and has since operated as three franchised locations. The business operates from a facility in Escondido, California and services all of San Diego County. It has been in continuous operation for more than 15 years.

Table B presents historical unaudited information submitted by five Franchised Territories that opened in 2024 and operated continuously from January 1, 2025, through December 31, 2025 (the "2025 Accounting Period").

Table C presents historical unaudited information submitted by the remaining 30 Franchised Territories that opened during the 2025 Accounting Period and were operating as of December 31, 2025.

In addition to the Franchised Territories discussed above, one Franchised Territory closed during the 2025 Accounting Period and is not included in this Item 19. That territory ceased operations after operating for less than 12 months.

As used in this Item 19, the term "Gross Sales" means all revenue and income from any source derived or received by the Franchised Territories from, through, by or on account of the operation of the Franchised Territory, whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise, less the amount of any documented refunds given in good faith to customers and less any sales taxes.

We obtained this Gross Sales information from unaudited franchisee reports submitted to us consistent with our reporting requirements. Neither we nor our independent certified public accountants have audited or verified any

of the Gross Sales information reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

All franchised territories operating during the 2025 Accounting Period were requested to submit financial performance data.

Written substantiation of the data used in preparing this information will be made available upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

MATURE TERRITORY PERFORMANCE (15+ YEARS OF OPERATION)

Table A presents total gross sales and the percentage breakdown of sales by service line for the business operating in San Diego County during the 2025 Accounting Period. Although these three territories were reported as a single business during 2025, the territories operate using the same business model, systems, and support structure as our other Franchised Territories.

For ease of comparison, Table A shows both (i) the total gross sales generated in San Diego County and (ii) gross sales calculated on a per-territory basis by dividing the total San Diego County gross sales by three, which reflects the number of Franchised Territories included in San Diego County.

Because this business has operated for more than 15 years, its results may not be representative of newer territories.

TABLE A

GROSS SALES AND SERVICE LINE PERCENTAGES OF THE THREE FRANCHISED TERRITORIES IN SAN DIEGO COUNTY

Total Gross Sales in San Diego County	Gross Sales per Territory (Calculated)	% of Revenue from Kitchen Exhaust Cleaning Services	% of Revenue from Filter Exchange Services	% of Revenue from Repair Services	% of Revenue from Green Steam and Other Sources
$4,588,849	$1,529,616	68.1%	15.6%	11.6%	4.7%

FIRST FULL YEAR TERRITORY PERFORMANCE

Table B presents unaudited Gross Sales information for the five Franchised Territories that opened in 2024 and operated continuously throughout the 2025 Accounting Period. 2025 represented the first full calendar year of operation for these five Franchised Territories.

Because these territories were in the early stages of development during the 2025 Accounting Period their results may not reflect the performance of more established territories.

TABLE B

GROSS SALES OF THE FIVE FRANCHISED TERRITORIES OPEN THE ENTIRE 2025 ACCOUNTING PERIOD

Average Gross Sales	High	Median	Low	Number & % At or Above Average	Number & % Below Average	Number & % At or Above Median	Number & % Below Median
$209,719	$312,866	$166,591	$155,295	2 / 40%	3 / 60%	3 / 60%	2 / 40%

YEAR ONE TERRITORY RAMP

In addition to the eight Franchised Territories detailed in Tables A and B of this Item 19, 30 Franchised Territories opened during the 2025 Accounting Period and were operating for less than 12 months as of December 31, 2025.

Table C below outlines the Average and Median Gross Sales by month of operation for these Franchised Territories. For purposes of this chart, "Month 1" refers to the first month in which a Franchised Territory reported revenue to the franchisor.

Across these territories, the average time between signing the Franchise Agreement and reporting the first month of revenue was approximately 177 days.

Because these territories opened at different times during the 2025 Accounting Period, not all territories were operating for the same number of months during 2025. As a result, 30 territories reported at least one month of revenue during the period, while only one territory reported revenue for eleven months of operation. All 30 territories remain operational as of the issuance date of this Disclosure Document.

TABLE C

GROSS SALES BY MONTH OF THE 30 FRANCHISED TERRITORIES OPENED DURING THE 2025 ACCOUNTING PERIOD

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
Number of Territories Operating At Least X Months	30	27	26	23	18	12	9	5	3	3	1
Average Gross Sales	$5,552	$8,866	$7,645	$11,538	$12,974	$14,970	$18,451	$29,109	$55,352	$55,837	$20,012
High	$34,240	$33,836	$30,982	$36,331	$29,284	$44,968	$49,042	$80,389	$82,739	$93,470	$20,012
Low	$299	$0	$1,206	$3,730	$545	$2,955	$8,518	$14,035	$25,228	$16,702	$20,012

Median	$2,359	$5,733	$6,027	$8,701	$9,801	$12,879	$15,824	$16,884	$58,089	$57,340	$20,012
Number and % At or Above Average	8 / 27%	10 / 37%	11 / 42%	8 / 35%	7 / 39%	5 / 42%	3 / 33%	1 / 20%	2 / 67%	2 / 67%	1 / 100%
Number and % Below Average	22 / 73%	17 / 63%	15 / 58%	15 / 65%	11 / 61%	7 / 58%	6 / 67%	4 / 80%	1 / 33%	1 / 33%	0 / 0%
Number and % At or Above Median	15 / 50%	14 / 52%	13 / 50%	12 / 52%	9 / 50%	6 / 50%	5 / 56%	3 / 60%	2 / 67%	2 / 67%	1 / 100%
Number and % Below Median	15 / 50%	13 / 48%	13 / 50%	11 / 48%	9 / 50%	6 / 50%	4 / 44%	2 / 40%	1 / 33%	1 / 33%	0 / 0%

SERVICE VALUE METRIC

In addition to the Gross Sales information presented above, we calculated the average value of all services performed across all Franchised Territories operating during the 2025 Accounting Period.

For purposes of this calculation, the Average Service Value represents the total Gross Sales reported by Franchised Territories divided by the total number of services performed during the same period.

The Average Service Value of services performed by all Franchised Territories in 2025 was $702.27.

Average Service Value may vary based on factors including the type of service performed, customer mix, service frequency, and geographic market conditions.

General Notes to Item 19

Other than the preceding financial performance representation, Kitchen Guard Franchising, Inc. does not make any financial performance representations. 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 the franchisor's management by contacting Justin Ghadery at Kitchen Guard Franchising, Inc., 6700 Forum Drive, Suite 150, Orlando, FL 32821 or 940-331-0740, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

The first four tables below present information for our fiscal years 2023, 2024 and 2025.

Table No. 1
SYSTEM-WIDE OUTLET
SUMMARY FOR YEARS 2023 TO 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	6	6
	2025	6	38	32
Company-Owned	2023	0	0	0
	2024	1	1	0
	2025	1	-1	0
Total Outlets	**2023**	**0**	**0**	**0**
	2024	**0**	**7**	**6**
	2025	**7**	**38**	**32**

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR YEARS 2023 TO 2025

State	Year	Number of Transfers
Colorado	2023	0
	2024	0
	2025	1
Total	**2023**	**0**
	2024	**0**
	2025	**1**

Table No. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Arizona	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Arkansas	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1

California	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	5	0	0	0	0	5
Colorado	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Connecticut	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Delaware	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
Georgia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Illinois	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Kentucky	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Maryland	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Michigan	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Missouri	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Nebraska	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
New Jersey	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
North Carolina	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2

Ohio	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
South Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Tennessee	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Texas	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	4	0	0	0	0	5
Utah	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Virginia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**6**	**0**	**0**	**0**	**0**	**6**
	2025	**6**	**32**	**0**	**0**	**0**	**0**	**38**

Table No. 4
STATUS OF COMPANY-OWNED
OUTLETS FOR YEARS 2023 TO 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	1	0
Total	**2023**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**1**	**0**

Table No. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2026

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	2	5	0
Colorado	0	1	0
Connecticut	1	1	0
Florida	2	5	0
Georgia	1	3	0
Illinois	0	1	0
Maryland	0	1	0
Nevada	1	2	0
New Mexico	1	1	0
New York	0	1	0
Nevada	1	1	0
North Carolina	0	4	0
Ohio	0	1	0
South Carolina	0	2	0
Tennessee	0	1	0
Texas	2	5	0
Utah	1	1	0
Virginia	2	3	0
Washington	0	1	0
Total	**14**	**41**	**0**

The names of all franchisees as of December 31, 2025, and the addresses and telephone numbers of all of their outlets, is attached to this disclosure document as Exhibit "F." The name, city and state, and the current business telephone number (or, if unknown, the last known telephone number) of the franchisees who had an outlet terminated, cancelled, not renewed, or who have otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the year ended December 31, 2025, or who has not communicated with the Company within 10 weeks of the issuance date of this disclosure document, is shown on Exhibit "G."

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

No franchisees have signed confidentiality clauses during the past 3 years.

There are no trademark-specific franchisee organizations associated with the franchise network being offered that we have created, sponsored or endorsed; or that has asked to be included in this disclosure document.

No independent franchisee organization has asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit "B-1" are the audited consolidated financial statements of EverSmith Brands Holding Company, our parent, for the years ended December 31, 2025, December 31, 2024, and December 2023, respectively. Our parent, EverSmith Brands Holding Company, has guaranteed our performance to you. A copy of the Guarantee of Performance is included as Exhibit "B-2." Our fiscal year end is December 31 of each year.

ITEM 22: CONTRACTS

Attached are copies of all of the agreements for use regarding the offering of this franchise:

Exhibit C.	Franchise Agreement and Attachments
Exhibit D.	Confidentiality and Non-Competition Agreement
Exhibit H.	Franchisee Compliance Certification
Exhibit I.	State Addenda
Exhibit J.	Form of General Release

ITEM 23: RECEIPTS

Attached as the last two pages of this disclosure document (after the exhibits) are two copies of the Receipt for this disclosure document. Keep one signed and dated copy for your records and return the other signed copy to Kitchen Guard, 6700 Forum Dr. Ste 150, Orlando, Florida 32821-8013, Attn: John Dobelbower, or you may email directly to john.dobelbower@eversmithbrands.com.

EXHIBIT A: List of State Administrators and Agents for Service of Process

LIST OF STATE ADMINISTRATORS, AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT **FOR SERVICE OF** PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 2101 Arena Blvd Sacramento, CA 95834 (866) 275-2677	Department of Financial Protection and Innovation 2101 Arena Blvd Sacramento, CA 95834
CONNECTICUT	The Banking Commissioner The Department of Banking Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299	The Banking Commissioner The Department of Banking Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299
HAWAII	State of Hawaii Business Registration Division Department of Commerce and Consumer Affairs King Kalakaua Building 335 Merchant Street Room 205 Honolulu, HI 96813 (808) 586-2744	Commissioner of Securities King Kalakaua Building 335 Merchant Street Room 205 Honolulu, HI 96810
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-1090	Illinois Attorney General 500 South Second Street Springfield, IL 62706
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 W. Washington Street, Rm 201 Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 20th Floor 200 St. Paul Place Baltimore, MD 21202 (410) 576-7044	Maryland Securities Commissioner 200 St. Paul Place, 20th Floor Baltimore, Maryland 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit G. Mennen Williams Building, 7th Floor 525 W. Ottawa St. Lansing, MI 48909 (517) 373-1110	Michigan Department of Commerce Corporations and Securities Bureau G. Mennen Williams Building, 7th Floor 525 W. Ottawa St. Lansing, MI 48909

STATE	STATE ADMINISTRATOR	AGENT **FOR SERVICE OF** PROCESS
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St 21st Fl New York, NY 10005 (212) 416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910
RHODE ISLAND	Division of Securities 1511 Pontiac Division John O. Pastore Center Building 69-1 Cranston, RI 02920 (401) 277-3048	Director of Department of Business Regulation 1511 Pontiac Division John O. Pastore Center Building 69-1 Cranston, RI 02920
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, First Floor Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division P. O. Box 41200 Olympia, WA 98504 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501
WISCONSIN	Commission of Securities 201 West Washington Ave. Madison, WI 53703 (608) 266-1365	Wisconsin Commissioner of Securities 345 West Washington Ave. Madison, WI 53703

EXHIBIT B: FINANCIAL STATEMENTS

EverSmith Brands Holding Company and Subsidiaries

Consolidated Financial Report

December 31, 2025

EverSmith Brands Holding Company and Subsidiaries

Contents

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Plante & Moran, PLLC
Suite 300
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

Independent Auditor's Report

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

Opinion

We have audited the consolidated financial statements of EverSmith Brands Holding Company and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our 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 Consolidated 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 issued or available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated 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 audits 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.

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

March 26, 2026

EverSmith Brands Holding Company and Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash	$ 4,875,638	$ 3,515,558
Advertising fund restricted cash and restricted assets	-	100,458
Accounts receivable - Net	9,920,806	7,114,904
Unbilled revenue	461,552	349,380
Notes receivable	577,463	425,473
Prepaid expenses and other current assets	1,046,032	1,573,314
Total current assets	16,881,491	13,079,087
Property and Equipment - Net	212,824	780,862
Operating Lease Right-of-use Assets - Net	522,312	1,240,113
Goodwill - Net	74,960,086	50,821,465
Intangible Assets - Net	49,343,970	34,088,854
Other Assets		
Deferred commission costs - Net of current portion	6,026,099	2,262,584
Notes receivable - Net of current portion	1,235,982	286,916
Other	44,556	50,609
Total other assets	7,306,637	2,600,109
Total assets	**$ 149,227,320**	**$ 102,610,490**
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 3,078,777	$ 4,966,278
Current portion of long-term debt	580,000	360,000
Current portion of operating lease liabilities	208,850	507,060
Deferred franchise fees	1,417,984	692,354
Accrued and other current liabilities:		
Taxes payable	2,374,926	1,295,818
Accrued compensation	1,521,814	2,802,812
Accrued interest	559,266	-
Other accrued liabilities	1,347,165	1,395,399
Total current liabilities	11,088,782	12,019,721
Long-term Debt - Net of current portion	56,090,365	34,497,135
Operating Lease Liabilities - Net of current portion	277,526	733,773
Other Long-term Liabilities		
Deferred franchise fees - Net of current portion	9,615,702	4,101,540
Deferred tax liabilities	1,026,336	1,037,222
Total liabilities	78,098,711	52,389,391
Stockholders' Equity	71,128,609	50,221,099
Total liabilities and stockholders' equity	**$ 149,227,320**	**$ 102,610,490**

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Operations

Years Ended December 31, 2025 and 2024

	2025	2024
Net Revenue		
Royalty fees	$ 18,965,413	$ 13,835,697
Professional service fees	13,499,394	15,893,981
Product revenue	2,810,209	2,874,230
Initial franchise fee revenue	745,908	780,004
Promotional fund revenue	3,342,187	416,122
Other	1,137,782	1,234,883
Total net revenue	40,500,893	35,034,917
Cost of Professional Service Fees Revenue	13,654,654	14,085,134
Gross Profit	26,846,239	20,949,783
Operating Expenses	34,844,232	34,186,155
Operating Loss	(7,997,993)	(13,236,372)
Nonoperating Income (Expense)		
Interest income	139,828	82,328
Other expense	(49,040)	(45,331)
Interest expense	(4,140,995)	(2,181,596)
Gain on sale of Green Guard Services, LLC	1,352,198	-
Total nonoperating expense	(2,698,009)	(2,144,599)
Loss - Before income taxes	(10,696,002)	(15,380,971)
Income Tax (Recovery) Expense	(248,556)	1,928,222
Consolidated Net Loss	(10,447,446)	(17,309,193)
Other Comprehensive Loss - Foreign currency translation adjustment	(745,044)	(697,817)
Comprehensive Loss	**$ (11,192,490)**	**$ (18,007,010)**

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Stockholders' Equity

Years Ended December 31, 2025 and 2024

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance - January 1, 2024	$ 288	$ 37,145,577	$ (14,542,708)	$ (607,996)	$ 21,995,161
Consolidated net loss	-	-	(17,309,193)	-	(17,309,193)
Issuance of common stock	269	46,135,855	-	-	46,136,124
Stock-based compensation	-	100,595	-	-	100,595
Foreign currency translation adjustment	-	-	-	(697,817)	(697,817)
Dividends	-	-	(3,771)	-	(3,771)
Balance - December 31, 2024	557	83,382,027	(31,855,672)	(1,305,813)	50,221,099
Consolidated net loss	-	-	(10,447,446)	-	(10,447,446)
Issuance of common stock	91	32,099,909	-	-	32,100,000
Foreign currency translation adjustment	-	-	-	(745,044)	(745,044)
Balance - December 31, 2025	**$ 648**	**$ 115,481,936**	**$ (42,303,118)**	**$ (2,050,857)**	**$ 71,128,609**

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Consolidated net loss	$ (10,447,446)	$ (17,309,193)
Reconciliation of consolidated net loss to net cash and restricted cash from operating activities - Net of assets acquired and liabilities assumed in business acquisitions:		
Depreciation and amortization expense	9,205,859	7,346,640
Noncash lease expense	(18,070)	(14,083)
Stock compensation expense	-	100,595
Deferred income taxes	(742,728)	390,415
Credit loss expense	243,727	574,457
Debt issuance cost amortization	188,230	79,635
Gain on sale of Green Guard Services, LLC	(1,352,198)	-
Changes in operating assets and liabilities - Net of assets acquired and liabilities assumed:		
Accounts receivable and unbilled revenue	(2,506,959)	(2,299,521)
Deferred commission costs	(3,763,515)	(1,669,001)
Prepaid expenses and other current assets	479,827	(260,403)
Accounts payable	(1,891,129)	2,394,416
Taxes payable	1,079,108	1,295,818
Deferred revenue	4,336,960	2,141,878
Accrued compensation and other accrued liabilities	(722,448)	1,819,841
Net cash and restricted cash used in operating activities	(5,910,782)	(5,408,506)
Cash Flows from Investing Activities		
Business acquisitions - Net of cash acquired	(34,327,351)	(71,148,692)
Purchase of property and equipment	(71,161)	(94,285)
Issuance of notes receivable	-	(712,389)
Payments on notes receivable	251,142	-
Proceeds from sale of Green Guard Services, LLC	337,818	-
Net cash and restricted cash used in investing activities	(33,809,552)	(71,955,366)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	20,100,000	44,136,124
Proceeds from debt	22,900,000	36,000,000
Payments on debt	(1,275,000)	(180,000)
Debt issuance costs	-	(1,042,500)
Dividends	-	(3,771)
Net cash and restricted cash provided by financing activities	41,725,000	78,909,853
Net Effect of Exchange Rate Changes on Cash and Restricted Cash	(745,044)	(697,817)
Net Increase in Cash and Restricted Cash	1,259,622	848,164
Cash and Restricted Cash - Beginning of year	3,616,016	2,767,852
Cash and Restricted Cash - End of year	**$ 4,875,638**	**$ 3,616,016**
Classification of Cash and Restricted Cash		
Cash	$ 4,875,638	$ 3,515,558
Restricted cash	-	100,458
Total cash and restricted cash	**$ 4,875,638**	**$ 3,616,016**
Supplemental Cash Flow Information - Cash paid for interest	$ 3,581,729	$ 2,181,596
Significant Noncash Transactions		
Fair value of rollover equity issued for business acquisitions	$ 12,000,000	$ 2,000,000
Note receivable issued for sale of Green Guard Services, LLC	1,200,000	-

Note 1 - Nature of Business

EverSmith Brands Holding Company and Subsidiaries (the "Company") includes its wholly owned subsidiaries, EverSmith Brands Intermediate Holding Company; 2792705 Ontario Inc.; TruServe Groundscare Inc.; Clintar, Inc.; Clintar Franchising, Inc.; milliCare, Inc.; milliCare Franchising, LLC; Kitchen Guard Franchising, Inc.; Green Guard Services, LLC; U.S. Lawns, Inc.; Restoration Specialties Franchise Group, LLC; 1 Tom Plumber Global LLC; and The Seals Franchising, LLC.

The Company's subsidiaries are principally engaged as franchisors of brands, which provide various services such as landscaping, snow removal, operating floor and textile care, commercial kitchen exhaust cleaning, and specialty restoration. In addition, certain landscaping and snow removal services are provided directly to customers where franchising territories do not exist.

On May 9, 2025, the Company sold the majority of the assets and liabilities on its subsidiary Green Guard Services, LLC to a third party in exchange for cash and a promissory note receivable.

Note 2 - Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company has elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the alternative for accounting for goodwill and intangibles.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Adoption of New Accounting Pronouncement

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduced a practical expedient for estimating expected credit losses on current accounts receivable arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. Under the practical expedient, the Company assumes that current conditions as of the consolidated balance sheet date will not change for the remaining life of the asset. The standard also permits an accounting policy election to consider collection activity after the balance sheet date when estimating credit losses.

The Company adopted the new guidance on January 1, 2025 on a prospective basis. The adoption of this guidance did not have a significant impact on the consolidated financial statements.

Cash

The Company maintains cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Additionally, the Company maintains cash in various foreign institutions amounting to $2,012,050 and $2,918,789 as of December 31, 2025 and 2024, respectively, converted at year-end exchange rates.

Note 2 - Significant Accounting Policies (Continued)

Restricted Cash

In accordance with certain brands' franchise agreements, certain cash accounts established for promotional or advertising contributions and spending are restricted in their use for cash collected by the promotional fund, usage of which is restricted for advertising activities and is included in advertising fund restricted cash on the accompanying consolidated balance sheet.

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. At December 31, 2025 and 2024, the Company recorded an allowance for credit losses in the amount of $1,710,706 and $1,214,135, respectively. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions. When the Company is aware of a franchisee or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. The Company has elected the practical expedient to assume that the current conditions as of the consolidated balance sheet date will not change for the remaining life of the asset. The Company has also made the policy election to consider collection activity subsequent to year end in making its estimate of expected losses. The Company has considered subsequent collection activity through January 31, 2026. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Accounts receivable, net of allowance, as of January 1, 2024 equaled $3,615,646.

Unbilled Revenue

The Company records royalty revenue that has been recognized but not invoiced to its franchisees in unbilled revenue until the respective amount is invoiced, which is then included within accounts receivable. Unbilled revenue is included within current assets, as the amounts are similar to accounts receivable and are short term in nature.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Leases

The Company has operating leases primarily for various office spaces that have lease terms that range from three to five years, some of which include renewal and termination options that can be elected by the Company. The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components for all operating leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all operating leases.

Note 2 - Significant Accounting Policies (Continued)

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, which range from 6 to 20 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

The Company has elected to apply the private company accounting alternative for intangible assets acquired in a business combination developed by the Private Company Council. Under the accounting alternative, certain acquired customer-related intangible assets and noncompetition agreements are not separately recognized apart from goodwill.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition.

The Company has elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Company may be less than its carrying value. The Company has elected to test goodwill for impairment at the entitywide level.

No impairment charge was recognized during the years ended December 31, 2025 and 2024.

Revenue Recognition

The terms of the franchise agreements for the Company are typically 10 years. As part of each agreement, the Company identified one performance obligation that requires the Company to provide a combination of the following in exchange for the defined transaction price:

- **Intellectual Property (IP)** - Licenses grant an exclusive right to establish and operate a business under the trademarks.
- **Continuing Consulting Services** - These services include the review of plans; equipment and merchandise selection; and establishment and implementation of administrative, bookkeeping, accounting, inventory control, and general operating procedures.
- **Operations Manual and Brand-specific Training Services** - These provide training programs, operating manuals, development of standards, and pricing policies specific to the various brands.
- **Preopening Services** - These provide primarily site selection, training programs, and setting up the franchisee records.

The Company determined that the services noted above represent a set of integrated or highly interrelated tasks/services and are, therefore, accounted for as a single performance obligation of providing the franchise license. This type of license is satisfied over time since the customer simultaneously receives and consumes the benefit as the entity performs its obligation to provide access and, therefore, meets the criterion of recognizing revenue over time. Revenue earned from providing these services is identified as royalty fees, initial franchise fee revenue, and promotional fund revenue on the accompanying consolidated statement of operations.

The Company's professional service fees include snow removal, landscaping, professional kitchen hood cleaning, and professional floor cleaning where there is no franchise territory. Revenue is recognized over time as the services are rendered. Long-term contracts do not exist for these services, and all work is typically completed within a 24-hour period.

Note 2 - Significant Accounting Policies (Continued)

The Company's product revenue primarily includes sales of chemicals and soak tanks to franchisees. Revenue is recognized at the time the product is shipped.

Payment Terms

Initial franchise fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the consolidated balance sheet. Deferred initial franchise fees as of January 1, 2024 equaled $1,065,469. Royalties and promotional fund fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Technology fees are paid on a monthly basis based upon a fixed amount. Professional service fees and product revenue fees are due 30 days from when the service is performed or when the product is shipped.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled, renewed, or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

Costs to Obtain a Franchise Agreement

The Company incurs commission costs to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue, which is recognized over time. As a result, the commission costs are capitalized as deferred commission costs and are expensed over the term of the respective franchise agreement, which is typically 10 years. The current portion of deferred commission costs are included within prepaid expenses and other current assets in the consolidated balance sheet.

Advertising Expense

In accordance with the Company's franchise agreements, franchisees pay a percentage of monthly sales to the brand's promotional fund to be used for advertising, marketing, and other promotional purposes. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2025 and 2024 was $3,102,129 and $895,604, respectively.

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Note 2 - Significant Accounting Policies (Continued)

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Debt Issuance Costs

Debt issuance costs were incurred by the Company in connection with obtaining the debt to finance one of the business combinations disclosed in Note 3. These costs are recorded as a reduction in the recorded balance of the outstanding debt. The costs are amortized over the term of the related debt and reported as a component of interest expense.

Foreign Currency Translation

The reporting currency of the Company is the U.S. dollar (USD). The Company's functional currency for its operations in Canada is the Canadian dollar (CAD). Assets and liabilities are translated using the exchange rates as of year end, and revenue and expenses are translated using average exchange rates. Equity is translated at historical rates, with resulting translation gains and losses included in the Company's consolidated statement of stockholders' equity as a component of accumulated other comprehensive loss.

Gains and losses arising from foreign currency transactions are included in the consolidated statement of operations in operating expenses. Intercompany balances denominated in a currency other than the functional currency of the parties to the transaction create foreign currency gains and losses that survive consolidation, even though the intercompany balances do not.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

A significant estimate made by management in the preparation of the consolidated financial statements includes, among other estimates, the determination of the purchase price allocations and the related valuation of intangible assets and other assets and liabilities acquired.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including March 26, 2026, which is the date the financial statements were available to be issued.

Note 3 - Business Combinations

U.S. Lawns, Inc.

On January 12, 2024, Clintar, Inc. acquired 100 percent of the outstanding common stock of U.S. Lawns, Inc. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the landscaping and snow removal industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Fair value of total consideration transferred - Cash	$	51,135,157

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	$	400
Accounts receivable		1,342,787
Prepaids and other assets		570,015
Property and equipment		174,981
Right-of-use assets		645,805
Intangible assets		18,874,000
Deferred tax assets		224,000
Accounts payable		(351,966)
Deferred franchise fees		(887,695)
Lease liabilities		(645,805)
Accrued expenses		(181,336)
Total identifiable net assets		19,765,186
Goodwill		31,369,971
Total	$	51,135,157

The fair value of financial assets includes accounts receivable with a gross contractual value of $1,806,559, of which $463,772 is expected to be uncollectible.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately $1,571,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

Restoration Specialties Holdings, LLC

On June 17, 2024, Clintar, Inc. acquired 100 percent of the outstanding membership interests of Restoration Specialties Holdings, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the specialty restoration industry.

Note 3 - Business Combinations (Continued)

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Cash	$ 20,272,444
Noncash rollover equity - Common stock	2,000,000
Fair value of total consideration transferred	$ 22,272,444

The fair value of the 1,019 shares of common stock issued as noncash rollover equity was based on a valuation of the Company's stock using an option-pricing model. See Note 11 for further details.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	$ 258,509
Accounts receivable	169,901
Prepaids and other assets	44,669
Property and equipment	15,441
Right-of-use assets	70,508
Intangible assets	12,740,000
Deferred tax assets	203,000
Accounts payable	(60,981)
Deferred franchise fees	(698,852)
Lease liabilities	(70,508)
Accrued expenses	(385,287)
Total identifiable net assets	12,286,400
Goodwill	9,986,044
Total	$ 22,272,444

The fair value of financial assets includes accounts receivable with a gross contractual value of $169,901.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately $2,559,364 and have been included in operating expenses on the accompanying consolidated statement of operations.

The Seals Franchising, LLC

On February 3, 2025, Clintar, Inc. acquired 100 percent of the outstanding membership interests of The Seals Franchising, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the commercial refrigeration gasket repair and kitchen service industry.

Goodwill of $1,480,028 was recognized as part of the acquisition, which approximated the fair value of the cash consideration transferred. The acquisition-date fair value of assets acquired and liabilities assumed was insignificant. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Note 3 - Business Combinations (Continued)

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately $434,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

1 Tom Plumber Global, LLC

On November 28, 2025, Clintar, Inc. acquired 100 percent of the outstanding membership interests of 1 Tom Plumber Global, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the full-service plumbing, drain cleaning, and water damage restoration industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Cash	$ 33,138,687
Noncash rollover equity - Common stock	12,000,000
Fair value of total consideration transferred	$ 45,138,687

The fair value of the 3,389 shares of common stock issued as noncash rollover equity was based on a valuation of the Company's stock using an option-pricing model. See Note 11 for further details.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	$ 291,364
Accounts receivable	400,408
Property and equipment	122,800
Right-of-use assets	79,819
Intangible assets	17,979,000
Accounts payable	(3,928)
Deferred franchise fees	(1,927,838)
Lease liabilities	(79,819)
Accrued expenses	(73,568)
Deferred tax liabilities	(731,842)
Total identifiable net assets	16,056,396
Goodwill	29,082,291
Total	$ 45,138,687

The fair value of financial assets includes accounts receivable with a gross contractual value of $400,408.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately $2,337,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

Note 4 - Accounts Receivable Credit Losses Allowance

The activity in the allowance for credit losses is as follows:

	2025	2024
Balance - January 1	$ 1,214,135	$ 612,069
Additions charged to expense	243,727	574,457
Deductions/Write-offs	(394,056)	27,609
Other	646,900	-
Balance - December 31	$ 1,710,706	$ 1,214,135

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2025	2024	Depreciable Life - Years
Machinery and equipment	$ -	$ 107,831	5
Transportation equipment	136,143	436,727	5
Furniture and fixtures	87,845	85,764	5
Computer equipment and software	367,802	504,489	5
Leasehold improvements	-	211,493	5-15
Total cost	591,790	1,346,304	
Accumulated depreciation	378,966	565,442	
Net property and equipment	$ 212,824	$ 780,862	

Depreciation expense for 2025 and 2024 was $246,161 and $299,864, respectively.

Note 6 - Intangible Assets and Goodwill

Intangible assets and goodwill of the Company at December 31, 2025 and 2024 are summarized as follows:

	2025		2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets and goodwill:				
Trade names	$ 12,241,614	$ 2,563,564	$ 9,318,987	$ 990,971
Franchise agreements	42,605,415	2,939,495	27,684,513	1,923,675
Goodwill	89,785,500	14,825,414	59,465,661	8,644,196
Total amortized intangible assets	$ 144,632,529	$ 20,328,473	$ 96,469,161	$ 11,558,842

Amortization expense for intangible assets and goodwill totaled $8,959,698 and $7,046,776 for the years ended December 31, 2025 and 2024, respectively.

Goodwill totaling approximately $30,562,000 and $41,356,000 was added during 2025 and 2024, respectively, as a result of the acquisitions disclosed in Note 3.

Net goodwill of approximately $4,110,000 and $4,755,000 is held by an entity in a foreign jurisdiction at December 31, 2025 and 2024, respectively.

Note 6 - Intangible Assets and Goodwill (Continued)

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2026	$ 12,635,019
2027	12,635,019
2028	12,635,019
2029	12,635,019
2030	12,635,019
Thereafter	61,128,961
Total	$ 124,304,056

Note 7 - Long-term Debt

Long-term debt at December 31 is as follows:

	2025	2024
Term loan with a bank requiring quarterly principal payments equal to 0.25 percent of the original loan balance of $36,000,000 (or $90,000), including interest at the adjusted term SOFR or ABR, plus the applicable margin (an effective rate of approximately 8.90 and 9.36 percent at December 31, 2025 and 2024, respectively). The note is collateralized by all assets of the Company and matures on June 17, 2030, at which time a balloon payment for the remainder of the balance is due. The Company is subject to a quarterly total net leverage ratio covenant	$ 35,460,000	$ 35,820,000
Delayed draw term loan commitment of $25,000,000 with a bank requiring quarterly principal payments, equal to 0.25 percent of the aggregate principal amount outstanding at the beginning of each calendar quarter, including interest at the adjusted term SOFR or ABR, plus the applicable margin (an effective rate of approximately 8.90 at December 31, 2025). The note is collateralized by all assets of the Company and matures on June 17, 2030, at which time a balloon payment for the remainder of the balance is due. The Company is subject to a quarterly total net leverage ratio covenant	21,985,000	-
Unamortized debt issuance costs	(774,635)	(962,865)
Long-term debt less unamortized debt issuance costs	56,670,365	34,857,135
Less current portion	580,000	360,000
Long-term portion	$ 56,090,365	$ 34,497,135

The balance of the above debt matures as follows:

Years Ending	Amount
2026	$ 580,000
2027	580,000
2028	580,000
2029	580,000
2030	55,125,000
Unamortized debt discount	(774,635)
Total	$ 56,670,365

Note 7 - Long-term Debt (Continued)

In addition to the long-term debt disclosed above, the Company has a revolver commitment of $7,000,000. The revolver commitment terminates on June 17, 2030. The revolver commitment is subject to the same interest rate and quarterly total net leverage ratio covenant as the term loans described above. There were no amounts outstanding on the revolver commitment as of December 31, 2025 and 2024.

Note 8 - Leases

The right-of-use assets and related lease liabilities have been calculated using discount rates ranging from 3.46 percent to 4.75 percent. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2026	$ 232,913
2027	164,522
2028	112,021
Total	509,456
Less amount representing interest	23,080
Present value of net minimum lease payments	486,376
Less current obligations	208,850
Long-term obligations under leases	$ 277,526

Expenses recognized under these leases for the years ended December 31, 2025 and 2024 consist of the following:

	2025	2024
Lease cost - Operating lease cost	$ 461,083	$ 604,548
Other information:		
Cash paid for amounts included in the measurement of lease liabilities - Operating cash flows from operating leases	$ 395,143	$ 487,973
Weighted-average remaining lease term (years) - Operating leases	2.67	3.42
Weighted-average discount rate - Operating leases	4.0 %	4.2 %

Note 9 - Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Current tax expense	$ 494,172	$ 1,537,807
Foreign - Deferred tax recovery	(10,886)	390,415
Federal - Deferred tax recovery	(731,842)	-
Total income tax (recovery) expense	$ (248,556)	$ 1,928,222

The details of the net deferred tax liability at December 31 are as follows:

	2025	2024
Total deferred tax liabilities	$ (1,288,224)	$ (1,204,963)
Total deferred tax assets	8,658,141	6,240,677
Valuation allowance recognized for deferred tax assets	(8,396,253)	(6,072,936)
Total	$ (1,026,336)	$ (1,037,222)

Estimated taxes payable as of December 31, 2025 and 2024 equaled $2,374,926 and $1,295,818, respectively, all of which relate to 2792705 Ontario Inc. and TruServe Groundscare Inc. and are owed to the Canada Revenue Agency.

Note 10 - Related Party Transactions

The Company signed consulting services agreements with affiliates of the majority equity holder of the Company to provide for certain consulting and advisory services. The agreements also require periodic reimbursement of out-of-pocket expenses associated with such services. There was $518,887 and $593,551 expensed under these agreements for the years ended December 31, 2025 and 2024, respectively, which was included in operating expenses in the consolidated statements of operations.

Note 11 - Stockholders' Equity

Common Stock

The Company has 300,000 shares of common stock authorized and 64,773 and 55,680 shares issued and outstanding as of December 31, 2025 and 2024, respectively, with a par value of $0.01.

Stock Options

The Company's 2020 Equity Incentive Plan (the "Plan") permits the grant of stock options to the Company's employees and members of the board of directors. The Company believes that such awards better align the interests of its employees with those of its stockholders. Stock options are granted with an exercise price equal to the estimated fair value of the Company's common stock at the grant date. The plan administrator may determine the time or times at which a stock option granted will vest or become exercisable and the terms that require exercisability of a stock option. Generally, the stock options issued vest over a period of seven years. However, upon the occurrence of a change in control event, all options granted will become immediately exercisable.

Note 11 - Stockholders' Equity (Continued)

The fair value of each time-based vesting stock option is estimated on the date of grant using a Black-Scholes-based valuation model that uses various assumptions regarding the (1) expected volatility in the fair value of the Company's common stock, (2) expected term of the award, (3) expected dividend yield on the underlying common stock, (4) risk-free interest rate based on the U.S. Treasury yield curve, and (5) current price of the underlying common stock. The Company based its expected volatility calculation upon similar, publicly traded companies tracked over a five-year period. The Company has assumed the vesting term as the expected life of the stock options based on when a change of control is expected to occur. The Company did not contemplate any expected dividends. A U.S. Treasury bond rate was utilized as of the respective grant date in line with the expected life of the options.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Financial Report

December 31, 2024

EverSmith Brands Holding Company and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

Opinion

We have audited the consolidated financial statements of EverSmith Brands Holding Company and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year 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, 2024 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Report on Prior Year Consolidated Financial Statements

The consolidated financial statements of EverSmith Brands Holding Company and Subsidiaries as of December 31, 2023 were audited by other auditors, who expressed an unmodified opinion on those statements on March 28, 2024.

Responsibilities of Management for the Consolidated 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 issued or available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated 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.

To the Board of Directors
EverSmith Brands Holding Company and Subsidiaries

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.

Plante & Moran, PLLC

March 25, 2025

EverSmith Brands Holding Company and Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash	$ 3,515,558	$ 2,711,279
Advertising fund restricted cash and restricted assets	100,458	328,234
Accounts receivable - Net	7,114,904	3,615,646
Unbilled revenue	349,380	610,886
Notes receivable	425,473	-
Prepaid expenses and other current assets	1,573,314	477,175
Total current assets	13,079,087	7,743,220
Property and Equipment - Net	780,862	796,019
Operating Lease Right-of-use Assets - Net	1,240,113	1,130,780
Goodwill - Net	50,821,465	14,725,847
Intangible Assets - Net	34,088,854	4,261,233
Other Assets		
Deferred commission costs - Net of current portion	2,262,584	593,583
Notes receivable - Net of current portion	286,916	-
Other	50,609	-
Total other assets	2,600,109	593,583
Total assets	**$ 102,610,490**	**$ 29,250,682**
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 4,966,278	$ 2,158,915
Current portion of long-term debt	360,000	-
Current portion of operating lease liabilities	507,060	422,328
Deferred franchise fees	692,354	139,360
Accrued and other current liabilities:		
Taxes payable	1,295,818	-
Accrued compensation	2,802,812	529,572
Other accrued liabilities	1,395,399	1,282,175
Total current liabilities	12,019,721	4,532,350
Long-term Debt - Net of current portion	34,497,135	-
Operating Lease Liabilities - Net of current portion	733,773	723,255
Other Long-term Liabilities		
Deferred franchise fees - Net of current portion	4,101,540	926,109
Deferred tax liabilities	1,037,222	1,073,807
Total liabilities	52,389,391	7,255,521
Stockholders' Equity	50,221,099	21,995,161
Total liabilities and stockholders' equity	**$ 102,610,490**	**$ 29,250,682**

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Operations

Years Ended December 31, 2024 and 2023

	2024	2023
Net Revenue		
Royalty fees	$ 13,835,697	$ 5,676,883
Professional service fees	15,893,981	15,647,169
Product revenue	2,874,230	119,685
Initial franchise fee revenue	780,004	94,011
Promotional fund revenue	416,122	315,957
Other	1,234,883	315,452
Total net revenue	35,034,917	22,169,157
Cost of Professional Service Fees Revenue	14,085,134	11,634,041
Gross Profit	20,949,783	10,535,116
Operating Expenses	34,186,155	16,573,859
Operating Loss	(13,236,372)	(6,038,743)
Nonoperating Income (Expense)		
Interest income	82,328	-
Other (expense) income	(45,331)	16,794
Interest expense	(2,181,596)	-
Total nonoperating (expense) income	(2,144,599)	16,794
Loss - Before income taxes	(15,380,971)	(6,021,949)
Income Tax Expense	1,928,222	421,961
Consolidated Net Loss	(17,309,193)	(6,443,910)
Other Comprehensive (Loss) Income - Foreign currency translation adjustment	(697,817)	284,764
Comprehensive Loss	**$ (18,007,010)**	**$ (6,159,146)**

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Stockholders' Equity

Years Ended December 31, 2024 and 2023

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance - January 1, 2023	$ 214	$ 23,852,537	$ (8,098,798)	$ (892,760)	$ 14,861,193
Consolidated net loss	-	-	(6,443,910)	-	(6,443,910)
Issuance of common stock	74	13,220,486	-	-	13,220,560
Stock-based compensation	-	72,554	-	-	72,554
Foreign currency translation adjustment	-	-	-	284,764	284,764
Balance - December 31, 2023	288	37,145,577	(14,542,708)	(607,996)	21,995,161
Consolidated net loss	-	-	(17,309,193)	-	(17,309,193)
Issuance of common stock	269	46,135,855	-	-	46,136,124
Stock-based compensation	-	100,595	-	-	100,595
Foreign currency translation adjustment	-	-	-	(697,817)	(697,817)
Dividends	-	-	(3,771)	-	(3,771)
Balance - December 31, 2024	**$ 557**	**$ 83,382,027**	**$ (31,855,672)**	**$ (1,305,813)**	**$ 50,221,099**

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Consolidated net loss	$ (17,309,193)	$ (6,443,910)
Reconciliation of consolidated net loss to net cash and restricted cash from operating activities - Net of assets acquired and liabilities assumed in business acquisitions:		
Depreciation and amortization expense	7,346,640	2,047,036
Noncash lease expense	(14,083)	12,811
Stock compensation expense	100,595	72,554
Deferred income taxes	390,415	421,961
Bad debt expense	574,457	258,348
Debt issuance cost amortization	79,635	-
Changes in operating assets and liabilities - Net of assets acquired and liabilities assumed:		
Accounts receivable and unbilled revenue	(2,299,521)	(610,559)
Advertising fund restricted assets and liabilities	-	(209,286)
Deferred commission costs	(1,669,001)	(372,636)
Prepaid expenses and other current assets	(260,403)	(162,781)
Accounts payable	2,394,416	(224,092)
Taxes payable	1,295,818	-
Deferred revenue	2,141,878	540,915
Accrued compensation and other accrued liabilities	1,819,841	18,771
Net cash and restricted cash used in operating activities	(5,408,506)	(4,650,868)
Cash Flows from Investing Activities		
Business acquisitions - Net of cash acquired	(71,148,692)	(9,234,628)
Purchase of property and equipment	(94,285)	(190,387)
Proceeds from sale of property and equipment	-	25,737
Issuance of notes receivable	(712,389)	-
Net cash and restricted cash used in investing activities	(71,955,366)	(9,399,278)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	44,136,124	12,170,560
Proceeds from debt	36,000,000	-
Payments on debt	(180,000)	-
Debt issuance costs	(1,042,500)	-
Distribution of equity interests	(3,771)	-
Net cash and restricted cash provided by financing activities	78,909,853	12,170,560
Net Effect of Exchange Rate Changes on Cash and Restricted Cash	(697,817)	(391,110)
Net Increase (Decrease) in Cash and Restricted Cash	848,164	(2,270,696)
Cash and Restricted Cash - Beginning of year	2,767,852	5,038,548
Cash and Restricted Cash - End of year	**$ 3,616,016**	**$ 2,767,852**
Classification of Cash and Restricted Cash		
Cash	$ 3,515,558	$ 2,711,279
Restricted cash	100,458	56,573
Total cash and restricted cash	**$ 3,616,016**	**$ 2,767,852**
Supplemental Cash Flow Information - Cash paid for interest	$ 2,181,596	$ -
Significant Noncash Transactions - Fair value of rollover equity issued for business acquisitions	$ 2,000,000	$ 1,050,000

See notes to consolidated financial statements.

Note 1 - Nature of Business

EverSmith Brands Holding Company and Subsidiaries (the "Company") includes its wholly owned subsidiaries, EverSmith Brands Intermediate Holding Company; 2792705 Ontario Inc.; TruServe Groundscare Inc.; Clintar, Inc.; Clintar Franchising, Inc.; milliCare, Inc.; milliCare Franchising, LLC; Kitchen Guard Franchising, Inc.; Green Guard Services, LLC; U.S. Lawns, Inc.; and Restoration Specialties Franchise Group, LLC.

The Company's subsidiaries are principally engaged as franchisors of brands, which provide various services such as landscaping, snow removal, operating floor and textile care, commercial kitchen exhaust cleaning, and specialty restoration. In addition, certain landscaping and snow removal services are provided directly to customers where franchising territories do not exist.

Note 2 - Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company has elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the alternative for accounting for goodwill and intangibles.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash

The Company maintains cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Additionally, the Company maintains cash in various foreign institutions amounting to $2,918,789 and $1,429,696 as of December 31, 2024 and 2023, respectively, converted at year-end exchange rates.

Restricted Cash

In accordance with certain brands' franchise agreements, certain cash accounts established for promotional or advertising contributions and spending are restricted in their use for cash collected by the promotional fund, usage of which is restricted for advertising activities and is included in advertising fund restricted cash on the accompanying consolidated balance sheet.

Accounts Receivable

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. At December 31, 2024 and 2023, the Company recorded an allowance for credit losses in the amount of $1,214,135 and $612,069, respectively. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions and reasonable and supportable forecasts. The Company calculates the allowance using an expected loss model that considers the Company’s actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. When the Company is aware of a franchisee or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Accounts receivable, net of allowance, as of January 1, 2023 equaled $2,568,780.

Note 2 - Significant Accounting Policies (Continued)

Unbilled Revenue

The Company records royalty revenue that has been recognized but not invoiced to its franchisees in unbilled revenue until the respective amount is invoiced, which is then included within accounts receivable. Unbilled revenue is included within current assets, as the amounts are similar to accounts receivable and are short term in nature.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Leases

The Company has operating leases primarily for various office spaces that have lease terms that range from 3 to 5 years, some of which include renewal and termination options that can be elected by the Company. The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components for all operating leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all operating leases.

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, which range from 6 to 20 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

The Company has elected to apply the private company accounting alternative for intangible assets acquired in a business combination developed by the Private Company Council. Under the accounting alternative, certain acquired customer-related intangible assets and noncompetition agreements are not separately recognized apart from goodwill.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. The Company has adopted the provisions of ASU No. 2021-08, *Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805)*, which requires companies to record contracts with customers based on the guidance under ASC 606 rather than at fair value.

The Company has elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Company may be less than its carrying value. The Company has elected to test goodwill for impairment at the entitywide level.

No impairment charge was recognized during the years ended December 31, 2024 and 2023.

Note 2 - Significant Accounting Policies (Continued)

Revenue Recognition

The terms of the franchise agreements for the Company are typically 10 years. As part of each agreement, the Company identified one performance obligation that requires the Company to provide a combination of the following in exchange for the defined transaction price:

- **Intellectual Property (IP)** - Licenses grant an exclusive right to establish and operate a business under the trademarks.
- **Continuing Consulting Services** - These services include the review of plans; equipment and merchandise selection; and establishment and implementation of administrative, bookkeeping, accounting, inventory control, and general operating procedures.
- **Operations Manual and Brand-specific Training Services** - These provide training programs, operating manuals, development of standards, and pricing policies specific to the various brands.
- **Preopening Services** - These provide primarily site selection, training programs, and setting up the franchisee records.

The Company determined that the services noted above represent a set of integrated or highly interrelated tasks/services and are, therefore, accounted for as a single performance obligation of providing the franchise license. This type of license is satisfied over time since the customer simultaneously receives and consumes the benefit as the entity performs its obligation to provide access and, therefore, meets the criterion of recognizing revenue over time. Revenue earned from providing these services is identified as royalty fees, initial franchise fee revenue, and promotional fund revenue on the accompanying consolidated statement of operations.

The Company's professional service fees include snow removal, landscaping, professional kitchen hood cleaning, and professional floor cleaning where there is no franchise territory. Revenue is recognized over time as the services are rendered. Long-term contracts do not exist for these services, and all work is typically completed within a 24-hour period.

The Company's product revenue primarily includes sales of chemicals and soak tanks to franchisees. Revenue is recognized at the time the product is shipped.

Payment Terms

Initial franchise fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company’s performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the consolidated balance sheet. Deferred initial franchise fees as of January 1, 2023 equaled $522,603. Royalties and promotional fund fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Technology fees are paid on a monthly basis based upon a fixed amount. Professional service fees and product revenue fees are due 30 days from when the service is performed or when the product is shipped.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled, renewed, or modified.

Note 2 - Significant Accounting Policies (Continued)

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

Costs to Obtain a Franchise Agreement

The Company incurs commission costs to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue, which is recognized over time. As a result, the commission costs are capitalized as deferred commission costs and are expensed over the term of the respective franchise agreement, which is typically 10 years.

Advertising Expense

In accordance with the Company's franchise agreements, franchisees pay a percentage of monthly sales to the brand's promotional fund to be used for advertising, marketing, and other promotional purposes. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2024 and 2023 was $895,604 and $843,644, respectively.

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Debt Issuance Costs

Debt issuance costs were incurred by the Company in connection with obtaining the debt to finance one of the business combinations disclosed in Note 3. These costs are recorded as a reduction in the recorded balance of the outstanding debt. The costs are amortized over the term of the related debt and reported as a component of interest expense.

Note 2 - Significant Accounting Policies (Continued)

Foreign Currency Translation

The reporting currency of the Company is the U.S. dollar (USD). The Company's functional currency for its operations in Canada is the Canadian dollar (CAD). Assets and liabilities are translated using the exchange rates as of year end, and revenue and expenses are translated using average exchange rates. Equity is translated at historical rates, with resulting translation gains and losses included in the Company's consolidated statement of stockholders' equity as a component of accumulated other comprehensive loss.

Gains and losses arising from foreign currency transactions are included in the consolidated statement of operations in operating expenses. Intercompany balances denominated in a currency other than the functional currency of the parties to the transaction create foreign currency gains and losses that survive consolidation, even though the intercompany balances do not.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates made by management in the preparation of the consolidated financial statements include, among other estimates, the determination of the purchase price allocations and the related valuation of intangible assets and other assets and liabilities acquired, depreciation and amortization, useful lives, stock-based compensation, and the allowance for credit loss accounts.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including March 25, 2025, which is the date the financial statements were available to be issued.

Note 3 - Business Combinations

GG Services Holdings, Inc.

On April 10, 2023, Clintar, Inc. acquired the membership interests of GG Services Holdings, Inc. (Green Guard Services). As a result of this transaction, the purchase price was allocated to Green Guard Services' balance sheet, resulting in a new basis of accounting. This included a step-up of certain assets to fair value and the recognition of certain identifiable intangible assets, as provided for under the purchase method of accounting. The following table summarizes the fair value of the consideration transferred as part of the acquisition of Green Guard Services:

Capital contributions	$ 10,941,894
Rollover equity	1,050,000
Net working capital adjustment	(199,243)
Fair value of total consideration transferred	$ 11,792,651

Note 3 - Business Combinations (Continued)

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	$	1,508,023
Accounts receivable		667,211
Other assets		69,896
Property and equipment		495,695
Separately identifiable intangible assets		583,000
Operating right-of-use assets		1,072,909
Accounts payable		(94,630)
Accrued expenses		(79,243)
Accrued compensation		(80,307)
Operating lease obligations		(1,072,909)
Total identifiable net assets		3,069,645
Goodwill		8,723,006
Total	$	11,792,651

Intangible assets acquired consist of trade names of $583,000. The Company did not separately value the customer relationships or noncompete intangible assets from goodwill in accordance with the private company alternative available under FASB ASC 805, *Business Combinations*. The fair value of the intangible assets is based on significant inputs that are not observable in the market and, therefore, represent Level 3 measurements under ASC 820-10. The fair value of the trade names was determined under the income approach, specifically the relief from royalty method.

In addition, goodwill of $8,723,006 was recorded to reflect the excess of the purchase price over the estimated fair value of the net identifiable assets acquired, which is deductible for tax purposes.

The Company incurred $1,163,894 of acquisition costs, which is included in operating expenses within the accompanying consolidated statement of operations for the year ended December 31, 2023.

U.S. Lawns, Inc.

On January 12, 2024, Clintar, Inc. acquired 100 percent of the outstanding common stock of U.S. Lawns, Inc. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the landscaping and snow removal industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Fair value of total consideration transferred - Cash	$	51,135,157

Note 3 - Business Combinations (Continued)

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	$ 400
Accounts receivable	1,342,787
Prepaids and other assets	570,015
Property and equipment	174,981
Right-of-use assets	645,805
Intangible assets	18,874,000
Deferred tax assets	224,000
Accounts payable	(351,966)
Deferred franchise fees	(887,695)
Lease liabilities	(645,805)
Accrued expenses	(181,336)
Total identifiable net assets	19,765,186
Goodwill	31,369,971
Total	$ 51,135,157

The fair value of financial assets includes accounts receivable with a gross contractual value of $1,806,559, of which $463,772 is expected to be uncollectible.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately $1,571,000 and have been included in operating expenses on the accompanying consolidated statement of operations.

Restoration Specialties Holdings, LLC

On June 17, 2024, Clintar, Inc. acquired 100 percent of the outstanding membership interests of Restoration Specialties Holdings, LLC. The primary reason for the acquisition was to expand the Company's portfolio of franchised brands within the specialty restoration industry.

The following table summarizes the fair value of the consideration transferred as part of the acquisition:

Cash	$ 20,272,444
Noncash rollover equity - Common stock	2,000,000
Fair value of total consideration transferred	$ 22,272,444

Note 3 - Business Combinations (Continued)

The fair value of the 1,019 shares of common stock issued as noncash rollover equity was based on a valuation of the Company's stock using an option-pricing model. See Note 11 for further details.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Cash	$ 258,509
Accounts receivable	169,901
Prepaids and other assets	44,669
Property and equipment	15,441
Right-of-use assets	70,508
Intangible assets	12,740,000
Deferred tax assets	203,000
Accounts payable	(60,981)
Deferred franchise fees	(698,852)
Lease liabilities	(70,508)
Accrued expenses	(385,287)
Total identifiable net assets	12,286,400
Goodwill	9,986,044
Total	$ 22,272,444

The fair value of financial assets includes accounts receivable with a gross contractual value of $169,901.

Identifiable intangible assets acquired and subject to amortization include the trade name and franchise agreements with estimated useful lives of 15 years. The fair value of the trade name was determined using a relief from royalty method, and the fair value of the franchise agreements was determined using a multiperiod excess earnings method.

Goodwill was recognized for the excess of the purchase price over the fair value of the net assets acquired. Goodwill relates to the growth potential of the Company, the value of customer-related intangibles, and management and operational expertise. The weighted-average amortization period for the goodwill recognized is 10 years.

Acquisition-related costs, which include legal, accounting, and transaction fees, were approximately $2,559,364 and have been included in operating expenses on the accompanying consolidated statement of operations.

Note 4 - Accounts Receivable Credit Losses Allowance

The activity in the allowance for credit losses is as follows:

	2024	2023
Balance - January 1	$ 612,069	$ 263,852
Additions charged to expense	574,457	258,348
Deductions/Write-offs	27,609	89,869
Balance - December 31	$ 1,214,135	$ 612,069

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2024	2023	Depreciable Life - Years
Machinery and equipment	$ 107,831	$ 149,754	5
Transportation equipment	436,727	379,790	5
Furniture and fixtures	85,764	47,071	5
Computer equipment and software	504,489	284,365	5
Leasehold improvements	211,493	205,276	5-15
Total cost	1,346,304	1,066,256	
Accumulated depreciation	565,442	270,237	
Net property and equipment	$ 780,862	$ 796,019	

Depreciation expense for 2024 and 2023 was $299,864 and $95,833, respectively.

Note 6 - Intangible Assets and Goodwill

Intangible assets and goodwill of the Company at December 31, 2024 and 2023 are summarized as follows:

	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets and goodwill:				
Trade names	$ 9,318,987	$ 990,971	$ 3,161,987	$ 435,032
Franchise agreements	27,684,513	1,923,675	2,227,513	693,235
Goodwill	59,465,661	8,644,196	18,109,646	3,383,799
Total amortized intangible assets	$ 96,469,161	$ 11,558,842	$ 23,499,146	$ 4,512,066

Amortization expense for intangible assets and goodwill totaled $7,046,776 and $1,951,203 for the years ended December 31, 2024 and 2023, respectively.

Goodwill totaling approximately $41,356,000 and $8,723,000 was added during 2024 and 2023, respectively, as a result of the acquisitions disclosed in Note 3.

Net goodwill of approximately $4,755,000 is held by an entity in a foreign jurisdiction.

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2025	$ 8,413,466
2026	8,413,466
2027	8,413,466
2028	8,413,466
2029	8,413,466
Thereafter	42,842,989
Total	$ 84,910,319

Note 7 - Long-term Debt

Long-term debt at December 31, 2024 is as follows:

Term loan with a bank requiring quarterly principal payments equal to 0.25 percent of the original loan balance of $36,000,000 (or $90,000), including interest at the adjusted term SOFR or ABR, plus the applicable margin (an effective rate of 9.36 percent at December 31, 2024). The note is collateralized by all assets of the Company and matures on June 17, 2030, at which time a balloon payment for the remainder of the balance is due. The Company is subject to a quarterly total net leverage ratio covenant	$ 35,820,000
Unamortized debt issuance costs	(962,865)
Long-term debt less unamortized debt issuance costs	34,857,135
Less current portion	360,000
Long-term portion	$ 34,497,135

The balance of the above debt matures as follows:

Years Ending	Amount
2025	$ 360,000
2026	360,000
2027	360,000
2028	360,000
2029	360,000
Unamortized debt discount	(962,865)
Thereafter	34,020,000
Total	$ 34,857,135

In addition to the long-term debt disclosed above, the Company has a revolver commitment of $7,000,000 and a delayed draw term loan commitment of $25,000,000. The revolver commitment terminates on June 17, 2030, and the delayed draw term loan commitment terminates on June 17, 2026. There were no amounts outstanding for either commitment as of December 31, 2024.

Note 8 - Leases

The right-of-use assets and related lease liabilities have been calculated using discount rates ranging from 3.76 percent to 4.75 percent. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs.

Note 8 - Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2025	$ 554,067
2026	403,063
2027	183,382
2028	112,022
Total	1,252,534
Less amount representing interest	11,701
Present value of net minimum lease payments	1,240,833
Less current obligations	507,060
Long-term obligations under leases	$ 733,773

Expenses recognized under these leases for the years ended December 31, 2024 and 2023 consist of the following:

	2024	2023
Lease cost:		
Operating lease cost	$ 604,548	$ 387,752
Short-term lease cost	-	15,294
Total lease cost	$ 604,548	$ 403,046
Other information:		
Cash paid for amounts included in the measurement of lease liabilities - Operating cash flows from operating leases	$ 487,973	$ 387,752
Weighted-average remaining lease term (years) - Operating leases	3.42	2.82
Weighted-average discount rate - Operating leases	4.2 %	3.2 %

Note 9 - Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Foreign - Current tax expense	$ 1,537,807	$ 429,044
Foreign - Deferred tax expense (recovery)	390,415	(7,083)
Total income tax expense	$ 1,928,222	$ 421,961

Note 9 - Income Taxes (Continued)

The details of the net deferred tax liability at December 31 are as follows:

	2024	2023
Total deferred tax liabilities	$ (1,204,963)	$ (1,183,957)
Total deferred tax assets	6,240,677	3,251,569
Valuation allowance recognized for deferred tax assets	(6,072,936)	(3,141,419)
Total	$ (1,037,222)	$ (1,073,807)

Estimated taxes payable as of December 31, 2024 equaled $1,295,818, all of which relate to 2792705 Ontario Inc. and TruServe Groundscare Inc. and are owed to the Canada Revenue Agency.

Note 10 - Related Party Transactions

The Company signed consulting services agreements with affiliates of the majority equity holder of the Company to provide for certain consulting and advisory services. The agreements also require periodic reimbursement of out-of-pocket expenses associated with such services. There was $593,551 and $610,010 expensed under these agreements for the years ended December 31, 2024 and 2023, respectively, which was included in operating expenses in the consolidated statements of operations.

Note 11 - Stockholders' Equity

Common Stock

The Company has 300,000 shares of common stock authorized and 55,680 and 28,818 shares issued and outstanding as of December 31, 2024 and 2023, respectively, with a par value of $0.01.

Stock Options

The Company's 2020 Equity Incentive Plan (the "Plan") permits the grant of stock options to the Company's employees and members of the board of directors. The Company believes that such awards better align the interests of its employees with those of its stockholders. Stock options are granted with an exercise price equal to the estimated fair value of the Company's common stock at the grant date. The plan administrator may determine the time or times at which a stock option granted will vest or become exercisable and the terms that require exercisability of a stock option. Generally, the stock options issued vest over a period of seven years. However, upon the occurrence of a change in control event, all options granted will become immediately exercisable.

The fair value of each time-based vesting stock option is estimated on the date of grant using a Black-Scholes-based valuation model that uses various assumptions regarding the: (1) expected volatility in the fair value of the Company's common stock, (2) expected term of the award, (3) expected dividend yield on the underlying common stock, (4) risk-free interest rate based on the U.S. Treasury yield curve, and (5) current price of the underlying common stock. The Company based its expected volatility calculation upon similar, publicly traded companies tracked over a five-year period. The Company has assumed the vesting term as the expected life of the stock options based on when a change of control is expected to occur. The Company did not contemplate any expected dividends. A U.S. Treasury bond rate was utilized as of the respective grant date in line with the expected life of the options.

The specific assumptions used to determine the fair value of the stock options granted were as follows:

	2024	2023
Expected volatility	30.00 %	25.00 %
Expected life (years)	4	7
Risk-free interest rate	4.04 %	4.23 %

Note 11 - Stockholders' Equity (Continued)

A summary of option activity under the Plan for the years ended December 31, 2024 and 2023 is presented below:

Options	Number of Shares	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (in Years)
Outstanding at January 1, 2023	1,278	$ 1,110.00	10.8
Granted	445	1,664.00	9.3
Forfeited or expired	(508)	1,133.00	9.2
Outstanding at December 31, 2023	1,215	1,301.00	9.9
Granted	2,007	1,847.00	6.5
Forfeited or expired	(1,530)	1,443.00	5.7
Outstanding at December 31, 2024	1,692	1,857.00	6.3
Exercisable at December 31, 2023	251	1,093.00	9.9
Exercisable at December 31, 2024	345	1,693.00	5.9

A summary of nonvested shares under the Plan for the years ended December 31, 2024 and 2023 is presented below:

Nonvested Shares	Number of Shares	Weighted-average Grant-date Fair Value
Nonvested at January 1, 2023	1,028	$ 393.00
Granted	445	630.00
Vested	(166)	364.00
Forfeited or expired	(342)	333.00
Nonvested at December 31, 2023	965	534.00
Granted	2,007	634.00
Vested	(111)	614.00
Forfeited or expired	(1,530)	484.00
Nonvested at December 31, 2024	1,331	682.00

As of December 31, 2024 and 2023, there was $997,108 and $478,469, respectively, of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 6.3 years.

Note 12 - Subsequent Events

On February 3, 2025, the Company entered into a membership interest purchase agreement to acquire the outstanding equity interests of The Seals Franchising, LLC in a business acquisition accounted for as a business combination. The purchase price at the date of closing was approximately $1,400,000, which was funded with a $2,000,000 draw on the Company's credit facility subsequent to December 31, 2024. As of the date the consolidated financial statements were available to be issued, the purchase price allocation has not been completed.

EXHIBIT B-2: GUARANTY OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, EverSmith Brands Holding Company, a Delaware corporation (the "Guarantor"), located at 6700 Forum Drive, Suite 150, Orlando, FL 32821, absolutely and unconditionally guarantees to assume the duties and obligations of Kitchen Guard Franchising, Inc., located at 6700 Forum Drive, Suite 150, Orlando, FL 32821 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at 6700 Forum Drive, Ste 150, Orlando, Florida 32821 on the 26th day of March, 2026.

Guarantor:

EverSmith Brands Holding Company

By: _____

Keri Thoma, CFO

EXHIBIT C: KITCHEN GUARD FRANCHISE AGREEMENT

1. **FRANCHISE AND TERM** ..... **Error! Bookmark not defined.**
   - **1.1 Grant of Franchise.** ..... **Error! Bookmark not defined.**
   - **1.2 Territory.** ..... **Error! Bookmark not defined.**
   - **1.3 Term.** ..... **Error! Bookmark not defined.**
2. **OBLIGATIONS OF KITCHEN GUARD** ..... **Error! Bookmark not defined.**
   - **2.1 Site Selection.** ..... **Error! Bookmark not defined.**
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   - **2.4 Initial Training.** ..... **Error! Bookmark not defined.**
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   - **2.7 Advisory Services.** ..... **Error! Bookmark not defined.**
   - **2.8 Proprietary Products and Proprietary Equipment.** ..... **Error! Bookmark not defined.**
   - **2.9 Non-Proprietary Equipment and Supplies.** ..... **Error! Bookmark not defined.**
   - **2.10 Inspection.** ..... **Error! Bookmark not defined.**
   - **2.11 Regional Accounts.** ..... **Error! Bookmark not defined.**
   - **2.12 Customer Leads.** ..... **Error! Bookmark not defined.**
3. **OBLIGATIONS OF FRANCHISEE** ..... **Error! Bookmark not defined.**
   - **3.1 Lease.** ..... **Error! Bookmark not defined.**
   - **3.2 Tenant Improvements.** ..... **Error! Bookmark not defined.**
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   - **3.8 Business Hours.** ..... **Error! Bookmark not defined.**
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   - **3.11 Use of Marks.** ..... **Error! Bookmark not defined.**
   - **3.12 Operations Manual.** ..... **Error! Bookmark not defined.**
   - **3.13 Proprietary Products.** ..... **Error! Bookmark not defined.**
   - **3.14 Equipment and Supplies.** ..... **Error! Bookmark not defined.**
   - **3.15 Pricing.** ..... **Error! Bookmark not defined.**
   - **3.16 Grand Opening Advertising.** ..... **Error! Bookmark not defined.**
   - **3.17 Independent Advertising.** ..... **Error! Bookmark not defined.**
   - **3.18 Accounting Records and Reports.** ..... **Error! Bookmark not defined.**
   - **3.19 Maintenance and Repair.** ..... **Error! Bookmark not defined.**
   - **3.20 Confidentiality.** ..... **Error! Bookmark not defined.**
   - **3.21 Competition.** ..... **Error! Bookmark not defined.**
   - **3.22 Insurance.** ..... **Error! Bookmark not defined.**
   - **3.23 Signs.** ..... **Error! Bookmark not defined.**
   - **3.24 Taxes.** ..... **Error! Bookmark not defined.**
   - **3.25 Compliance with Law.** ..... **Error! Bookmark not defined.**
   - **3.26 Operating Costs.** ..... **Error! Bookmark not defined.**
   - **3.27 Review of Disclosure Document and Agreement.** ..... **Error! Bookmark not defined.**
   - **3.28 Indemnity.** ..... **Error! Bookmark not defined.**
   - **3.29 Regional Accounts.** ..... **Error! Bookmark not defined.**

3.30 Contracts with Customers. ..... **Error! Bookmark not defined.**
3.31 Promotion and Development of Business. ..... **Error! Bookmark not defined.**
3.32 Computer System. ..... **Error! Bookmark not defined.**
3.33 Privacy and Data Protection. ..... **Error! Bookmark not defined.**
4. **FEES** ..... **Error! Bookmark not defined.**
4.1 Initial Fee. ..... **Error! Bookmark not defined.**
4.2 Continuing Fee. ..... **Error! Bookmark not defined.**
4.3 Technology Fee. ..... **Error! Bookmark not defined.**
4.4 Promotional Fund. ..... **Error! Bookmark not defined.**
4.5 Transfer Fee. ..... **Error! Bookmark not defined.**
4.6 Mandatory Conference Fee. ..... **Error! Bookmark not defined.**
4.7 Late Payment. ..... **Error! Bookmark not defined.**
5. **TRANSFERABILITY** ..... **Error! Bookmark not defined.**
5.1 Transfer by Franchisor. ..... **Error! Bookmark not defined.**
5.2 Transfer by Franchisee. ..... **Error! Bookmark not defined.**
5.3 Death or Disability. ..... **Error! Bookmark not defined.**
6. **TERMINATION AND DEFAULTS** ..... **Error! Bookmark not defined.**
6.1 Termination by Franchisor. ..... **Error! Bookmark not defined.**
6.2 Rights and Duties of Parties Upon Expiration or Termination. ..... **Error! Bookmark not defined.**
6.4 Termination Not Exclusive Remedy. ..... **Error! Bookmark not defined.**
6.5 Future Communications. ..... **Error! Bookmark not defined.**
7. **MISCELLANEOUS** ..... **Error! Bookmark not defined.**
7.1 Governing Law. ..... **Error! Bookmark not defined.**
7.2 Forum Selection; Jurisdiction. ..... **Error! Bookmark not defined.**
7.3 Compliance with Law. ..... **Error! Bookmark not defined.**
7.4 No Subsequent Waiver. ..... **Error! Bookmark not defined.**
7.5 No Class Actions. ..... **Error! Bookmark not defined.**
7.6 No Punitive Damages. ..... **Error! Bookmark not defined.**
7.7 No Trial By Jury. ..... **Error! Bookmark not defined.**
7.8 Continuing Obligations. ..... **Error! Bookmark not defined.**
7.9 Limitation of Claims. ..... **Error! Bookmark not defined.**
7.10 Notices and Communications. ..... **Error! Bookmark not defined.**
7.11 Costs and Legal Fees. ..... **Error! Bookmark not defined.**
7.12 Modifications to System. ..... **Error! Bookmark not defined.**
7.13 Amendment. ..... **Error! Bookmark not defined.**
7.14 Remedies Cumulative. ..... **Error! Bookmark not defined.**
7.15 Interpretation of Rights and Obligations. ..... **Error! Bookmark not defined.**
7.16 Successors and Assigns. ..... **Error! Bookmark not defined.**
7.17 Relationship of the Parties. ..... **Error! Bookmark not defined.**
7.18 Entire Agreement. ..... **Error! Bookmark not defined.**
7.19 No Warranties. ..... **Error! Bookmark not defined.**
7.20 Severability. ..... **Error! Bookmark not defined.**
7.21 Other Parties. ..... **Error! Bookmark not defined.**
7.22 Accuracy of Representations. ..... **Error! Bookmark not defined.**
7.23 Construction. ..... **Error! Bookmark not defined.**
7.24 Additional Representations. ..... **Error! Bookmark not defined.**
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Attachment A to the Franchise Agreement: Data Sheet ..... **Error! Bookmark not defined.**

Attachment B to the Franchise Agreement: Continuation of Other Non-Competing Businesses ....**Error! Bookmark not defined.**
Attachment C to the Franchise Agreement: Personal Guarantee .....**Error! Bookmark not defined.**
Attachment D to the Franchise Agreement: Assignment of Telephone Numbers .....**Error! Bookmark not defined.**
Attachment E to the Franchise Agreement: .....**Error! Bookmark not defined.**
Attachment F to the Franchise Agreement……**Error! Bookmark not defined.**

KITCHEN GUARD SERVICES

FRANCHISE AGREEMENT

This Franchise Agreement (the "**Agreement**") is made by and between Kitchen Guard Franchising, Inc. ("**Kitchen Guard**"), a Delaware corporation with an address at 6700 Forum Drive, Suite 150, Orlando, FL 32821 ("**Franchisor**"), and "**Franchisee**" as identified on the Data Sheet attached as Attachment A (the "Data Sheet").

RECITALS

A. Franchisor owns proprietary know-how and trade secrets relating to the establishment, marketing, promotion, and operation of businesses that provide kitchen exhaust cleaning, filter exchange, floor and surface pressure washing, filter chemical sales, fan repair and maintenance, and vapor cleaning to commercial kitchens and retail food service customers (the "Kitchen Guard System" or the "System").

B. Franchisor has expended time, effort, and money to develop and protect business plans, procedures, training programs, and marketing identity in connection with the operation of the Kitchen Guard System.

C. Franchisor owns the trademark, distinctive logo, and identifying commercial symbol and design "Kitchen Guard Services" and "Kitchen Guard", and anticipates developing additional trademarks, trade names, service marks, and other commercial symbols (such marks as now existing or as they may be developed hereafter being referred to herein as the "Marks").

D. Franchisor maintains high standards of quality for its products and services such that valuable goodwill is attached to the Marks.

E. Franchisee desires to obtain the right to own and operate a franchised Kitchen Guard business on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the promises contained herein, the parties agree as follows:

1. **FRANCHISE AND TERM**

1.1 Grant of Franchise.

Franchisor grants to Franchisee, and Franchisee accepts, the right to use the Marks and the Kitchen Guard System of Franchisor in the operation of a business (the "**Franchised Business**") on the terms and conditions set forth in this Agreement. Franchisee may not use the Marks in any other business or offer any products or services which are not included within the Franchised Business without the prior written consent of the Franchisor. Franchisee must use the Kitchen Guard System to perform kitchen exhaust cleaning, filter exchange, floor and surface pressure washing, filter chemical sales, fan repair and maintenance, and vapor cleaning (collectively, the "**Services**"). Franchisor reserves the right to introduce new Services or eliminate any current or other Services during the term of this Agreement as part of the Kitchen Guard System. Franchisee shall be required to provide all Services during the term of this Agreement as part of the Kitchen Guard System. Franchisee may not provide Services to residential customers without Franchisor's prior written consent which can be withheld in its sole discretion.

1.2 Territory.

Franchisee is hereby granted Territory defined by geographic boundaries as determined by Franchisor in its sole discretion, but such Territory will contain between 1,000 and 2,000 retail food service customers, will be set forth on Attachment A attached to this Agreement and which will be deemed a part of this Agreement. Franchisor will not operate or grant a franchise for others to operate a Kitchen Guard franchised business under the Marks within

the Territory except as set forth below.

Franchisee may not conduct any advertising that is circulated outside the Territory or otherwise solicit customer accounts that are located outside the Territory without the prior written consent of Franchisor. Franchisee may not hold itself out to the public as being able to provide the Services outside the Territory.

Franchisor expressly reserves the right to solicit a customer or prospective customer who has more than one business location, which location(s) may or may not be located in the Territory (each, a "**Regional Account**"). In order to enable Franchisor to negotiate special arrangements involving Regional Accounts, including responding to requests for proposals ("**RFP**") involving locations which may or may not be located in the Territory, upon Franchisor's request, Franchisee must promptly evaluate the applicable Regional Account location(s) located within the Territory and prepare a bid package for each such location in accordance with such formats, procedures and specifications as Franchisor may establish, including any supplemental or modified bid package which Franchisor may require in order to satisfy the requirements of the Regional Account (each a "**Bid Package**"). If the Franchisor accepts the Bid Package, the Franchisee must honor the proposal and execute such agreements and other documents and instruments as the Franchisor and the Regional Account may require to fulfill the agreed upon contract terms ("**Regional Account Agreement**"). Franchisor will afford Franchisee the first opportunity to submit a Bid Package on each proposed Regional Account location which is within the Territory and to perform Services to Regional Account locations located in the Territory; provided, however, that Franchisor may, as applicable, submit Bid Packages and perform such Services directly or cause other franchisees or contractors to do so, if: (a) Franchisee fails to timely submit a Bid Package in accordance with Franchisor's request; (b) Franchisor rejects the Bid Package or if the Regional Account notifies Franchisee or Franchisor that it does not wish to be served by Franchisee; (c) Franchisee, for any reason, fails or refuses to perform in accordance with the Bid Package and Regional Account Agreement; (d) Franchisee is, at the time of the issuance of the RFP or submission of the Bid Package, in default of its obligations under this Agreement or under any other agreement with us, or under any other Regional Account Agreement to which Franchisee is a party; or (e) Franchisee is, in Franchisor's judgment, exercised in good faith, not qualified, equipped or otherwise capable to satisfy the RFP or Regional Account Agreement requirements or to perform the services as required. Franchisee acknowledges and agrees that Franchisor or its affiliate(s) may charge a management fee to offset the sales and administrative expenses of processing and managing Regional Accounts. The amount of the management fee varies from customer to customer based upon a number of factors including: (i) the direct cost of administrative and management oversight provided; (ii) the associated overhead cost such as payment terms (financing) and risk management (insurance); and (iii) the profit margin.

Franchisor may, but is under no obligation to, compensate Franchisee for Services performed by Franchisor, its affiliate(s) or another franchisee or contractor for Regional Account locations which are located within the Territory in such amounts (if any) as Franchisor determines.

In addition to the Regional Accounts program, as it may be modified from time to time, Franchisor's affiliate(s) may offer Franchisee the right to subcontract work in accordance with its then-current procedures for servicing Centrally Managed Accounts. For purposes of this Agreement, the term "**Centrally Managed Accounts**" refers to customer accounts for multi-site, geographically dispersed real estate portfolios utilizing a network of subcontractors to perform the services. Franchisor's affiliates are not obligated to provide Franchisee with any subcontract work and may offer such work to Franchisee's competitors.

The Franchisor, its parents, or its affiliates have the right to use other channels of distribution, including the Internet, direct mail, telemarketing, or other direct marketing, to make sales within any the Territory using the Marks. Franchisee may not solicit or accept orders from customers outside of the Territory, and Franchisee may not solicit or accept orders from customers within the Territory if services to that customer will be provided, in whole or in part, outside of the Territory. Franchisee also may not make sales within or outside of the Territory using other channels of distribution, including the Internet, direct mail, telemarketing, or other direct marketing without Franchisor's consent.

Franchisor may purchase, merge, acquire or be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and Franchisor may then operate, franchise or license those other businesses and/or facilities under any names or marks other than the Marks regardless of the location of these businesses and/or facilities, which may be within the Territory or immediately near it. Franchisee will receive no compensation for these activities.

Franchisor retains the right to solicit and sell to accounts within the Territory that also have locations outside of the Territory, including, but not limited to, solicitation and sales via direct marketing campaigns, telemarketing, and by use of the Internet and other online computer networks, without compensating Franchisee.

You may not perform commercial refrigeration gasket replacement or repair; hot-side gasket replacement or repair; door sweep or closer installation; strip curtain installation; or cutting board resurfacing or replacement; and must referral any such work to our affiliate or whomever else we may designate.

1.3 Term.

1.3.1 ***Initial Term.***

This Agreement is effective and binding for an initial term of 10 years commencing on the date of its execution by Franchisor, unless sooner terminated as provided herein.

1.3.2 ***Renewal Term.***

Subject to Section 1.4.3, Franchisee may renew its right to operate as a franchisee of Franchisor for two successive 10-year terms on the same terms and conditions on which Franchisor is then customarily granting new franchises; or, if Franchisor is not then granting any new franchises, then on the same terms and conditions on which Franchisor is then customarily granting renewal franchises by executing the then current form of such agreement. If renewal is granted, Franchisee will be required to pay the then-current renewal fee, presently $5,000, and capped at 20% of the then-current Initial Franchise Fee. The Franchisee must give Franchisor written notice of intent to renew not more than 180 calendar days nor less than 120 calendar days prior to the expiration of the preceding term.

1.3.3 ***Renewal Conditions.***

Notwithstanding the foregoing provisions, Franchisor will not be obligated to renew Franchisee's right to operate as a franchisee of Franchisor if Franchisee has failed to satisfy certain renewal conditions, has failed to perform fully Franchisee's duties, obligations and covenants during the preceding term, or is then in default of any provision of this Agreement or any policy or standard of the Kitchen Guard System. Among the renewal conditions that Franchisee must satisfy are the following:

(a) Franchisee must have fully complied with all the terms and conditions of this Agreement throughout the term;

(b) Franchisee must have exercised diligent efforts to develop the Franchise to its full potential during the term, in a manner acceptable to Franchisor;

(c) Franchisee must have met Franchisor's then current subjective and objective standards for new franchisees, including those relating to relevant experience, education and licensing, background and past record of compliance with laws, financial capacity, skills, integrity and other qualities of character, and shall have provided Franchisor with all such documentation that Franchisor may have requested to make such a determination, including but not limited to federal income tax returns and/or financial statements for the Kitchen Guard Franchise, and for any other business operated at the same location as that of the Franchise;

(d) Franchisee must have given Franchisor written notice of its election to renew the franchise

relationship not less than 120 days nor more than 180 days prior to the end of the term;

(e) Franchisee and its employees must have completed, or must have agreed to complete, at its own expense (including the cost of the course, and all travel, meal, and lodging expenses), all training programs and business consulting programs required by Franchisor;

(f) If required by Franchisor, Franchisee, Franchisee's principal owners, or their designee involved in the Franchised Business must have attended all required meetings, seminars, conferences, and other events, and this shall include the requirement that they attend the Kitchen Guard Annual Conference at least 6 of the past 10 years;

(g) Franchisee must execute a general release releasing Franchisor from any claims arising during the Initial Term and during any Renewal Term; and

(h) Franchisee and its owners must have executed the form of franchise agreement (including any additional supplemental agreements then being used by Franchisor) that Franchisor is then customarily using in connection with the granting of Kitchen Guard franchises, which agreement shall supersede this Agreement and may have terms materially different from those appearing in this Agreement, including, without limitation, requirements to upgrade equipment and facilities, use new systems and procedures, and pay higher fees and Promotional Fund contributions.

1.3.4 ***Month-to-Month Operation.***

If, with our consent, Franchisee continues to operate the Franchised Business after the end of the term without proper renewal, Franchisee will be deemed to be operating on a month-to-month basis under the terms and conditions of the franchise agreement and other agreements being used by Franchisor at the time of expiration of this Agreement, and from time-to-time thereafter, in connection with the granting of Kitchen Guard franchises; provided, however, that Franchisee's rights to operate the Franchised Business under these circumstances may be terminated by Franchisor at any time and without cause, in Franchisor's sole discretion, upon 10 days prior written notice to Franchisee. Additionally, during the Interim Period, your royalty rate will increase by 5%.

2. OBLIGATIONS OF KITCHEN GUARD

2.1 Site Selection.

The Franchised Business may be operated at such location (the "**Location**") within the Territory as may be approved in advance by Franchisor in writing. Final site selection will be subject to the approval of Franchisor, which approval will not be unreasonably withheld. To obtain approval, Franchisee must give Franchisor written notice of the proposed Location, as well as photographs of inside and outside the premises of the proposed Location. If Franchisor does not give Franchisee written notice of disapproval within 20 business days after receipt of the written notice of the proposed Location, then the proposed Location will be deemed to be approved by Franchisor. Franchisee specifically acknowledges that site approval by Franchisor is not to be interpreted as a guarantee of success or profitability of the Franchised Business which is to be operated at the Location.

2.2 Facilities Layout.

Franchisor will, if requested by Franchisee, provide Franchisee with advice concerning a generalized space plan, workflow and general layout of a typical Kitchen Guard System office and warehouse facility.

2.3 Operations Manual.

Franchisor will grant Franchisee access to the Kitchen Guard System Confidential Operating Manual (as it may be revised, the "**Operations Manual**") to use during the term of this Agreement. Franchisor may revise the contents of the Operations Manual, in a form and manner as Franchisor may determine, to convey to Franchisee advancements and new developments in sales, marketing, operational techniques, and any other items and

procedures relevant to the operation of the Franchised Business. Franchisor will send revisions, or a completely revised Operations Manual, to Franchisee, at no cost to Franchisee. The revisions and/or the Operations Manual may be in electronic, digital, or another format.

2.4 Initial Training.

Franchisor will conduct a comprehensive initial training program in the management and operation of the Franchised Business ("**Initial Training Program**"). The Initial Training Program must be successfully completed by Franchisee or its General Manager. The Initial Training Program will consist of online training modules and up to 5 calendar days of in-person instruction at Franchisor's business offices, an affiliate's location, at another location in the United States, and/or via a computerized training module. Franchisee will be responsible for all travel, food, lodging, and other expenses incurred by Franchisee and any of its employees in connection with attendance at the Initial Training Program. If Franchisee, Franchisee's principal owner, or Franchisees designated General Manager fails to successfully complete the Initial Training Program, to the satisfaction of Franchisor, then Franchisor will have the right to terminate this Franchise Agreement.

2.5 Ongoing Training.

If required by Franchisor, Franchisee and its employees must attend ongoing training programs and training that is part of Franchisor's education ladder. Franchisee will be responsible for all travel, food, lodging, and other expenses incurred by Franchisee and its employees in connection with attendance at the training set forth below, including any registration fees that may be charged by the Franchisor.

2.5.1 ***Specific Training*.**

Franchisor will provide training on specific, job-related issues for technicians, administrative staff, operations managers, and sales and marketing personnel on an ongoing basis as Franchisor deems appropriate and may be provided during the Kitchen Guard Annual Conference or through Kitchen Guard Academy. Attendance requirements will be determined by Franchisor in its sole discretion. Specific training may include job costing and scheduling, training, job site behavior, equipment usage, storage and maintenance, and marketing and sales techniques for the Services.

2.5.2 ***General Training*.**

Franchisor will provide ongoing general training on an annual basis to introduce new products, services, and equipment, to review sales and marketing practices, and to discuss other topics that are relevant to the Services provided by Franchisee. Ongoing general training classes will be held on a regional, national, or international basis, as determined by the Franchisor. Franchisor will hold ongoing general training at the Kitchen Guard Annual Conference, and through Kitchen Guard Academy; and Franchisee, Franchisee's principal owners, or their designee involved in the Franchised Business for every Territory are required to attend such general training classes as specified by Franchisor; and provided further that in all events, Franchisee, Franchisee's principal owners, or their designee involved in the Franchised Business shall attend general training through Kitchen Guard Academy as may be required from time-to-time. Attendance requirements at other ongoing general training sessions will be determined by Franchisor in its sole discretion.

2.5.3 ***New Hires*.**

If Franchisee hires a new General Manager, such employee shall be required to complete the Kitchen Guard Initial Training Program at the time it is next offered, but no later than the one-year period following the date they were hired by Franchisee. Franchisee will be responsible for all of the new hires' expenses incurred in connection with attending the Kitchen Guard Initial Training Program, including training fees, flight, room, board, wages, and insurance.

2.6 Opening Assistance.

A representative of Franchisor will advise and assist Franchisee in the opening of the Franchised Business and in establishing and standardizing procedures and techniques essential to the operation of a Kitchen Guard System business. A representative of Franchisor shall visit Franchisee's location within 60 days after the opening of the Franchised Business to assist Franchisee in the operation of the Franchised Business.

2.7 Advisory Services.

Franchisor will provide, as and to the extent required in Franchisor's judgment, project management services or continuing advisory services, which may include consultation on promotional, marketing, and advertising techniques and customer relations. Field representatives will be available at Franchisee's request for extraordinary training, consultation and assistance on a fee basis by appointment only.

2.8 Proprietary Products and Proprietary Equipment.

"Proprietary Products and Proprietary Equipment" ("**Proprietary Products**") are those products and equipment that serve to establish the superior quality or branding of the Kitchen Guard System. Franchisor or a person designated by Franchisor (which may be an affiliate of Franchisor) will sell to the Franchisee such Kitchen Guard Proprietary Products as are set forth in the Operations Manual, and such other Proprietary Products which Franchisor may hereafter develop or obtain. The sale or lease by Franchisor or such other person of such Proprietary Products or equipment to Franchisee will include a commercially reasonable markup. If Franchisor designates a third-party as a supplier of, or to private-label, Proprietary Products to the Kitchen Guard System, Franchisor may receive and retain service fees and/or license fees from such provider. Franchisee may not become a wholesaler or distributor of Proprietary Products and may not re-sell Proprietary Products, except in connection with the provision of Services by Franchisee.

2.9 Non-Proprietary Equipment and Supplies.

Franchisee will have the right to purchase equipment and supply items that Franchisor pre-approves, other than the Proprietary Products, for use in providing Services, only from suppliers approved in writing by Franchisor or, if there is no approved supplier for a particular equipment or supply item, from such other suppliers who meet all of Franchisor's specifications and standards as to quality, composition, and functionality and adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability necessary for an efficient operation. A list of approved suppliers and approved products will be included in the Operations Manual and may be revised by Franchisor from time to time in its sole discretion. Franchisor reserves the right to designate a single supplier for any equipment and supply items and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier may be Franchisor or its affiliates. Franchisor and its affiliates may receive payments from suppliers on account of such supplier's sales to Franchisee and other franchisees, and Franchisor may use all amounts so received without restriction and for any purpose Franchisor and its affiliates deem appropriate. If Franchisee wishes to purchase any equipment or supplies that have not been approved by Franchisor or from a supplier who has not been approved by Franchisor, Franchisee must submit a written request to change products or suppliers to Franchisor. In order to obtain approval of any such proposed alternative equipment, supply item, or supplier, Franchisee must provide Franchisor with documentation from a source independent of Franchisee or the proposed supplier which demonstrates, to the satisfaction of Franchisor, that the proposed alternate equipment, supply item, or supplier, performs as well as the item or supplier to be replaced. Notwithstanding such documentation, Franchisor will have the right to further test any such proposed equipment or supply item, and to further evaluate any such proposed alternate supplier. In addition, Franchisor reserves the right at any time to require substitution of newly developed Proprietary Products for non- proprietary items, which would then be sold to Franchisee in accordance with Section 2.8. The sale by Franchisor of non-proprietary equipment and supplies to Franchisee shall include a commercially reasonable markup. Notwithstanding anything stated above, Franchisor may, in its sole discretion, disapprove proposed and existing suppliers, equipment, and supply items for any reason, including the number of suppliers, equipment, and supply items that has already been approved. In addition, Franchisee may not become

a wholesaler or distributor of non-proprietary equipment and supplies related to the Services to other franchisees or to customers of the Kitchen Guard franchise system.

2.10 Inspection.

In order to preserve the validity and integrity of the Marks, and to assure that Franchisee is properly employing the Kitchen Guard System in the operation of the Franchised Business, Franchisor and its agents will have the right of entry and inspection of Franchisee's premises, at all reasonable times when the business is open, the right to observe the manner in which Franchisee is rendering the Services, and the right to survey and/or confer with Franchisee's employees, customers, and business associates. Any evaluation or inspection we conduct is not intended to exercise and does not constitute control over your day-to-day operation of the Business or assume any responsibility for your obligations under this Agreement.

2.11 Regional Accounts.

To the extent that Franchisor enters into an agreement to provide the Services to any Regional Account which has a location within the Territory, Franchisor may offer Franchisee the right to service such account at such location at the terms upon which Franchisor and the Regional Account have agreed. If, for any reason, Franchisee elects not to service a Regional Account that is offered to Franchisee, Franchisor may, in its sole discretion, service such account or appoint any other party to service such account.

2.12 Customer Leads.

From time to time during the term of this Agreement, Franchisor and its affiliates may provide Franchisee with the identity of potential customers for the Services within the Territory.

Franchisor may from time to time provide Franchisee with leads for potential customers for Services in locations that are not part of any franchisee's Territory. Franchisee acknowledges and agrees that neither its ability to service, nor the grant of Franchisor's permission to service, customers located outside the Territory affords it any right, title, or interest in or to such area (including any right to service additional customers located outside the Territory, or to acquire such area or any right of first refusal as to such area).

3. **OBLIGATIONS OF FRANCHISEE**

3.1 Lease.

If Franchisee does not already own/lease operating space in the Territory, Franchisee must execute a lease for the premises in the Territory within 180 calendar days after execution of this Agreement by Franchisor.

3.2 Tenant Improvements.

If required, upon execution of the lease(s) for the Location, Franchisee must commence construction and installation of all tenant improvements, trade fixtures, displays, and interior decor necessary or appropriate to commence business. The leased premises must be maintained in a safe and orderly manner, present a neat and businesslike appearance, and be adequately staffed. A generalized space plan and layout will be suggested in the Operations Manual, but Franchisee is not required to conform to the same. If requested by Franchisee, Franchisor will make itself reasonably available to assist Franchisee in the design or layout of such premises and in the types of improvements appropriate.

3.3 Owner Participation and Responsibility.

Franchisee shall be required to have, at all times, a fully trained General Manager. Franchisee's General Manager is not required to be a principal of Franchisee. However, if the General Manager is not a principal of Franchisee, Franchisor shall have the right to evaluate and approve or disapprove of such General Manager. If Franchisee owns or operates a non-competing business, as described in Attachment B of the Franchise Agreement, Franchisee must comply with the Kitchen Guard Co-Brand Guidelines that are incorporated into the Operations

Manual, market such services under one or more trading designations separate from the Marks, maintain separate office space (although such space may be located on the premises at the Location), and have the personnel related to such other business(es) wear apparel that does not feature any of the Marks. If Franchisee is a legal entity, the owners, shareholders, and members of Franchisee agree to be bound by all the terms and conditions of this Agreement to the same extent as Franchisee.

3.4 Training.

Franchisee must ensure that the General Manager successfully completes the Kitchen Academy Initial Training Program and ongoing training programs, as described in Sections 2.4 and 2.5 of this Agreement; and that the Franchise always has a fully trained General Manager, and at least one dedicated, full time, fully trained salesperson. Franchisee's employees who sell the Services must complete Franchisor's online sales training through Kitchen Guard Academy.

3.5 Employees.

Franchisee must hire and train all employees who are necessary for the operation of the Franchised Business. Franchisee will be solely responsible for the terms of employment of its personnel, including compensation, training, supervision, and payroll tax withholding. With respect to all Services, only Franchisee and its employees may provide such services, and subcontractors are specifically prohibited from providing such services. Franchisee shall take such steps as are necessary to ensure that its employees do not violate Franchisor's policies relating to the use of Networking Media Websites (as defined in Section 3.16 below), including, but not limited to, prohibiting employees from posting any information relating to Franchisor or its affiliates, the System, the Marks, or the Franchised Business on any Networking Media Website without Franchisor's prior written approval.

Any training provided by us to any of your employees will be limited to training or guiding the employees regarding the delivery of approved services to customers in a manner that reflects the customer and client service standards of the Kitchen Guard system. You are and will remain the sole employer of your employees during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You must ensure that your employees receive adequate training.

3.6 Salesperson.

The Franchised Business must have at all times, commencing on the day you open for business, at least one dedicated, full-time, fully trained to our satisfaction, salesperson.

3.7 Opening of Business.

Franchisee must complete training, obtain a location, and commence operations no later than 270-days from the date of this Agreement. Franchisee must continually operate the Franchised Business as a full-time business enterprise. If Franchisee is delayed in commencing business operations for causes reasonably beyond the control of Franchisee, then the time for performance by Franchisee will be extended for a period equivalent to the time of the delay.

3.8 Business Hours.

Franchisee must keep the Franchised Business open for business for the number of hours specified in the Operations Manual unless otherwise authorized in writing by Franchisor.

3.9 Minimum Performance.

You must use your full-time best efforts in promoting the Franchised Business and the Services in the Territory. You must achieve and maintain a minimum of $40,000 in Gross Billings per month in the Territory beginning with your fourth full year of operations. Upon any renewal or transfer of this Agreement, the minimum performance standards will continue and not reset.

3.10 Apparel.

Franchisee and its employees must wear shirts, jackets, or other approved apparel with the Kitchen Guard logo as designated by Franchisor when performing Services for the Franchised Business. In the event Franchisee owns any business(es) other than the Franchised Business or other franchises offered by Franchisor to the extent expressly permitted by Section 3.3, the personnel employed in such other business(es) must wear apparel that does not feature any of the Marks or color schemes of the Franchised Business when servicing the other business(es).

3.11 Use of Marks.

Franchisee must conduct the Franchised Business only under the Marks and in strict compliance with the Operations Manual. Franchisor may develop, and require Franchisee to use, additional or substitute Marks in its sole discretion. If Franchisee is a partnership, corporation, limited liability company, or other legal entity, Franchisee may not use any portion of the Marks as part of Franchisee's legal name. Franchisee shall be required to use the "Kitchen Guard" name as part of its trade name ("**d/b/a**"), in such format and style as Franchisor designates from time to time in its sole discretion. Franchisee's trade name may include, in addition to "Kitchen Guard," such other name, if any, under which Franchisee previously was engaged in business. Franchisor shall have the right to approve or disapprove Franchisee's trade name.

3.11.1 ***Proprietary Rights.***

Franchisee acknowledges the exclusive right, title, and interest of Franchisor in and to the Marks and will not take any action contesting or impairing the right, title, and interest of Franchisor in any of the Marks. Franchisee will not represent that Franchisee has any ownership rights in the Marks and acknowledges that its use of the Marks will not create in its favor any right, title, or interest in or to the Marks, but that all uses will inure to the benefit of Franchisor. Neither Franchisee nor any officer, director, agent, or employee of Franchisee shall in any way register or attempt to register the Marks with any government or any other authority, nor dispute or impugn the validity of the Marks, Franchisor's rights to the Marks or Franchisor's right to use the Marks or grant licenses to others to use the Marks. Franchisee will assist Franchisor to the extent reasonably requested in obtaining or maintaining any registration of any of the Marks to the extent reasonably requested, including by providing advertising samples.

You may not make any changes or substitutions to the Trademarks unless we direct you in writing. We reserve the right to change the Trademarks at any time. Upon receipt of our notice to change the Trademarks (whether in response to third-party claims of superior rights to the Trademarks or otherwise), you must, at your expense, cease using the former Trademarks and commence using the changed Trademarks. We will not be responsible for any other expenses or other amounts you may claim you are owed with respect to the changed Trademarks, and you agree that you will not commence or join in any arbitration, litigation or other proceeding against us for any such expenses, losses, or damages.

3.11.2 ***Display of Name.***

At all times during the term of this Agreement, Franchisee will use the Marks and Kitchen Guard name in a form and manner approved by Franchisor, in all advertising, promotions, and communications involving the Franchised Business, including but not limited to telephone yellow pages listings, signs, banners, vans, business cards, stationery, promotional and advertising materials, forms, contracts, Websites (defined in Section 3.14), and all other materials which identify the Franchised Business. All uses of the Marks and Kitchen Guard name by Franchisee must clearly state that Franchisee is independently owned and operated. In the event that Franchisee is expressly permitted by Section 3.3 to own any business(es) other than the Franchised Business unless such business is also a franchise offered by Franchisor, neither Franchisee nor the personnel engaged in such other business(es) may conduct the same under the Kitchen Guard name or any of the Marks or color schemes of the Franchised Business, or operate in any manner so as to cause confusion of origin or sponsorship between Kitchen Guard- related services and products and the services or products offered or rendered by such other business(es).

3.11.3 ***Name Infringement.***

Franchisee will promptly notify Franchisor of any unauthorized use of any of the Marks, or any colorable variation thereof, by third parties. Franchisee will promptly notify Franchisor of any claim, demand, or suit against Franchisee based upon, or arising in connection with, Franchisee's use of any of the Marks. Franchisee acknowledges that Franchisee has no authority to defend or prosecute any action relating to the Marks, and that Franchisor, at its sole discretion, may elect to defend or prosecute any action relating to the Marks. In the event that Franchisor undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee will execute any and all documents and do all acts which may be necessary or of aid, at the determination of Franchisor's legal counsel and at the expense of Franchisor, to carry out the litigation.

3.12 Operations Manual.

In order to protect the reputation and goodwill associated with the Marks, and to maintain the uniform standards of quality and operations thereunder, Franchisee must conduct the Franchised Business in strict accordance with the Operations Manual, which shall be in a form as Franchisor may determine, as modified from time to time by Franchisor.

3.13 Proprietary Products.

In order to maintain the high standards of quality associated with the Kitchen Guard System, Franchisee must purchase such Kitchen Guard Proprietary Products or equipment from Franchisor, or a person designated by Franchisor as are referred to in Section 2.8 and as may be set forth in the Operations Manual. Franchisee must purchase a start-up package of Proprietary Products and equipment at the time Franchisee signs this Agreement. Franchisee must not alter, amend, or modify any of such Proprietary Products or equipment, or use any other products instead of the Proprietary Products or equipment.

3.14 Equipment and Supplies.

Franchisee will display, sell, and use only such equipment and supply items of independent suppliers which have been approved by Franchisor in accordance with Section 2.9 hereof. Franchisee must purchase a start-up package of equipment and supply items at the time Franchisee signs this Agreement. Franchisee must purchase or lease at least one van that will be used in the operation of the Franchised Business. In the event Franchisee desires Franchisor approval of a particular supplier, equipment, or supply item, Franchisee will provide the documentation contemplated by Section 2.9 at its sole expense and will reimburse Franchisor for costs of further testing as contemplated by Section 2.9. Franchisee may not enter into or renew any agreement with a third-party vendor of services, supplies, or equipment if such agreement requires that Franchisee disclose information regarding the identity of its customers, or the Services performed by Franchisee for any of its customers. If, as of the date of this Agreement, Franchisee is already a party to an agreement of the sort described in the preceding sentence, Franchisee will not be deemed to be in violation of any of the provisions of this Agreement by virtue thereof for the remainder of the current term of such agreement.

3.15 Pricing.

Franchisor shall have the right to determine the prices of the products and Services offered and sold by Franchisee, unless it is *per se* unlawful to do so, including the right to negotiate national or regional account arrangements, including pricing which will bind all Kitchen Guard businesses providing services to such accounts. Franchisor also shall have the right to establish minimum prices and/or maximum prices of the products and Services offered and sold by Franchisee unless it is *per se* unlawful to do so. Franchisee shall strictly adhere to the lawful prices (including minimum and/or maximum prices) established by Franchisor. Franchisor retains the right to modify the prices from time-to-time in its unfettered discretion. Franchisor also shall have the right to establish suggested prices for the Kitchen Guard products and Services offered and sold by Franchisee, which Franchisee will not be required to adhere to.

3.16 Grand Opening Advertising.

Franchisee must engage in a Grand Opening Advertising campaign and spend, as we may direct, a minimum of $1,000 monthly on local marketing, advertising, public relations, and promotions. The required Grand Opening Advertising Spend will begin two months prior to opening and end no earlier than twelve months after opening. Franchisor has the right to determine how to spend the Grand Opening Advertising budget and the methods of marketing, advertising, media, and content of the Grand Opening Advertising campaign and promotional program. We reserve the right to collect your Grand Opening Advertising Spend and expend it on your behalf, for your benefit. You may spend additional amounts on other pre-opening advertising that is arranged or approved by us

3.17 Independent Advertising.

Franchisee, at its own expense, must conduct local advertising and promotional activities as reasonably required to enhance public awareness, goodwill, and image of the Franchised Business. Franchisee may not use any advertising, sales, or promotional materials of any kind, or conduct any broadcast advertising or promotion, without first obtaining the written approval of Franchisor, which approval will not be withheld unreasonably. To obtain approval, Franchisee must submit a copy of the proposed advertising to Franchisor for review. If Franchisor does not give Franchisee written notice of disapproval within 15 business days after receipt of the proposed advertising, then such advertising will be deemed to be approved. Notwithstanding the foregoing, Franchisor may from time to time, in its reasonable discretion, provide Franchisee with such marketing programs and brochures developed by Franchisor as Franchisor deems appropriate for use in the Territory. Franchisee may use such of Franchisor's marketing materials in connection with Franchisee's local advertising in accordance with Franchisor's advertising standards and without Franchisor's prior approval unless Franchisor sends written notice to Franchisee that the use of such marketing material is thereafter prohibited. Franchisee must purchase a start-up package of marketing items at the time Franchisee signs this Agreement. Franchisee must comply with all of Franchisor's policies regarding the advertising, promotion, and positioning of the Kitchen Guard brand and image.

Franchisee specifically acknowledges and agrees that any Website shall be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval under this Section 17 (As used in this Agreement, the term "**Website**" means an interactive electronic document contained in a network of computers linked by communications software that refers to the Franchised Business, Marks, Franchisor, and/or the System. The term Website includes, but is not limited to, Internet and World Wide Web home pages, as well as social and business networking media such as Facebook, X, LinkedIn, and online blogs and forums ("**Networking Media Websites**") and the Franchisee Website.

You must participate in our Website and no other Website related to the Business unless we direct. If we do, we may require you to sign a license agreement with Franchisor's designated supplier for a branded Website for the Franchised Business (the "**Franchisee Website**"). We also may require you, at your expense, to participate in our intranet system. We have the right to determine the content and use of any Website and our intranet system and will establish the rules under which franchisees may participate. You may not separately register any domain name or operate any Website containing any of the Trademarks without our written approval. You may not conduct any business or advertise any products or services on the Internet (including through social media), except as authorized by us in writing. You may not link or frame our website. We will retain all rights relating to our Website and our intranet system and may alter or terminate our Website or our intranet system without prior notice to you. Your general conduct on our Website, our intranet system or on other online communications (including all current and future forms of social media networks and platforms) and, specifically, your use of the Trademarks or any advertising on any Website or other such online communications is subject to the provisions of this Agreement and the policies outlined in the Operations Manual. For example, you must comply with our policies regarding the use and placement of keywords, meta tags and titles, social media platforms, blogs, websites, domain names, URL's and linking. You further agree to claim, pay for, and update all online listings we designate. You may not use or download any software on your computer unless it has been authorized by us

in writing. If you use or download any unauthorized software, you will be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You acknowledge that certain information obtained through your participation in our Web site and our intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our Website and our intranet system or otherwise use the Trademarks or System on the Internet or other online communications will terminate when this Agreement expires or terminates.

You and any of your employees who interact with customers must maintain branded electronic methods of communication (currently email) accounts, which may be provided to you, and you must give us electronic access to information on your company computer and hosted by software providers, including viewing access to branded email accounts. We may discontinue or alter the current system of electronic communication, at any time on notice to you, and you may then be required to maintain an account we designate or approve with a provider we approve or designate and pay the required fees. We are not obligated to monitor, create, or maintain any backup of email, information, file storage, or any data related to the email address provided to you. There are no contractual limits on our right to access information and data on the electronic communication and electronic mail systems. You agree that you have no right of privacy in or to these electronic communications and/or electronic mail systems, and we or our designee may access these email communications and data at any time without notice. Any access to, monitoring or copies of data related to electronic communications and emails will be solely for our benefit. We may require you to upgrade, update or otherwise modify your computer hardware, software, and other office equipment. No contractual limitation exists on the frequency or cost of this obligation. We have the unrestricted right to independently access any data stored or collected electronically.

3.17.1 *Restrictions on Online Statements*

Franchisee shall not post any information relating to Franchisor or its affiliates, the System, the Marks, or the Franchised Business on a Networking Media Website without Franchisor's prior written approval; and Franchisee shall not make any posting or other contribution to a Networking Media Website that, in the opinion of Franchisor, (a) is derogatory, disparaging, or critical of Franchisor, (b) is offensive, inflammatory, or indecent, or (c) harms the goodwill and public image of the System and/or the Marks.

3.18 Accounting Records and Reports.

3.18.1 *Maintenance of Books; Reports.*

Franchisee must maintain full and complete records of the Franchised Business in accordance with generally accepted accounting principles and the standards and Operations Manual provided by Franchisor. Franchisee will submit to Franchisor, via any means specified by Franchisor (including electronic means), such information and accounting data as Franchisor may request, including but not limited to bank statements and profit & loss statements in such format as Franchisor directs for each calendar month ("**Monthly Reports**") and calendar year ("**Annual Reports**") within 15 calendar days of the end of each calendar month and calendar year, as appropriate. In addition, within 90 calendar days of the end of each calendar year, Franchisee will furnish Franchisor with unaudited financial statements for the Franchised Business signed by the Franchisee, if the Franchisee is an individual, or the majority partner, shareholder, or member of the Franchisee if the Franchisee is a partnership, corporation, or limited liability company, which shall include an income statement and balance sheet. If Franchisee is a division of a corporation, then the financial statements need only relate to the operations of such division. Within 10 days of filing each year, Franchisee must submit to Franchisor a copy of Franchisee's income tax returns for the prior year. Additionally, Franchisee must submit reports to Franchisor in the form, content, and frequency specified by Franchisor containing information related to Franchisee's customers. Franchisor reserves the right to require Franchisee to obtain, at Franchisee's sole expense, booking and accounting software which Franchisor may, from time to time, require.

3.18.2 ***Right of Inspection.***

We or our authorized representatives have the right at all times during the business day to enter the premises where your books, records, accounts, and related materials for the Franchised Business are kept and to examine, evaluate, copy, and audit such books and records, including, without limitation, financial statements, reports, state, federal, personal income tax records or other income tax records covering or relating to the Business, sales tax records, payroll records, databases, and other records. We may also request information from your suppliers, vendors, and customers. We may, in our sole discretion, conduct audits either on-site or remotely of the books and records of the Franchised Business and the personal tax returns of the Owners. You are required to fully cooperate with any persons conducting such examinations or audits, including providing access to all requested documents, systems, electronic records, and personnel.

Your POS and management systems must remain online so that we may remotely access, copy, or update software and view all records, files, and reports. You may not purge or delete data except as permitted in the Operations Manual. If any examination or audit (whether on-site or remote) reveals (i) an understatement of 2% or more of your Gross Billings for any period, or (ii) failure to provide requested information within 30 days of notice, then you shall bear the cost of the audit, including, without limitation, professional fees, travel, and room and board expenses directly related thereto, in addition to paying all amounts due, plus interest and late fees as provided in Section 4.7. In addition, if, in our reasonable business judgment, we believe that you have failed to comply with your reporting and/or record keeping obligations hereunder, we have the right to also access and evaluate, copy and audit books and records related to any other business in which you have an ownership or management interest. Additionally, we may, for up to two years following any such audit, conduct additional periodic audits on-site or remotely at your sole expense under the same terms.

To verify the accuracy of your records, we may reconstruct your sales through any reasonable method of analysis. You agree to accept such reconstruction unless you provide evidence, in a form satisfactory to us, of your actual sales within 14 days of notice of understatement or variance. If you dispute any audit findings, you must do so in writing and in accordance with the Operations Manual within 30 days of notice of understatement or variance, or you will waive the right to challenge the audit findings. In addition to any other remedies provided in this Agreement, at law, or in equity, we have the right to terminate this Agreement immediately if you intentionally understate or underreport Gross Billings, or if a subsequent audit conducted within the two-year period reveals an understatement of 2% or more. For avoidance of doubt, nothing in this Section shall be deemed to supersede or waive any applicable cure periods for failure-to-pay defaults set forth elsewhere in this Agreement.

3.19 Maintenance and Repair.

Franchisee must maintain the condition and appearance of the Franchised Business in a manner consistent with the Kitchen Guard Systems image. Franchisee will perform all maintenance that is reasonably required from time to time to maintain the condition, appearance, and efficient operation of the Franchised Business, including replacement of worn-out or obsolete fixtures, equipment, signs, supplies and inventory, repair of the interior and exterior of the premises, and periodic cleaning and decorating. If at any time in the Franchisor's reasonable judgment the general state of repair, appearance, or cleanliness of the Franchised Business does not meet Franchisor's standards, then Franchisor will give Franchisee written notice specifying the action to be taken by Franchisee to correct the deficiency, and Franchisee will initiate the required action immediately upon receipt of the notice.

3.20 Confidentiality.

3.20.1 ***Proprietary Information.***

Franchisee acknowledges that during the term of this Agreement, Franchisee will have access to, become acquainted with, and have disclosed to it by Franchisor confidential information, programs, devices, methods, techniques, and processes that are not generally known to the public pertaining to kitchen exhaust system cleaning,

air duct cleaning, vapor cleaning, grease containment, filter exchanges, inspection, maintenance, and restoration services to commercial kitchens and restaurants, including the information contained in the Operations Manual (the "**Proprietary Information**"); and Franchisee further acknowledges that such Proprietary Information constitutes trade secrets of Franchisor. Franchisee further acknowledges that all data collected from former, existing, and/or potential customers including customer names and addresses, discounts and credit extensions to customers, rates charged to customers and customer contracts and status information (collectively, "**Customer Information**") is the property of Franchisor and constitutes Proprietary Information.

3.20.2 ***Covenant Not to Disclose or Misuse.***

Franchisee must take all steps necessary to preserve and protect the Proprietary Information from publication, communication, or other unauthorized disclosure or misuse. Franchisee must not disclose any of the Proprietary Information, use it in any unauthorized way, or assist any other person or entity to disclose or use it either during the term of this Agreement or at any time thereafter. In particular, Franchisee will require as a condition of the employment of any employee by Franchisee in the management and operation of the Franchised Business that the employee similarly covenants to maintain and protect the Proprietary Information, including the execution of its standard covenants, and Franchisee will be responsible for the compliance with such covenants by its managerial and staff employees, with such covenants being for the benefit of Franchisor and enforceable by Franchisor. In the event Franchisee becomes aware of any actual or threatened violation of any such covenant by any of its employees, Franchisee will promptly and fully advise Franchisor in writing of all related facts known to Franchisee. Franchisee will further cooperate with Franchisor in all ways reasonably requested by Franchisor to prevent or stop any such violation, including without limitation institution or permitting to be instituted in the name of Franchisee any demand, suit, or action that Franchisor determines is advisable, which demand, suit, or action will be maintained and prosecuted solely by and at the expense of Franchisor. The Operations Manual (as it may be revised from time to time) is, and will be, the sole property of Franchisor, may not be duplicated, and must be returned to Franchisor promptly upon the expiration, nonrenewal, transfer, or other termination of this Agreement. Franchisee is prohibited from disclosing Customer Information and other Proprietary Information, trade secrets, and confidential information to third parties, including entering such information into public/open AI models or any other AI model that uses such information to train the AI unless specifically authorized by Franchisor, and Franchisee must adhere to any privacy policies Franchisor may now, or in the future, establish with respect to Customer Information.

3.20.3 ***Injunctive Relief.***

The parties acknowledge that upon violation of any of these covenants, Franchisor will experience irreparable harm and it will be difficult to determine the resulting damages to Franchisor. Therefore, in addition to any other remedies Franchisor may have, Franchisor will be entitled to make application to a court of competent jurisdiction for temporary and permanent injunctive relief without the necessity of proving actual damages.

3.21 Competition.

3.21.1 ***Services Limitation*.**

During the term of this Agreement, except to the extent expressly permitted by Section 3.3, and for the period of 2 years thereafter in the Territory or post-term within 25-miles of from the Territory of any other Kitchen Guard franchised business, Franchisee will not, directly or indirectly, without the consent of Franchisor, for Franchisee or on behalf of or in conjunction with any other person, partnership, corporation, limited liability company, or other legal entity, own, maintain, engage in, be employed by, participate in, or have any interest in the operation of any business that offers products or services that are essentially the same as, or substantially similar to, the products or Services that are part of the Kitchen Guard System, except other franchises offered by Franchisor (any business carrying on such activities, being herein called a "**Competing Business**"). For 2 years after the termination or expiration of this Agreement, Franchisee may not, directly or indirectly, sell, offer to sell, or provide any of the products or Services to any customer served or invoiced by Franchisee during the 365 days

prior to the termination or expiration of the Agreement.

3.21.2 ***Customer Approval.***

Franchisee may provide the Services for any customer who is not disapproved in writing by Franchisor. Franchisor may disapprove of customers for any reason.

3.21.3 ***Severability of Covenants.***

Each of the covenants of Franchisee contained in Sections 3.17.2, 3.18.1, and 3.18.2 is a separate and independent covenant applicable to each of the separate counties and states in the United States in which Franchisor transacts business. To the extent that any such covenant may be determined to be judicially unenforceable in any county or state, that covenant will remain enforceable in every other county and state.

3.21.4 ***Covenants of Owners of Franchised Business.***

If Franchisee is a partnership, corporation, limited liability company, or other legal entity, each partner, shareholder, member, or other owner of Franchisee will execute and deliver in favor of Franchisor non-disclosure and non-competition covenants, such as those set forth in Exhibit D, in form and substance satisfactory to Franchisor containing provisions substantially the same as those contained in Sections 3.17.2, 3.18.1, and 3.18.2 above.

3.21.5 ***Covenants of Employees.***

Franchisee must ensure that all employees engaged in the management or operation of the Franchised Business must execute and deliver in favor of Franchisor, prior to commencing employment at the Franchised Business, non-disclosure and non-competition covenants, such as those set forth in Exhibit D, in form and substance satisfactory to Franchisor containing provisions substantially the same as those contained in Sections 3.17.2, 3.18.1, and 3.18.2 above.

3.22 Insurance.

3.22.1 Duty to Maintain.

You must procure and maintain during the term of the Franchise Agreement insurance policies protecting you, your employees, and us, our officers, employees, and other persons that we designate by name, against all loss, liability, fire, personal injury, death, property damages, or theft arising from, or occurring in connection with, the operation and promotion of the Business. The insurance coverages noted below reflect the minimum amounts of coverage we require; it is not meant to reflect the actual needs you may have or other state-mandated coverage, and it is your sole responsibility to carefully evaluate whether such minimums will adequately meet your needs and state requirements (i.e., flood insurance, employment practices liability, pollution or major medical, etc.). We may require you to purchase insurance from a specific provider(s).

You must maintain these insurance levels throughout the term of your Franchise Agreement. You must provide us with proof of coverage on demand. You must obtain these insurance policies from insurance carriers that are rated "A" or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Franchised Business. All insurance policies must (i) name us (and our members, officers, directors, and employees) and any other entities that we designate (the "Indemnified Parties") as a named additional insureds at the carrier level and (ii) contain a waiver by the insurance carrier of all subrogation rights against us, (iii) will contain no provision which in any way limits or reduces coverage for you in the event of a claim by any one or more of the Indemnified Parties, will extend to and provide indemnity for all obligations assumed by you and all items for which you are required to indemnify us, (iv) will be primary to and without right of contribution from any other insurance purchased by the Indemnified Parties, and (v) will provide, by endorsement, that we receive at least ten days prior notice of any intent to cancel or materially alter any policy.

You must annually submit insurance certifications that demonstrate compliance with our insurance requirements.

If you fail to comply with the minimum insurance requirements, we have the right to obtain such insurance and keep it in force and effect, and you shall pay us, on demand, the premium cost and administrative costs of 3% in connection with our obtaining the insurance. We have the right to increase or otherwise modify the minimum insurance requirements upon written notice to you, and you shall comply with any such modification within the time specified in the notice.

The current insurance requirements are as follows:

(a) **Commercial General Liability, Contractor's Pollution Liability Insurance, and Professional Liability Insurance**. Coverage for "bodily injury," "property damage," and "personal and advertising injury" with no exclusion or limitation applying to the products / completed operations liability coverage. Limits must be at least $2,000,000 general aggregate, $2,000,000 products and completed operations aggregate, $1,000,000 personal and advertising injury limit, and $1,000,000 per occurrence.

Limits must specifically confirm coverage for pollution, including mold and lead, with minimum limits of $1,000,000 each incident, with $1,000,000 aggregate. The limited liability pollution endorsement does not meet the pollution insurance requirement. Contractual liability coverage including the assumed personal and advertising injury endorsement must be included to cover the indemnity provisions of this Franchise Agreement. The exclusion for employer's liability shall not apply to claims for covered contractually assumed liability claims.

Such policy shall contain a waiver of subrogation endorsement as to claims against us.

We and our parents and affiliates shall be named as an additional insured on this policy on a primary and noncontributory basis and with both a CG-2037 Products/Completed Operations Form and a Grantor of Franchise Form CG2029 or an insurer's comparable form.

(b) **Workers' Compensation and Employers' Liability**: You must have the required workers' compensation insurance with limits of at least $1,000,000 per accident, $1,000,000 per disease, and a $1,000,000 policy limit. In certain states, additional coverage may be needed. In "Monopolistic States," including Ohio, North Dakota, Washington, Wyoming, and West Virginia, "Stop Gap" coverage must be purchased separately or added to the commercial general liability policy and/or workers' compensation and employers' liability policy. "Stop Gap" in Ohio must not contain exclusion with the "substantially certain to occur" language.

(c) **Commercial Automobile Liability**: Insurance should cover $1,000,000 for bodily injury and property damage, including coverage for hired and non-owned vehicles You must name us and our Affiliates as additional insured, and such policy shall contain a waiver of subrogation endorsement as to claims against us.

(d) **Umbrella Liability Insurance:** You are required to maintain a commercial umbrella liability insurance policy with minimum limits of $1,000,000 per occurrence and aggregate and shall list the commercial general liability, pollution liability, and automobile liability as scheduled underlying policies.

You are required to comply with any state, county, local, or other municipal insurance requirements. No deductible or self-insured retention can exceed $5,000 for any required insurance policy. You may not reduce the policy limits, restrict coverage, cancel, or otherwise alter or amend any insurance policy without our written consent. You acknowledge and agree that Regional Accounts may require additional types, limits and terms of insurance coverage.

3.22.2 Failure to Maintain.

If Franchisee fails to obtain or maintain any insurance that is required under this Agreement, Franchisor may, but is not obligated to, obtain the required insurance at the sole cost and expense of Franchisee. All costs incurred by Franchisor must be reimbursed by Franchisee upon demand, together with interest at the lower of 3% above the prime interest rate charged by Franchisor's primary bank and the maximum rate permitted by applicable law, from the date the expense is incurred until the date payment is received by Franchisor.

3.23 Signs.

Franchisee must maintain and display only standard signs on real estate and motor vehicles in accordance with the specifications established by Franchisor.

3.24 Taxes.

Franchisee will promptly pay when due all applicable taxes and assessments against the premises and the equipment used in the Franchised Business, and cause to be discharged all liens or encumbrances of every kind or character created or placed upon or against any of its property in accordance with the terms of any agreement, law, ordinance, or court order imposing the same, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchised Business.

3.25 Compliance with Law.

You must at all times conduct the Business in compliance with all applicable laws, regulations, codes, and ordinances. You also agree to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information ("Privacy Laws") and other applicable data protection laws that are applicable to the Prism franchise system as a whole. You must promptly notify us of any claim or litigation in which you are involved that arises from the operation of the Business. You acknowledge that you are an independent business and are solely responsible for control and management of the Business, including such matters as hiring and discharging your employees. You acknowledge that we have no power, responsibility, or liability in respect to employee relations issues, including hiring, discharge and discipline, and related matters. As between us and you, you are solely responsible for the safety and well-being of your employees and the customers of the franchise business. At no time will you or your employees be deemed to be employees of us or our affiliates. You must promptly notify us of any claim or litigation in which you are involved that arises from the operation of the Business.

3.26 Operating Costs.

Franchisee will maintain and pay its own costs of doing business, including rent, telephone, utilities, insurance, and other fixed and variable expenses.

3.27 Review of Disclosure Document and Agreement.

Franchisee and its owners specifically acknowledge that they have reviewed the Franchise Disclosure Document and this Agreement prior to execution.

3.28 Indemnity.

Franchisee will, during and after the term of this Agreement, indemnify and hold Franchisor and its affiliates, and each of their employees, officers, directors, shareholders, agents, representatives, successors, and assigns (collectively, "**Indemnitees**") free and harmless from and against any and all costs (including reasonable attorneys', accountants', consultants', and expert witness fees), damages, liabilities, expenses, claims, demands, actions, or causes of action which may be incurred by or threatened against Indemnitees and which arise out of (i) the Franchisee's operation of the Franchised Business, (ii) transactions between Franchisee and any third party, or (iii) Franchisee's improper use of the Marks.

3.29 Regional Accounts.

In the event that Franchisee enters into an agreement to provide services to any Regional Account which has locations outside the Territory, if any such location is within the Territory of another franchisee of Franchisor, Franchisee shall offer such other franchisee the right to service such account within such other franchisee's Territory prior to offering such right to any other party, in accordance with Section 1.3 above.

3.30 Contracts with Customers.

Franchisee may enter into contracts having such term as Franchisee wishes to negotiate; provided, however, that any contract for the performance of any of the Services shall provide that, upon the expiration of this Agreement or any termination of this Agreement by Franchisor in accordance with Section 6.1 or otherwise, either (i) the customer contract must terminate simultaneously with the expiration or termination of this Agreement; or (ii) the customer will receive alternate services not involving the methods or products of Franchisor upon the expiration or termination of this Agreement. In no event will Franchisor be liable for any damages to Franchisee or any customer of Franchisee due to either the violation of this Section 3.29 or Franchisee's failure or inability to perform Services due to such expiration or termination.

3.31 Promotion and Development of Business.

Franchisee shall use best efforts to promote and develop the Kitchen Guard System and the Services of the Franchised Business, thereby supporting and enhancing the Kitchen Guard System for the benefit of the Franchisor and all of its franchisees and offering the best possible service to customers. Franchisee shall fully develop and conduct the Franchised Business in strict compliance with the terms and conditions of this Agreement and the Operations Manual.

3.32 Computer System.

Within 15 days from the date hereof, Franchisee must obtain a computer system (including hardware and software) meeting Franchisor's specifications and thereafter will be required to update such computer system at such times as Franchisor may reasonably require. Franchisee must establish Internet access and two e-mail addresses for the Franchised Business within fourteen days of obtaining the specified computer system (which we will either provide or you may obtain through our designated supplier). Franchisor shall have the right to specify all or part of Franchisee's e-mail address. When this Agreement expires or is terminated, Franchisee must promptly transfer such e-mail address to Franchisor. Franchisor owns all Customer Information, as that term is defined in this Agreement. If Franchisor requests, Franchisee must provide an up-to-date customer list in the form prescribed by Franchisor. Franchisee acknowledge that Franchisor may require this information to be submitted through our Internet system or other online communications. Franchisor has the right to contact customers to ascertain Franchisee's quality of service and the level of customer satisfaction. Franchisee may not use the customer lists or Customer Information for any purpose whatsoever other than in the normal conduct of the Business. Upon expiration, nonrenewal, transfer, or termination of this Agreement, Franchisee must promptly deliver to Franchisor all customer lists, data, and information for all past and current customers of the Business. Franchisee agrees to strictly adhere to Franchisor's privacy policies they may now, or in the future, establish with respect to Customer Information.

Franchisor requires Franchisee to use a computer in the operation of the Business. Franchisee must use any computer system that Franchisor develops or selects for the Business, including all future updates, supplements, and modifications (the "Computer System"). The computer software package developed for use in the Business may include proprietary software. Franchisee may be required to license other forms of proprietary software from us, an affiliate or a third party and Franchisee also may be required to pay a software licensing fee in connection with Franchisee's use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software. The computer hardware component of the Computer System must conform to specifications Franchisor develops, which may be modified from time to time. In the event unauthorized software is used or downloaded, Franchisee shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. Franchisee acknowledges and agrees that Franchisor will have full and complete access to the information and data entered and produced by the Computer System. Franchisee acknowledges and agrees that Franchisor will have full and complete access to information and data produced by the Computer System. Franchisee will be required to use and pay for all future updates, supplements, and modifications to the Computer System. Franchisee must install and maintain anti-virus

software on all devices and is responsible for any and all cost associated with such installation and maintenance. Franchisee agrees to pay for any reasonable telephone computer support that Franchisor may choose to provide at its then-current charges, as set forth in the Operations Manual and updated from time to time.

It is Franchisee's responsibility to ensure compliance with all laws that are applicable to the Computer System or other technology used in the operation of the Business, including but not limited to all data protection or security laws as well, such as PCI and CCPA compliance. Franchisee agrees that Franchisor has the right to require updating or upgrading of computer hardware components, Software, and/or cloud-based subscriptions as deemed necessary from time to time, with no limitations as to the number or cost of such updates or upgrades. Franchisee must take all steps, including but not limited to those related to visibility and management of the Business network, that are necessary to ensure that the Business is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see pcisecuritystandards.org), or such successor organization or standards that may be reasonably specified. Franchisee agrees to use any computer network, intranet system, extranet system, email, and handheld devices required or authorized for use in connection with the Business in strict compliance with the standards, protocols, and restrictions that Franchisor includes in the Operations Manual or other written policies, which include but are not limited to Brand's privacy policies, encryption requirements, data and IT security policies, including the implementation of phishing and other security awareness programs and training, cyber incident notification requirements, and Artificial Intelligence policies. Franchisee further agrees not to violate Franchisor's privacy policies or user terms on the Website.

3.33 Privacy and Data Protection.

Franchisee must comply with Privacy Laws and must comply with any privacy policies or data protection and breach response policies that Franchisor may periodically establish. Franchisee is solely responsible for protecting itself from disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the state.

4. FEES

4.1 Initial Fee.

In consideration of the license granted herein, Franchisee shall pay to Franchisor, on the date this Agreement is executed by Franchisee, an Initial Franchise Fee in the amount designated on the Data Sheet attached as Attachment A to this Agreement. The Initial Franchise Fee is deemed fully earned by us upon receipt and is non-refundable.

4.2 Continuing Fee.

4.2.1 *Calculation.*

In consideration for the continuing use of the Marks and the Kitchen Guard System, Franchisee will pay to Franchisor each calendar month continuing royalty and license fees ("**Royalties**") equal to a percentage of the "Gross Billings" (as defined below) of the Franchised Business for the previous calendar month. Franchisee will pay 10% of your annual Gross Billings up to $1,499,999, 9% of your annual Gross Billings between $1,500,000 and $2,999,999, and 8% of your annual Gross Billings above $3,000,000. Royalties will commence beginning on the first full month following completion of the Kitchen Guard Academy Initial Training Program.

The reduced royalty rates described above do not apply if Franchisee is not in compliance with its agreements with Franchisor. Furthermore, if Franchisee is in default under the Franchise Agreement, the Royalty rate shall be eleven percent (11%) of Gross Billings during the period of such default.

4.2.2 ***Minimum Royalty.***

Franchisee must pay a minimum monthly Royalty for each Territory Franchisee owns. Payment of the minimum monthly Royalty for single a Territory or the first Territory in the event Franchisee owns multiple Territories commences on the one year anniversary of Franchisee's or Franchisee's General Managers completion of the Kitchen Guard Initial Training Program (whichever occurs first) and shall be in the following amounts:

(i) Months 12 to 18: $750 per month;

(ii) Months 19 to 24: $1,000 per month; and

(iii) Months 25 and thereafter: $2,000 per month.

If Franchisee owns multiple Territories, the minimum monthly Royalty for the first Territory will commence on the one year anniversary of Franchisee's completion of Initial Training, with the minimum monthly Royalty for the second Territory commencing 12 months after minimums commence for the first Territory, and minimums for any additional Territories will commence 12 months after minimums commence for the prior Territory.

4.2.3 ***Gross Billings Defined.***

"**Gross Billings**" means the gross amount billed by Franchisee during any calendar month, whether or not payment is received therefore, on account of the Services performed by or on behalf of Franchisee, directly or indirectly, and on account of any and all other related goods and services sold or rendered under or in connection with Franchisee's use of the Marks (including the sale of unauthorized goods and services), and including work performed for or on behalf of persons or business entities which are customers of Franchisee as of the Effective Date. Gross Billings exclude sales taxes collected and paid to the proper authorities, and shall not include proceeds from any business which is identified on Attachment B hereto and which is operated in accordance with Section 3.3.

4.2.4 ***Payment.***

Each payment of royalty and license fees must include a Monthly Report issued by Franchisee for the month for which payment is being made. All such payments and Monthly Reports shall be made in such form as Franchisor may direct. All items which are claimed as deductions in determining Gross Billings must be supported by proper documentation. Royalties are due and payable in full on the 15th calendar day of each calendar month based on Gross Billings for the preceding calendar month. Payments of Royalties are not refundable and must be made via bank wire or such other electronic funds transfer procedure as Franchisor may require.

4.3 Technology Fee.

Franchisee will pay to Franchisor its then-current technology Fee (the "**Technology Fee**") for: (a) use of the website furnished by the Franchisor and the associated microsite and website pages featuring the Franchisee; and (b) for the software that will be used for scheduling, tracking, etc. and that is intended to help the Franchisee efficiently run its business. Franchisor may increase this fee periodically up to the greater of the fee (or aggregate fees) any vendor charges us or an affiliate for your technology services, which may include a fee based on percentage of sales. The Technology Fee is due and payable in full on the same day, in the same method and manner as the Royalty. Payments of the Technology Fee are not refundable. The first payment is due the month accompanying the first payment of Royalties. If the Franchisee owns multiple Territories, the Franchisor reserves the right to reduce the fee in the additional Territories to reflect only the services utilized.

4.4 Promotional Fund.

4.4.1 ***Franchisee Contributions*.**

Franchisee will pay to Franchisor each month as a contribution to the Kitchen Guard System promotional fund (the "**Promotional Fund**") an amount equal to 2% of Franchisee's Gross Billings. Promotional Fund

contributions are due and payable in full at the same time, and in the same manner, as Royalties.

4.4.2 ***Use.***

Franchisor will not commingle Promotional Fund contributions with its general funds but will hold all Promotional Fund contributions from all its franchisees in one or more designated accounts. The Promotional Fund may be used as determined solely by Franchisor:

(a) to develop and purchase national, regional, and local advertising in broadcast, print, and electronic media wherever Franchisor deems fit, and without respect to Franchisee's geographical location, including a Kitchen Guard website in which franchisees are permitted or required to participate;

(b) to prepare, purchase, and distribute camera-ready advertising copy for use in local advertising, script or text for broadcast advertising, signs, posters, brochures, banners, and other point-of-sale advertising and promotional materials;

(c) to acquire the services of in-house and outside advertising and public relations professionals;

(d) to defray the expense of training programs and conferences intended to develop the marketing and promotional skills of franchisees and their employees;

(e) research and development, tests or target marketing, the conducting of surveys, brand development and promotion;

(f) to carry on, wherever Franchisor deems fit, and without respect to Franchisee's geographical location, other advertising and promotional activities as Franchisor may reasonably deem advisable to increase demand for Services offered by the franchise network, including utilizing Networking Media Websites and other emerging media or promotional tactics; and

(g) to pay the reasonable expenses of administering the Promotional Fund, including the reasonable compensation of Franchisor's employees and expenses of the advisory council described in Section 4.4.3 while working on behalf of the Promotional Fund.

4.4.3 ***Administration.***

The Promotional Fund will be administered by the Franchisor or by an advertising agency selected by the Franchisor. Franchisor, in its sole discretion, may establish a franchisee advisory council from time to time to provide input and suggestions regarding use of the Promotional Fund and the effectiveness of programs funded by the Promotional Fund. If the franchisee advisory council is established, it will consist of representatives of Franchisor and representatives of the franchisees, with the representatives of franchisees constituting a majority of the members thereof. Franchisor shall retain sole discretion over the use of the Promotional Fund.

4.4.4 ***Accounting.***

Franchisor will account to Franchisee annually for all Promotional Fund contributions received and spent. The accounting will be made by written report within 120 days of the end of each year setting forth the total contributions received from all Kitchen Guard System franchisees as a group and all expenditures made by Franchisor, together with the balance on account in the Promotional Fund as of the date of the report. Franchisor is not required to have the Promotional Fund audited.

4.4.5 ***Commercial Relationship.***

Franchisor and Franchisee agree that the rights and obligations of the parties arising from the Promotional Fund and all related matters are governed solely by this Agreement, and that this Agreement and the Promotional Fund are not in the nature of a "trust," "fiduciary relationship," or similar special relationship. Franchisor and Franchisee agree that the Promotional Fund and this Agreement are based on an ordinary commercial relationship

between independent businesspersons.

4.5 Transfer Fee.

Upon any transfer or assignment of this Agreement or any interest in this Agreement, Franchisee (or the transferee) will pay to Franchisor the then-current transfer fee, presently $15,000 for the first franchise (and presently reduced to $5,000 if the transfer is to a person or entity that already owns or controls a majority interest in an existing Kitchen Guard franchise) on or before the date of transfer or assignment of this Agreement. If additional Franchise Agreements are transferred or assigned at the same time, Franchisee will pay an additional transfer fee of $2,500 for each additional Franchise Agreement. Franchisor reserves the right to modify the transfer fee from time to time, except that it will not be increased by more than 5% in any given calendar year.

4.6 Mandatory Conference Fee.

We may require you (or your General Manager) to attend our mandatory conference, which generally will be held annually, as well as Kitchen Guard Academy. You will attend all such conferences and pay us or our designee a mandatory conference fee in the amount we designate. You will also be responsible for all of your travel and living expenses related to your attendance at the conference. If Franchisee has been granted a franchise for more than one Territory, each non-adjacent Territory must have a separate General Manager (or other attendee that has been approved by Franchisor) in attendance at each required program or conference and the mandatory conference fee will be payable for each such person. Franchisor may change the amount of the registration fee and the Non-Attendance Fee at any time, in its sole discretion.

4.7 Late Payment and Interest Charges.

All amounts that you owe to us or to our affiliates will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late payments, you must pay to us the then current late fee for each delinquent report, presently $25 per late report, and/or for each day that any payment that you owe to us under this Agreement is paid late, per occurrence. If a payment is returned to us due to insufficient funds in your bank account ("NSF"), we may charge an additional fee for each returned payment. This fee will be the amount our bank charges us for the returned payment plus a $5 administrative fee, presently $55, unless a lower amount is required by applicable state law. All updates to Late Fees and NSF fees will be reflected in the Operations Manual. The late fee and NSF fees are not interest or a penalty, it is only to compensate us for increased administrative and management costs due to the late payment or NSF. The fact that such charges are imposed shall not be construed as a waiver of our right to timely payment. In addition, Franchisor may place Franchisee on a "credit hold" whenever Franchisee's account is more than 30 days past due.

Notwithstanding anything contained in this Agreement, upon the failure of the Franchisee to pay to the Franchisor as and when due, any amounts of money provided for herein, the Franchisor shall have the right at its election, to deduct any and all such amounts remaining unpaid from any monies or credits held by the Franchisor for the account of the Franchisee (if any).

5. TRANSFERABILITY

5.1 Transfer by Franchisor.

There are no restrictions on the right of Franchisor to sell or assign this Agreement in whole or in part; provided, however, that Franchisor will not assign or otherwise transfer this Agreement unless the assignee agrees to assume Franchisor's obligations hereunder.

5.2 Transfer by Franchisee.

5.2.1 ***Individual.***

If Franchisee is an individual, Franchisee may not sell, assign, transfer, or convey any interest in this Agreement or

in the Franchised Business without the prior written consent of Franchisor.

5.2.2 ***Corporation.***

If the Franchisee is a corporation, then any issuance, redemption, or transfer of the equity or voting shares of the Corporation, or any disposition of the assets of the Corporation in one transaction or in a series of transactions which, in the aggregate, results in either (i) more than a 25% change in the beneficial ownership of the corporation, or (ii) a change in the voting control of the corporation, is a transfer which requires the consent of Franchisor; provided, however, that no issuance or transfers of any percentage interest or other kind of transfer shall be permitted to a Competing Business, or to a trust. The bylaws of the corporation and all share certificates evidencing ownership of the corporation must contain the following provision:

> "The issuance or transfer of shares in this corporation is subject to the restrictive provisions of a Franchise Agreement with Kitchen Guard Franchising, Inc. and any new shareholder and/or transferee, as a condition to the issuance or transfer of shares, agrees to be subject to such Franchise Agreement and all its provisions and requirements. Reference is made to the Franchise Agreement for all particulars."

The Principal Operator remains personally liable in all respects under this Agreement and executes on a form approved by us a personal guarantee and agreement not to sell, assign, pledge, mortgage or otherwise transfer or encumber the stock.

5.2.3 ***Limited Partnership or Limited Liability Company.***

If Franchisee is a general or limited partnership or a limited liability company, then the admission of a new partner or member, or the redemption, purchase, liquidation, or transfer of a partnership or limited liability company membership interest, or any disposition of the assets of the partnership or company, in one transaction or in a series of transactions which, in the aggregate, results in either (i) more than a 25% change in the beneficial ownership of the partnership or company, or (ii) a change in the voting control of the partnership or company, is a transfer which requires the consent of Franchisor; provided, however, that no admissions, purchases, or transfers of a partnership or limited liability company interest of any percentage amount or other kind of transfer shall be permitted to a Competing Business or to a trust. The partnership agreement or limited liability company operating agreement must contain the following provision:

> "The issuance or transfer of a legal or beneficial interest in the **[partnership] [limited liability company]** is subject to the restrictive provisions of a Franchise Agreement with Kitchen Guard Franchising, Inc., and any new partner/member and/or transferee, as a condition to the issuance or transfer of such interests, agrees to be subject to such Franchise Agreement and all its provisions and requirements. Reference is made to the Franchise Agreement for all particulars."

The Principal Operator remains personally liable in all respects under this Agreement and executes on a form approved by us a personal guarantee and agreement not to sell, assign, pledge, mortgage or otherwise transfer or encumber the stock.

5.2.4 ***Conditions to Transfer.***

In connection with any transfer which requires Franchisor's consent, Franchisor shall have the right to require that any or all of the following conditions are satisfied, as determined by Franchisor in its sole discretion, in addition to any other conditions imposed by Franchisor:

(a) The proposed transferee or its principals must meet Franchisor's reasonable requirements for experience, net worth, entrepreneurial ability, and character, as applied by Franchisor on a nondiscriminatory basis in selecting new franchisees and must have or obtain before transfer all licenses required by law for operation of the Franchised Business.

(b) The proposed transferee (and each partner, member, or shareholder) must have duly executed an

agreement to be bound by, and to assume and perform all the duties of the Franchisee under, the Agreement (including, in the case of such partners, members, or shareholders, the covenants not to compete required by Section 3.20.4).

(c) All maintenance, repairs, and renovation required to bring the Franchisee's premises into compliance with Franchisor's standards must have been completed.

(d) The transferor and each of its partners, members, shareholders, officers, and directors must execute a general release of any and all claims against Franchisor and its affiliates, and their shareholders, officers, directors, employees, and agents.

(e) The fees specified in Sections 4.5, 5.2.4(b) and 5.2.4(c) must have been paid in full; provided, however, that there will be no transfer fee if the transfer or assignment of this Agreement is to the spouse or an adult child of Franchisee, if Franchisee is an individual; or the spouse or an adult child of the majority partner, shareholder, or member of the Franchisee, if Franchisee is a partnership, corporation, or limited liability company.

(f) In the event that the transferee was introduced to you by Franchisor, its agents, or otherwise was a prospective franchisee working with Franchisor's sales team or outside brokers, Franchisee must pay Franchisor a resale assistance fee ("Resale Assistance Fee"), in addition to the transfer fee, equal to $10,000 plus any actual broker commission incurred, due, or required arising from the transfer.

(g) Franchisee shall, at Franchisor's request, prepare and furnish to the transferee and/or Franchisor such financial reports and other data relating to the Franchised Business and its operations as Franchisor deems reasonably necessary or appropriate for the transferee and/or Franchisor to evaluate the Franchised Business and the proposed transfer, including providing Franchisor with a copy of the proposed purchase/sale agreement between Franchisee and transferee and such other information regarding the terms of the proposed transfer as Franchisor may request. Franchisee authorizes Franchisor to confer with any proposed transferee and furnish it with information concerning the Franchised Business and the terms and conditions of the proposed transfer, and Franchisor may do so without any liability, except where Franchisor recklessly or negligently provides untruthful information, makes intentional misstatements to a transferee or otherwise acts in bad faith.

(h) in the case of an installment sale, if you or any Principal Operator proposes to retain a security interest or other financial interest in the Franchise Agreement or the Business operated thereunder (with our consent), you or such Principal Operator agrees to guarantee the performance of the Franchise Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

5.2.5 ***Effect of Transfer.***

No sale, assignment, transfer, conveyance, encumbrance, or gift of any interest in this Agreement or in the Franchised Business will relieve Franchisee, or the shareholders, members, or partners participating in any transfer, of the confidentiality or noncompetition provisions of this Agreement.

5.2.6 ***Prohibited Transfers.***

For purposes of this Section 5.2, without limiting the generality of the foregoing, Franchisor may withhold its consent for any business reason whatsoever, including, but not limited to: (i) where the proposed sale, assignment, transfer, or conveyance is to a Competing Business or to a manufacturer of carpeting that Franchisor deems to be a competitor of Franchisor or any affiliate of Franchisor; or (ii) where the proposed sale, assignment, transfer, or conveyance would result in the proposed transferee having a percentage of the sales of the Kitchen Guard System that Franchisor deems to be undesirable, whether or not such percentage exceeds the percentage provided in the above Section 5.2.4(h). Any purported sale, assignment, transfer, or conveyance without the prior written consent of Franchisor will be null and void and will constitute a material default under this Agreement.

5.3 Death or Disability.

Upon the death or permanent disability of the Franchisee, if the Franchisee is an individual, or upon the death or permanent disability of the majority shareholder, member, or partner of Franchisee if the Franchisee is a corporation, limited liability company, or a partnership, the spouse, adult children, or estate will have the right to participate in the ownership of the Franchised Business under the terms of this Agreement for a period of 180 calendar days from the date of death or disability. During that time, the spouse, adult children, or estate must either:

(a) satisfy all of the qualifications for a transferee or purchaser of a Kitchen Guard System franchise, except that no transfer fee or initial fee will be charged; or

(b) sell, transfer, or assign the Franchised Business to a person who satisfies all of the qualifications for a transferee or purchaser of a Kitchen Guard System franchise.

In addition, during such time, Franchisor may enter the Franchised Business premises and take possession of the Franchised Business, its equipment, furniture, fixtures, records, lists, and supplies and continue the operation of the Franchised Business for the benefit and account of Franchisee (after paying operating expenses, including a management fee to be established from time to time in the Operations Manual) pending the conclusion of whichever of the above options is chosen by Franchisee's spouse, adult children, or estate.

5.4 Assignment to Corporation or Limited Liability Company.

If Franchisee is a partnership or individual and hereafter desires to conduct the Franchised Business in an incorporated or limited liability company form, Franchisor will not unreasonably withhold its consent to the transfer of this Agreement and Franchisee's interest herein to any corporation or limited liability company formed for that purpose; provided that Franchisee and such corporation or company must, prior to such transfer, satisfy such reasonable requirements as Franchisor shall impose, which may include, without limitation, the following:

(a) Franchisee or its partners will at all times be the record and/or beneficial owner of, and will have, by law or by written agreement satisfactory to Franchisor, voting control of, not less than 51% of the issued and outstanding shares or membership interests of each class of the capital stock or membership interests of such corporation or company;

(b) No other person or entity, except members of Franchisee's or its partners' respective immediate families may own or have any right to acquire any shares, membership interests or other securities of such corporation or company;

(c) The form and content of the articles or certificate of incorporation, organization, or formation of such corporation or company and by-laws of any such corporation or operating agreement of any such company must contain provisions enforceable under applicable law restricting the issuance and transfer of shares, membership interests, or securities of the corporation or company to such extent as Franchisor shall reasonably require;

(d) Franchisor must have been furnished in writing the names and addresses of all existing or prospective shareholders or members of the corporation or company, and Franchisee or its partners and (if requested by Franchisor) each such shareholder or member, or prospective shareholder or member, must have guaranteed in writing (in form and substance satisfactory to Franchisor) the performance by the corporation or company of the obligations of the Franchisee under this Agreement; and

(e) Each shareholder or member must have executed and delivered to Franchisor a non-competition covenant in form and substance satisfactory to Franchisor, containing the covenants not to compete required by Section 3.20.4 hereof.

After assignment of this Agreement to a corporation or limited liability company as above provided, or, if

Franchisee is a corporation or limited liability company at the date of this Agreement, the sale, transfer, assignment, or encumbrance or change in rights of any class or series of capital stock, membership interests, or other securities of such corporation or company, whether by operation of law or otherwise, will be deemed a sale by Franchisee or (if a partnership) its partners of its or their interest(s) in this Agreement and will in all respects be subject to the limitations set forth in this Section 5 on the sale of Franchisee's interest in this Agreement. Any merger, consolidation, or reorganization by any corporation or limited liability company having an interest in this Agreement will be deemed a sale of such interest and, unless the prior written consent of Franchisor has been obtained, will constitute a material breach hereof.

5.5 Right of First Refusal.

If at any time during the term of this Agreement Franchisee receives a bona fide offer to purchase the Franchised Business, which offer Franchisee is willing to accept, Franchisee must give Franchisor written notice of the terms of the offer and the name of the offeror and allow Franchisor to elect to purchase the Franchised Business on the same terms as contained in the offer within 30 business days after Franchisor's receipt of the offer, except that in place of any non-cash consideration described in such offer, Franchisor or Franchisor's designee may pay the fair market value thereof in cash. If Franchisor fails to give written notice of election or declines election within the 30 business days, Franchisee may sell to the offeror on the terms offered, subject to the provisions relating to transferability as set forth in this Section 5, provided that such sale must be consummated within ninety (90) calendar days after the expiration of such 30-business day period; otherwise, the restrictions of this Section 5.5 shall be renewed and any sale or transfer by Franchisee of its interest in this Agreement, whether to such offeror or other individual or entity, shall again be subject to the restrictions of this Section 5.5. In the event Franchisor or Franchisor's designee elects to purchase, the purchase must be completed within 90 calendar days from the date of Franchisor's notice of election to purchase. For purposes of this Section 5.5, the term "**fair market value**" of any non-cash consideration shall mean the fair market value of such property as determined by agreement of Franchisee and Franchisor; provided, however, that if the parties are unable to reach such agreement within 30 business days after Franchisor's receipt of the offer, then the fair market value of such property will be determined by one appraiser chosen by the parties, who will determine the value of such property. In the event that the parties are unable to agree upon such an appraiser, the parties agree that the office of the American Arbitration Association ("**AAA**") in or closest to our National Headquarters (presently Orlando, Florida) will be employed to choose an appraiser, and such person will determine the fair market value for these purposes. In the event the appraisal process is utilized, the party whose valuation of such property less closely approximated the value selected pursuant to the above-described appraisal process, measured by dollar amounts and not by percentages, will pay all costs of the appraisal process. Any delay caused by such appraisal process or the parties' disagreement over the fair market value of any non-cash property will extend the period in which Franchisor is to act under this Section 5.5 by that number of calendar days equal to the period of the delay.

6. TERMINATION AND DEFAULTS

6.1 Termination by Franchisor.

Franchisor may terminate the Franchise Agreement at the time indicated, if any of the following events occurs, each of which shall be deemed a default:

(a) immediately, if the Franchisee or the Franchised Business is declared bankrupt or determined to be insolvent, or all or a substantial part of the assets of the Franchisee or the Franchised Business are assigned to or for the benefit of any creditor, or the Franchisee admits its inability to pay its debts as they come due, or the Franchised Business is seized, taken over, or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the Franchisee remains unsatisfied for 30 calendar days (unless an appeal bond has been filed), or if a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within 5 business days; or

(b) immediately, if the Franchisee abandons the Franchised Business by failing to operate the Franchised Business for 5 consecutive calendar days during which the Franchisee is required to operate a business under the terms of this Agreement (as set forth in the Operations Manual), or any shorter period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that the Franchisee does not intend to continue to operate the Franchised Business, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the Franchisee's control; or

(c) immediately upon notice, if the Franchisor discovers that the Franchisee has made any material misrepresentations to Franchisor relating to the acquisition, operation, or maintenance of the Franchised Business; including willful and material falsification or intentional underreporting of Gross Sales on any report, statement or other written data furnished to us; or

(d) immediately upon notice, if the Franchisee is arrested or is indicted for, convicted of, or pleads *nolo contendere* to, a felony or any other criminal misconduct which, in Franchisor's sole judgment, is relevant to the operation of the franchise or impairs the goodwill associated with the System or with the Kitchen Guard name or Marks; or

(e) immediately upon notice, if the Franchisee, after curing any default after notice and opportunity to cure, engages in the same noncompliance, whether or not corrected after notice; or

(f) immediately upon notice if Franchisee fails to meet the minimum performance criteria in Section 3.9; or

(g) immediately upon notice, in the event Franchisee attempts to transfer any interest in the Franchisee or the Franchised Business in violation of Section 5; or

(h) immediately upon notice, in the event that Franchisee violates the provisions of Section 3.20 hereof; or

(i) immediately upon notice, if Franchisee breaches any material provision of this Agreement or any other agreement between Franchisee and Franchisor, if such breach is not susceptible to being cured; or

(j) upon 10 calendar days' written notice to Franchisee of its failure to pay any fees or other amounts due to Franchisor, any affiliate of Franchisor, or any other franchisee that is not cured within such 10-day period; or

(k) upon 30 calendar days' written notice to Franchisee of noncompliance with any federal, state, or local law or regulation applicable to the operation of the Franchised Business unless cured within such period; or

(l) upon 30 calendar days' written notice to Franchisee of any failure of Franchisee to perform any obligation under this Agreement, other than as specified herein, if such failure is susceptible to being cured and is not cured within such 30-day period; or

(m) upon 30 calendar days' written notice to Franchisee if Franchisee fails to commence operation of the Franchised Business within 270-days of the date of the Franchise Agreement, and is not cured within such 30-day period; or

(n) prior to the opening of the Franchised Business, if Franchisee or any of its designated employees fails to complete the Kitchen Guard Initial Training Program described in Section 2.4 to the satisfaction of Franchisor; or

(o) immediately upon notice, if Franchisee or its owners owns or operates another competitive business or commits any violation of Section 3.3, Section 3.6, Section 3.10, or Section 3.11 hereof; or

(p) immediately upon notice, if Franchisee commits three or more breaches of any of your obligations under this Agreement, whether or not cured, within any consecutive 12-month period; or

(q) immediately upon notice, if Franchisee, after curing any default pursuant to this Agreement, commits the

same default again, whether or not cured; or

(r) immediately upon notice, if Franchisee or Franchisee's principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure; or

(s) at such time as Franchisor and Franchisee mutually agree in writing to terminate this Agreement.

If you or any of your Owners enter into more than one franchise agreement with us or our Affiliates, a default under any such franchise agreement shall constitute a default under each such agreement. We may exercise our rights and remedies under any or all such agreements, including termination.

6.2 Rights and Duties of Parties Upon Expiration or Termination.

Upon termination or expiration of this Agreement for any reason, all rights of the Franchisee under the Agreement will immediately terminate, but Franchisee will have the following duties, which will survive termination or expiration of this Agreement:

(a) Franchisee must promptly pay Franchisor and its Affiliates all sums owing under the terms of this Agreement, including all damages, costs, and expenses incurred by Franchisor by reason of default on the part of Franchisee, whether or not the expenses occur before or after the termination or expiration of this Agreement. The parties agree that payment of these amounts is not a penalty, but rather a reasonable estimate of compensation to which Company would be entitled in case of premature termination.

(b) Franchisee must immediately cease use of the Marks in advertising, websites, forms, manuals, slogans, signs, or in any other manner whatsoever. Franchisee will not represent or advertise that Franchisee was formerly a Kitchen Guard System Franchisee or that Franchisee did business under the Marks. Franchisee will not, at any time, adopt or use any word or mark which is similar to or confusing with the Marks.

(c) Franchisee must ensure at its own expense that all mention of the Marks in connection with Franchisee is removed at the earliest possible time from all signs, uniforms, vehicles, telephone and other directories, directory assistance records, building directories, signboards, internet sites, internet search engines, membership rosters, and every other place and publication.

(d) Franchisee must take all action to cancel any assumed name or equivalent registration which contains any of the Marks and will furnish Franchisor with satisfactory evidence of cancellation.

(e) Immediately comply with all post-termination obligations under this Agreement, including without limitation the non-competition, non-solicitation, confidentiality, and indemnification obligations contained in Sections 3.20, 3.21, 3.28, and any other obligations that expressly survive termination or which by their nature are intended to survive termination

(f) Franchisee must return to Franchisor the Operations Manual and all documents and records that are reasonably necessary or important to the continuation of the Franchised Business.

(g) If Franchisor so elects, Franchisee must sell to Franchisor, at Franchisee's cost, all products, supplies, and equipment which bear the Marks.

(h) Franchisee must notify the telephone company and listing agencies of the termination or expiration of your right to use all telephone numbers of the Business and all classified and other directory listings of the Business and authorize the transfer of such numbers and directory listings to us or as we direct, all in accordance with the Assignment of Telephone Numbers attached as Attachment D to the Franchise Agreement. This agreement by you regarding the telephone numbers and listings is for the benefit of such telephone company serving you. You agree to hold any such telephone company harmless from any and all claims against it arising out of any orders given by us to terminate, transfer or put-on referral such telephone service.

(i) Franchisee must transfer to us or terminate service, as designated by us, all domain names, electronic mail accounts, online listings, social media accounts, and the like, which were set-up for the Business, all in accordance with the Assignment of Digital Assets attached as Attachment E to the Franchise Agreement.

(j) Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your indemnification obligations specified in section 3.28 or under common law and other obligations pursuant to any applicable lease for the Business premises or otherwise, which by their very nature are intended to survive the expiration or termination of this Agreement.

(k) Unless otherwise specified above, you must deliver satisfactory evidence of your completion of all this item within 30 days.

(l) If you fail to complete any actions required under this Section 6.2 within the required timeline, or indicate that you are unwilling or unable to comply, you irrevocably appoint us as your attorney-in-fact, coupled with an interest, to perform such acts on your behalf and for your account. You agree to reimburse us for all costs and expenses we incur in exercising the authority granted under this Section, including administrative overhead, employee salaries, legal fees, and other related expenses.

(m) Additionally, you acknowledge that the parties cannot determine the exact amount of damages resulting from termination prior to the expiration of a Term. If this Agreement terminates for any reason other than our material breach and our failure to cure the breach within a reasonable time after you give us written notice of the breach but not less than 60 days, then in addition to any and all other remedies and causes of action available to us, you will pay us Liquidated Damages in addition to amounts due to us accruing under this Agreement prior to termination. You and we agree that Liquidated Damages as defined herein is a reasonable estimate of the actual damages which we will sustain as a result of the termination and is not a penalty. Payment of Liquidated Damages will constitute neither a waiver of your obligation to comply with the foregoing post-termination requirements nor a license to use the Franchised System.

6.3 Dispute Resolution.

6.3.1 ***Internal Dispute Resolution.***

Franchisee must first bring any claim or dispute between Franchisor and Franchisee to Franchisor's management and make every effort to resolve the dispute internally. Franchisee must first exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third-party. This agreement to internally resolve disputes will survive termination or expiration of this Agreement.

6.3.2 ***Mediation.***

At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 6.3(a) above, will be submitted first to mediation to take place in the city and state of our then-current National Headquarters (presently Orlando, Florida), under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth

herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 6.3(b) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

6.3.3 ***Arbitration.***

Any controversy or claim arising out of or relating to this Agreement, other than a claim for injunctive relief, will be settled by binding arbitration, and judgment upon the award may be entered in any court having jurisdiction thereof. All arbitrations must be individual proceedings and not a class arbitration or multi-party arbitration. The arbitration must be conducted through the AAA office in city and state of our then-current National Headquarters (presently Orlando, Florida), and will be conducted by a panel of three arbitrators selected in accordance with the rules and regulations of the AAA applicable to commercial matters. The arbitrators will render a decision based on, and consistent with, state law of our then-current National Headquarters (presently Florida), and with the facts and evidence that are properly introduced at the hearing. If there are any disputes in matters of public policy, restraint of trade, securities laws violation, or any other matter which cannot be the subject of arbitration, those matters will be separated from all other disputes and those other disputes will first be settled by arbitration. After arbitration, any disputes which cannot be tried by arbitration will be brought before a court of competent jurisdiction. Should the parties be unable to separate matters which will be addressed by arbitration from those which cannot be addressed by arbitration, the allegations and positions of the parties will be brought before the arbitrators, and their decision regarding the appropriateness for arbitration of the matters in controversy will be determinative and binding upon the parties. Unless otherwise determined by the arbitrators, the fees and expenses of arbitration, not including attorneys' fees, will be shared equally by the parties. The parties acknowledge that this alternative dispute resolution procedure is fair and enforceable.

6.4 Termination Not Exclusive Remedy.

Termination of this Agreement by the parties shall not be an exclusive remedy and shall not in any way affect a party's rights to receive or collect fees or other amounts payable hereunder, to enforce the provisions of this Agreement, to seek and obtain injunctive relief, or to pursue any other legal or equitable remedy for a breach of this Agreement. In lieu of terminating this Agreement as may be permitted herein, Franchisor, in its sole discretion, may allow Franchisee to continue operating the Franchise on a month-to-month basis, and Franchisor may thereafter terminate this Agreement at any time and for any reason upon 10 days' prior written notice to Franchisee. Franchisor may terminate this Agreement upon such 10 days' prior written notice to Franchisee even if Franchisee cured all defaults during the period when the Franchise was being operated on a month-to-month basis.

6.5 Future Communications.

For three years following the termination or expiration of this Agreement, Franchisee agrees to advise Franchisor of its current business and residential addresses and telephone numbers.

7. MISCELLANEOUS

7.1 Governing Law.

This Agreement has been accepted and made in the State of our then current National Headquarters (presently Florida) and all rights hereunder will be governed by and interpreted under the internal laws (and not the law of conflicts of laws) of the said State.

7.2 Forum Selection; Jurisdiction.

Any claims not subject to arbitration shall be brought and/or defended to conclusion in the courts in the city and state of our then-current National Headquarters (presently Orlando, Florida). The parties' consent (and waive any objections they might otherwise have) to institute any such claims in a state or federal court of general jurisdiction in our then-current National Headquarters (presently Orlando, Florida). The parties irrevocably submit to the jurisdiction of such courts and waive any objections to jurisdiction, venue, or the convenience of the court location.

7.3 Compliance with Law.

This Agreement will be deemed to contain and will be construed so as to contain and be consistent with, all mandatory provisions and requirements of applicable state and federal law. In particular, Franchisee represents it has a copy of, and is familiar with, the United States Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2 (the "**FCPA**"), and the purposes of the FCPA; in particular, the FCPA's prohibition of the payment or the gift of any item of value, either directly or indirectly, by a company organized under the laws or the United States of America or any of its states to an official, employee, or officer of, or person acting in an official capacity for, a government or international organization for the purpose of influencing any action or decision, or inducing him to use his influence with the government or organization in any manner contrary to his position or creating an improper advantage to assist a company in obtaining or retaining business for, with, or in that country or organization or directing business to any person. Currently a copy of the FCPA may be found on the internet at www.usdoj.gov/criminal/fraud/fcpa.html. Franchisee represents and warrants that it will take no action that would constitute a violation of the FCPA or any law, and Franchisee will obtain a similar undertaking from its affiliates and owners. Further, Franchisee represents that it and its affiliates do and shall comply with all relevant laws against corrupt business practices, against money laundering and against facilitating or supporting person who conspire to commit acts of terror against any person or government.

7.4 No Subsequent Waiver.

Waiver of any default or breach of this Agreement will not be interpreted as a waiver of any subsequent breach.

7.5 No Class Actions.

ANY DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, WHETHER RESOLVED IN ARBITRATION OR IN A COURT PROCEEDING, MUST BE RESOLVED IN AN INDIVIDUAL PROCEEDING, AND MAY NOT BE RESOLVED VIA A CLASS ACTION OR SIMILAR MULTI-PARTY PROCEEDING.

7.6 No Punitive Damages.

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

7.7 No Trial By Jury.

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

7.8 Continuing Obligations.

ALL OBLIGATIONS OF THIS AGREEMENT WHICH EXPRESSLY OR BY THEIR NATURE SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT WILL CONTINUE IN FULL FORCE AND

EFFECT AFTER AND NOTWITHSTANDING THEIR EXPIRATION OR TERMINATION UNTIL THEY ARE SATISFIED IN FULL OR BY THEIR NATURE EXPIRE.

7.9 Limitation of Claims.

FRANCHISEE AGREES THAT ANY AND ALL CLAIMS BY FRANCHISEE AGAINST FRANCHISOR ARISING OUT OF, OR RELATING TO, THIS AGREEMENT MAY NOT BE COMMENCED BY FRANCHISEE UNLESS BROUGHT BEFORE THE EARLIER OF: (A) THE EXPIRATION OF ONE YEAR AFTER THE ACT, TRANSACTION, OR OCCURRENCE UPON WHICH SUCH CLAIM IS BASED; OR (B) ONE YEAR AFTER THIS AGREEMENT EXPIRES OR IS TERMINATED FOR ANY REASON. FRANCHISEE AGREES THAT ANY CLAIM OR ACTION NOT BROUGHT WITHIN THE PERIODS REQUIRED UNDER THIS SECTION 7.9 SHALL FOREVER BE BARRED AS A CLAIM, COUNTERCLAIM, DEFENSE, OR SET OFF.

7.10 Notices and Communications.

All notices or communications required or permitted under this Agreement shall be directed to Franchisor by an overnight delivery service that tracks delivery or by United States mail, first-class postage prepaid, return receipt requested, at the following address:

Notices to Franchisor	Kitchen Guard Franchising, Inc.
	Attention: President/Brand Leader
	6700 Forum Drive, Suite 150
	Orlando, FL 32821
Notices to Franchisee:	See Attachment A “Data Sheet”

If Franchisee is other than an individual, Franchisee must designate in writing to Franchisor the name and address of its agent to receive notice. Notice to the agent will be conclusively presumed to be full and adequate notice to Franchisee. Notice shall be deemed to have been given on the date of actual receipt, or, if delivery is refused, on the date of attempted delivery.

Notwithstanding the above, any notice by a means which affords the sender evidence of delivery, including but not limited to e-mail, shall be deemed to satisfy any notice requirement.

7.11 Costs and Legal Fees.

Franchisee shall reimburse Franchisor for the costs and expenses incurred by Franchisor as a result of Franchisee’s failure to comply with the terms of this Agreement, including, without limitation, attorneys’, accountants’, consultants’, and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of, or in connection with the filing of any proceeding to enforce this Agreement.

7.12 Modifications to System.

Franchisor has the right to operate, develop, and change the System in any manner that is not specifically precluded by this Agreement, and such changes shall become part of the Kitchen Guard System. Whenever Franchisor has reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant Franchisee a right to take action or omit an action, except as otherwise expressly provided in this Agreement, Franchisor may make its decision or exercise its rights on the basis of the information readily available to Franchisor, and Franchisor’s judgment of what is in its best interests and/or in the best interests of the System, at

the time Franchisor's decision is made, shall be deemed to be reasonable and enforceable, without regard to whether other reasonable or even arguably preferable alternative decisions could have been made by Franchisor and without regard to whether Franchisor's decision or the action Franchisor takes promotes Franchisor's financial or other individual interest. Franchisor has the right to enter into agreements with other franchisees that are different than this Agreement, and the existence of different provisions in other franchise agreements shall not in any manner affect the duties of the parties to this Agreement.

7.13 Amendment.

This Agreement may be amended, modified, or discharged, in whole or in part, only by a document in writing subscribed by all of the parties subscribing to this Agreement.

7.14 Remedies Cumulative.

The parties are entitled to any and all remedies at law or in equity, in addition to any remedies set forth in this Agreement. Franchisor's right to terminate this Agreement in accordance with Section 6 shall be deemed to permit Franchisor to elect remedies other than termination.

7.15 Interpretation of Rights and Obligations.

The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

(a) Franchisor's Rights. Whenever this Agreement provides that Franchisor has or reserves (retains) a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

(b) Franchisor's Reasonable Business Judgment. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees or is required to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever exercising "reasonable business judgment" in making its decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if its decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Business System. Neither Franchisee nor any third party (including a trier of fact), will substitute their judgment for Franchisor's reasonable business judgment.

7.16 Successors and Assigns.

This Agreement will inure to the benefit of, and be binding upon, the parties hereto and their heirs, successors, representatives, assigns, and transferees to the extent this Agreement is assignable.

7.17 Relationship of the Parties.

Franchisee is an independent contractor. The operation of the Franchised Business does not make the Franchisee and Franchisor partners or joint venturers or make them agents, servants, employees, or fiduciaries of the other, and Franchisee will not hold itself out to the contrary. Franchisee will advise its suppliers and customers of its independent ownership of the Franchised Business and will clearly state in its business forms, stationery, advertising, and elsewhere that it is independently owned and operated.

7.18 Entire Agreement.

This Agreement, together with its Exhibits and Attachments, expresses fully the understanding by and between

the parties, and all prior understandings, agreements, commitments, conditions, warranties, and representations of any kind, oral or written, as to the Franchised Business (except as to information and representations submitted by Franchisee to Franchisor in the application to purchase the Franchise) are cancelled and null, void and of no effect. Any previous matter, presently covered within this Agreement, is hereby superseded and cancelled with no further liabilities or obligations of the parties with respect to such matter, except as to any monies due and unpaid between the parties to this Agreement at the time of execution of this Agreement. Nothing in this Agreement or in any related agreement between Franchisor and Franchisee is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

7.19 No Warranties.

Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

7.20 Severability.

If any term or provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement will continue in full force and effect, except to the extent either party would fail to obtain the substantial benefit of its bargain.

7.21 Other Parties.

If Franchisee is a partnership, joint venture, association, corporation, limited liability company, or other legal entity, then all persons who have any beneficial interest in Franchisee must execute this Franchise Agreement where indicated below and will be bound jointly and severally by all of the terms and provisions hereof.

7.22 Accuracy of Representations.

Franchisee and its owners represent and warrant to Franchisor that (a) all statements, documents, materials, and information submitted to Franchisor, including the application for the rights granted by this Agreement, are true, correct and complete in all material respects, and there have been no material omissions; and (b) Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in its efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify, represent and warrant that none of their property or interests is subject to being "blocked" under any of the Anti- Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. "**Anti-Terrorism Laws**" means 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 any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Franchisee agrees to promptly advise Franchisor of any material change in the information or statements submitted to Franchisor. Franchisee acknowledges and understands that Franchisor has entered into this Agreement in reliance on the statements and information submitted to Franchisor by Franchisee and its owners, and that any material breach, inaccuracy or omission is grounds for Franchisor to terminate this Agreement.

7.23 Construction.

All headings of the various sections and subsections of this Agreement are for convenience only and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, feminine, neuter, or singular usage will be construed to include the masculine, feminine, neuter, singular, or plural, wherever applicable.

7.24 Additional Representations.

Franchisee makes the representations and warranties set forth in Attachment A (Franchisee Data Sheet), which

is incorporated into this Agreement by reference. Franchisee represents and warrants that all information contained in Attachment A is true, correct, and complete as of the Effective Date.

Franchisee shall promptly notify Franchisor in writing of any change to the information contained in Attachment A.

7.25 Counterparts.

This Agreement may be executed in counterparts, all of which together will constitute one and the same Agreement.

The parties have executed this Franchise Agreement as of the Effective Date on Attachment A "Data Sheet".

FRANCHISOR: Kitchen Guard Franchising, Inc., a Delaware Corporation

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

_____
Name of Franchisee
(as set forth in Attachment A "Data Sheet")

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

(For individuals: Title = "individual"; for companies/entities: Title = "Authorized Signatory")
(Additional signature lines optional if Franchisee only has fewer than four authorized signers)

Attachment A: Data Sheet

This Data Sheet is incorporated into and made a part of the Franchise Agreement. The Effective Date set forth below is the Effective Date of the Franchise Agreement.

1. Effective Date:

2. Franchisee:

3. Guarantor(s):

4. Initial Franchise Fee:

5. Territory: The Franchisee's Territory (as described in Section 1.2 of the Franchise Agreement of which this Attachment A is a part) is:

6. Franchisee Type: (partnership, corporation, sole proprietorship, limited liability company):

7. Ownership. If Franchisee is a corporation, limited liability company, individual, or partnership, the

name and address of, and percentage interest owned by, each shareholder, member, individual, or partner is as follows:

Name	Home Address	Percentage of Ownership

You represent and warrant to us that the above people are the only owners of Franchisee (must total 100%).

8. List below (a) the Designated Agent to receive notice, (b) the Name and Address of the Franchisee's Manager; and (c) the Address where the Franchisee's records are maintained.

Role	Name	Address
Designated Manager		
Franchisee's Manager		
Address of Record	n/a	

Franchisee shall promptly notify Franchisor in writing of any change to the information contained in this Attachment A.

Attachment B: Continuation of Other Non-Competing Businesses

The Franchisee is granted the right to continue to own the following non-competing business(es) throughout the term of the Franchise Agreement, which business(es) is/are not part of the Franchised Business, in accordance with Section 3.3 of the Franchise Agreement of which this Attachment B is a part:

Attachment C: Personal Guarantee

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND

PERSONALLY, BY THE TERMS AND CONDITIONS

OF THE FRANCHISE AGREEMENT

In consideration of the execution of this Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in this Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each condition and term contained in this Franchise Agreement and agree that this Personal Guarantee should be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by the franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants, and conditions of this Guarantee will inure to the benefit of the successors and assigns of us.

PERSONAL GUARANTORS

_____	_____
Name, Individually	Name, Individually
_____	_____
Address, City, State, Zip	Address, City, State, Zip
_____	_____
Telephone	Telephone
_____	_____
Name, Individually	Name, Individually
_____	_____
Address, City, State, Zip	Address, City, State, Zip
_____	_____
Telephone	Telephone

Attachment D: Assignment of Telephone Numbers

Date: _____

This assignment is effective as of the date of termination of the Franchise Agreement entered into between Kitchen Guard Franchising, Inc ("us") and _____ ("you"). You hereby irrevocably assign to us or our designee the telephone number or numbers and listings issued to you with respect to each and all your Franchised Businesses, including employee cellular telephone numbers that have been used in connection with Franchised Businesses in any respect ("telephone numbers"). This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the telephone numbers.

We hereby are authorized and empowered upon termination of the Franchise Agreement and without any further notice to you to notify the telephone company, as well as any other company that publishes telephone directories ("telephone companies"), to transfer the telephone numbers to us or such other person or entity as we designate. You hereby grant to us an irrevocable power of attorney and appoint us as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and the telephone companies may accept this assignment and our instructions as conclusive evidence of our rights in the telephone numbers and our authority to direct the amendment, termination, or transfer of the telephone numbers, as if they had originally been issued to us. In addition, Franchisee agrees to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by Kitchen Guard Franchising, Inc regarding the telephone numbers.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

Attachment E: Assignment of Digital Assets

Date: _____

This assignment is effective as of the date of termination of the Franchise Agreement entered into between Kitchen Guard Franchising, Inc ("we" or "us") and _____ ("you" or "franchisee"). You hereby irrevocably assign to us or our designee the domain names, e-mail addresses, online listings, and/or Social Media accounts (collectively the "Web Listings") with respect to each and all your Franchised Businesses. You agree to pay all amounts, whether due and payable or not, that any domain name registry ("Registry") or Internet Service Provider ("ISP") may require in connection with such transfer. This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the domain names and e-mail addresses.

We are hereby authorized and empowered upon termination of the Franchise Agreement and without any further notice to you to notify the Registry and the ISP to transfer or terminate (as we designate) the Web Listings to us or such other person or firm as is designated by us. In furtherance thereof, you hereby grant an irrevocable power of attorney to us and appoint us as your attorney-in-fact to take any necessary actions to assign the Web Listings, including but not limited to, executing any forms that the Registry and the ISP may require to effectuate the assignment. This assignment is also for the benefit of the Registry and the ISP, and the Registry and the ISP may accept this assignment and our instructions as conclusive evidence of our rights in the Web Listings and our authority to direct the amendment, termination, or transfer of the Web Listings, as if they had originally been issued to us. In addition, you agree to hold the Registry and the ISP harmless from all claims against them arising out of any actions or instructions by us regarding the Web Listings.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

Attachment F: Electronics Funds Transfer Form

FRANCHISEE AUTHORIZATION FORM FOR ELECTRONIC FUNDS TRANSFER

The undersigned hereby authorizes Kitchen Guard Franchising, Inc., or any affiliated entity (collectively "Kitchen Guard"), to initiate debit and/or credit entries to my account at the financial institution listed below, including but not limited to ACH debit entries for Royalty Fees, Marketing Fees, Software Fees, or any other amounts that become payable by the undersigned to Kitchen Guard or for credits due by Kitchen Guard to me. This authorization will remain in effect until I notify Kitchen Guard in writing to cancel it. Please complete this form, attach a voided check and your current W9 (https://www.irs.gov/pub/irs-pdf/fw9.pdf), and return it to Kitchen Guard AP@kitchenguard.com.

SECTION 1: ACCOUNT HOLDER INFORMATION

Tax ID Number:	
State of Business Registration:	
Franchisee Legal Name:	
Account Number(s) (if applicable):	
Franchisee Remittance Address:	
(Street Address, City, State, ZIP/Postal Code)	
Franchisee Contact Name (First and Last Name):	
Franchisee Contact Phone Number:	
Franchisee Contact Email Address:	

SECTION 2: AUTOMATED CLEARING HOUSE (ACH) INFORMATION

Type of Request:	**New**	**Updated**
Bank Routing Number:		
Account Number (for debits):		
Account Number (for credits):		
Vendor Name on Bank Account (Per W-9):		
Bank/Institution Name:		
Bank Contact Name:		

SECTION 3: AUTHORIZATION / CERTIFICATION

I certify that the information I provided is correct and that **I am an authorized signer or designate of the account provided above and am entitled to provide this authorization.** I (we) hereby authorize Kitchen Guard to initiate credit or debit entries to the account and financial institution listed above. I (we) further authorize adjusting entries (reversals) solely to correct errors, if any. This authorization is to remain in full force and effect until Kitchen Guard has received written notification from me (us) of its termination in such time and manner as to afford Kitchen Guard and the depository financial institution a reasonable opportunity to act on it. I also acknowledge that it is my responsibility to ensure sufficient funds are available in the account for ACH debits, and that I will be charged a fee not to exceed the amount we are charged plus $5 (presently $55) for each return due to non-sufficient funds. I (we) authorize the financial institution shown above to confirm my (our) account information, including account name, number, and type. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law.

Signature:	**Title:**
Name:	**Date:**

Attachment G: Multi Unit Development Agreement

MULTI-UNIT DEVELOPMENT AGREEMENT AND AMENDMENT TO FRANCHISE AGREEMENT

This Multi-Unit Development Agreement and Amendment to Franchise Agreement (the "Amendment") is effective _____ and is entered into by and between: (i) Kitchen Guard Franchising, Inc., a Delaware corporation with its principal place of business at 6700 Forum Drive, Suite 150, Orlando, FL 32821 (the "Franchisor"); and (ii) _____ (the "Franchisee").

BACKGROUND

A. Contemporaneous with this Amendment, Franchisor and Franchisee entered into a franchise agreement (the "First Franchise Agreement") pursuant to which Franchisee obtained the right and undertook the obligation to own and operate a Kitchen Guard franchised business in a territory known as _____ _____, as more specifically set forth in the Franchise Agreement (the "First Franchised Business").

B. The parties desire to provide Franchisee certain development rights and amend the terms of the Franchise Agreement pursuant to the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Amendment, which constitute good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Background; Definitions.

a. The parties agree and acknowledge that the Background portion of this Amendment, including all definitions, representations and provisions set forth therein, is hereby incorporated by reference as if fully set forth in this Section.

b. For purposes of this Amendment, if a capitalized term in this Amendment is not specifically defined herein, that term will be given the same definition that the term is afforded in the Franchise Agreement.

2. Facility. Franchisor recognizes that the initial franchise and the additional franchised business (each an "Additional Franchised Business") are contiguous Territories, therefore, the franchisee is not required to have a separate facility location for each franchise.

3. Initial Fees. Upon the execution of the Franchise Agreement and this Amendment, Franchisee will pay an initial fee to Franchisor equal to $_____ representing the $_____ initial franchise fee for the First Franchise Agreement and a discounted initial franchise fee of $_____ for the additional franchised business to be developed pursuant to Section 4 of this Amendment below. The initial fees are fully earned and non-refundable.

4. Development Rights and Development Schedule.

a. Franchisor grants Franchisee the right, and franchisee undertakes the obligation, to develop the additional franchised businesses (the "Additional Franchised Business") which must be located in the exclusive development area set forth in Schedule "A" hereto for the Additional Franchised Business (collectively, along with the territory set forth in the First Franchise Agreement, the "Development Area"). Franchisee must execute Franchisor's then current form of franchise agreement for the Additional Franchised Business (the "Additional Franchise Agreement" and collectively with the First Franchise Agreement, the "Franchise Agreements") however, the Additional Franchise Agreement shall be amended to provide Franchisee the benefit of the amended terms to the First Franchise Agreement as set forth in this Amendment.

b. Franchisee must execute an Additional Franchise Agreement and commence operations of the Additional Franchised Business in accordance with the following schedule (the "Development Schedule"):

Territory	Date by Which Franchise Agreement Must be Signed	Date by Which the Territory Must be Opened and Continuously Operating for Business in the Territory	Cumulative number of Territories/Franchised Businesses Required to be Open and Continuously Operating for Business in the Development Territory as of the Date in Preceding Column
	Upon Execution of this Amendment	270-days from the date of the First Franchise Agreement	1
	12-Months from the Date of the First Franchise Agreement	270-days from the date of the First Additional Franchise Agreement	2

c. The development rights and territorial protections granted to Franchisee in this Amendment are personal to Franchisee and may not be transferred without Franchisor's prior written consent, which will not be unreasonably withheld.

d. Franchisor may terminate Franchisee's development rights without affording Franchisee any opportunity to cure such default, effective upon written notice, upon the occurrence of any of the following events: (i) if Franchisee becomes insolvent or are adjudicated bankrupt, or if any action is taken by Franchisee, or by others against Franchisee, under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit or creditors or a receiver is appointed by Franchisee; (ii) if Franchisee fail to meet any of the deadlines set forth in the Development Schedule and fails to cure such default within 30 days of receiving notice thereof; or (iii) if the First Franchise Agreement or any Additional Franchise Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of such franchise agreement. In the event that Franchisee fails to meet the Development Schedule and the development rights are terminated, Franchisee will retain its rights to any Franchised Business for which Franchisee has an executed franchise agreement.

e. All Gross Sales and other reports submitted to Franchisor by Franchisee for work performed in the Development Area will initially be submitted singularly under the First Franchised Business. Upon commencing operations for each Additional Franchised Business under each Additional Franchise Agreement, such reports will be submitted to Franchisor separately for each Franchised Business.

5. Confidentiality. Franchisee must maintain the confidentiality of this Amendment and shall not disclose the terms of this Amendment to any person or persons, except (a) her professional advisors for legitimate business purposes or as required by law, or (b) as otherwise permitted in writing by Franchisor. Any breach of this Section shall constitute a material breach of Franchisee' confidentiality obligations under the Franchise Agreements.

6. Binding Effect; Acknowledgement. This Amendment shall be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

7. Governing Law. This Amendment shall be deemed to have been made in and governed by the laws of the State of Florida.

8. Jurisdiction and Venue. The parties agree that jurisdiction and venue provisions set forth in the First Franchise Agreement will also apply to this Amendment.

9. Advice of Counsel. Each party acknowledges that the terms of this Amendment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable

opportunity to retain and confer with counsel. This Amendment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Amendment.

10. Attorneys' Fees. If Franchisor institutes any judicial proceeding to enforce any obligation or interpret the terms of this Amendment, Franchisor shall be entitled to recover all costs, including reasonable attorneys' fees, incurred in connection with such proceeding in the event Franchisor prevails.

11. Construction of Language. The language of this Amendment will be construed according to its fair meaning, and not strictly for or against either party. The parties have had a reasonable opportunity to review this Amendment. In the event of an ambiguity or if a question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Amendment. Headings are for reference purposes and do not control interpretation.

12. Entire Agreement. The First Franchise Agreement and this Amendment constitute the entire, full, and complete agreement between the parties concerning the franchise and supersedes any and all prior agreements. In the event of a conflict between the terms of the First Franchise Agreement and this Amendment, the terms of this Amendment shall control. The parties ratify and confirm their respective obligations under the First Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have duly executed and delivered this Amendment on the date first written above.

FRANCHISOR	**FRANCHISEE**
Kitchen Guard Franchising, Inc.	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SCHEDULE "A"

DEVELOPMENT TERRITORY

Territory for the Additional Franchise Agreement (City, State):

The following zip codes in the state of [State]:

EXHIBIT D: CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement ("**Agreement**") is made this day of _____, 20___, by and between (the "**Franchisee**"), and _____, who is an owner, partner, shareholder, member, manager, supervisor, and employee of Franchisee (the "**Individual**").

RECITALS:

WHEREAS, Kitchen Guard Franchising, Inc. (**"Kitchen Guard"*)*** owns proprietary know-how and trade secrets relating to the establishment, marketing, promotion, and operation of businesses that provide commercial kitchen exhaust system cleaning, air duct cleaning, vapor cleaning, grease containment, filter exchanges, inspection, maintenance, and restoration services to commercial kitchens and restaurants (the **"Kitchen Guard System"**);

WHEREAS, Kitchen Guard has expended time, effort, and money to develop and protect business plans, procedures, training programs, and marketing identity in connection with the operation of the Kitchen Guard System;

WHEREAS, Kitchen Guard has rights to the trademark, distinctive logo, and identifying commercial symbol and design "Kitchen Guard Services", the service mark and name "Kitchen Guard", and other commercial symbols (such marks as now existing or as they may be developed hereafter being referred to herein as the **"Marks"**);

WHEREAS, Kitchen Guard maintains high standards of quality for its products and services such that valuable goodwill is attached to the Marks;

WHEREAS, Kitchen Guard has licensed Franchisee, under a Kitchen Guard Service Franchise Agreement (the **"Franchise Agreement"**), to operate a Kitchen Guard System franchise under the Marks using Kitchen Guard's trade secrets and other proprietary and confidential information in accordance with the Kitchen Guard System;

WHEREAS, Individual, by virtue of his or her position with Franchisee, will gain access to certain of Kitchen Guard's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement to which Franchisee is bound; and

WHEREAS, in order to protect Kitchen Guard's Confidential Information and intellectual property rights, Kitchen Guard requires, as a condition to Franchisee's license under the Franchise Agreement, that Franchisee's owners and employees enter into a Confidentiality and Non-Competition Agreement, in which the specified Individual promises to adhere to certain non-disclosure and non-competition covenants.

IN CONSIDERATION of these promises, Individual's status with Franchisee, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Individual hereby acknowledges that the Kitchen Guard System and the Marks are the sole and exclusive property of Kitchen Guard and hereby agrees that he/she shall not, directly or indirectly, in any manner or fashion, challenge or contest the right, title, or interest of Kitchen Guard in and to the Kitchen Guard System, nor shall Individual claim any right, title or interest in or to the Marks.
2. Individual shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, know-how, or techniques concerning the methods of operation of the business franchised thereunder which may be communicated to Individual or of which Individual may be apprised by virtue of Franchisee's operation under the terms of the Franchise Agreement ("**Confidential Information**"). In addition, any and all information, knowledge, know-how, and techniques which Kitchen Guard designates as

confidential (including the Operations Manual specified in Franchise Agreement) shall be deemed Confidential Information for purposes of this Agreement, except information which, at or after the time of disclosure by Kitchen Guard to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

3. Individual specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its status with Franchisee, Individual will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of the Kitchen Guard System.

4. Individual covenants and agrees that during the term of the Franchise Agreement, except as otherwise approved in writing by Kitchen Guard, Individual shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

   (i) Divert or attempt to divert any business or customer of the Kitchen Guard System or of any franchisee using the Kitchen Guard System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the Kitchen Guard System;

   (ii) Employ or seek to employ any person who is at that time employed by Kitchen Guard, Franchisee, or any other franchisee of Kitchen Guard, or otherwise directly or indirectly induce such person to leave his or her employment; or

   (iii) Own, maintain, engage in, participate in, make loans to, or have any interest in any business that offers products or services that are essentially the same as, or substantially similar to, the products or services that are part of the Kitchen Guard System, except other franchises offered by Kitchen Guard (any business carrying on such activities being herein called a **"Competing Business"**).

5. Individual covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Kitchen Guard, Individual shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

   (a) Provide or seek to provide products or services that are essentially the same as, or substantially similar to, the products or services that are part of the Kitchen Guard System, to any customer who was a customer of Franchisee, Kitchen Guard, or another franchisee of the Kitchen Guard System at any time during the twelve months prior to the beginning of the Post-Term Period;

   (b) Employ or seek to employ any person who, at any time during the six months prior to the beginning of the Post-Term Period, was employed by Kitchen Guard or by another franchisee of the Kitchen Guard System; or

   (c) Own, maintain, engage in, participate in, or have any interest in any Competing Business in the Franchisee's Territory. (This sub-section (c) shall not apply to those individuals who are only employees of Franchisee.)

6. As used in this Agreement, the term "Post-Term Period" shall mean a continuous uninterrupted period of 2 years from the date of: (a) a transfer permitted under Section 5 of the Franchise Agreement; (b) expiration or termination of the Franchise Agreement (regardless of the cause for termination); and/or (c) termination of Individual's status with Franchisee.

7. Individual acknowledges that any failure to comply with the requirements of this Agreement will cause Kitchen Guard irreparable injury, and Individual agrees to pay all court costs and reasonable attorneys' fees incurred by Kitchen Guard in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

8. All agreements and covenants contained herein are severable. If any of them, or any part or parts

of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Individual agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Kitchen Guard's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, Individual agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

9. No delay or failure by Kitchen Guard or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.
10. Individual hereby acknowledges and agrees that Kitchen Guard is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.
11. This Agreement shall survive the termination of Individual's relationship with Franchisee and the transfer, termination, or expiration of the Franchise Agreement.

IN WITNESS WHEREOF, Franchisee and Individual attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this day of _____, 20__.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

EXHIBIT E: OPERATIONS MANUAL TABLE OF CONTENTS

Topic	Approximate Number of Pages
OPERATIONS MANUAL	
1. General Administrative	14
2. General Operations & Safety	57
3. Onboarding and Facility	20
4. Equipment	34
5. Marketing	31
6. Sales	44
7. Field Operations	57
8. Field Handbook	155
Total Number of Pages	412

EXHIBIT F: LIST OF FRANCHISEES

Current as of December 31, 2025

State	Franchise ID	Contact	Address	Phone
AL	KG - BIRMINGHAM AL	Elliott, Owen	131 W. Oxmoor Road, Suite 119 Birmingham, AL 35209	(205) 807-4878
AL	KG - MONTGOMERY AL	Hugall, Bradley Evan	3000 Wyndham Industrial Drive Opelika, AL 36804	(334) 521-6753
AR	KG - BENTONVILLE AR	Kuilan, Jason	1724 Acorn Drive Rogers, AR 72756	(479) 372-6007
AZ	KG - PHOENIX AZ	Stansberry, Troy	2739 W Palm Lane Phoenix, AZ 85009	(602) 536-4663
CA	KG - IRVINE CA	Arcos, Elijah	3910 E Coronado St, Unit C Anaheim, CA 92087	(949) 445-1300
CA	KG - CHULA VISTA CA	Fudge, Alan, McAfee, Michael, Quinn, Walter	611 Rock Springs Road Escondido, CA 92025	(619) 488-1065
CA	KG - SAN DIEGO CA	Fudge, Alan, McAfee, Michael, Quinn, Walter	611 Rock Springs Road Escondido, CA 92025	(760) 743-4733
CA	KG - ESCONDIDO CA	Fudge, Alan, McAfee, Michael, Quinn, Walter	611 Rock Springs Road Escondido, CA 92025	(619) 488-1065
CA	KG - RIVERSIDE CA*	Gesselman, Tony	TBD	TBD
CA	KG - NORTH BAY CA	Heredia, Emilio	5102 Port Chicago Highway Concord, CA 94520	(925) 891-3206
CA	KG - SANTA MONICA CA*	Shakarian, Nareg	3910 East Coronado Street Anaheim, CA 92807	(310) 883-5343
CO	KG - BOULDER CO	Francis, Trista Eve	812 Baseline Place, Unit 1 Brighton, CO 80603	(720) 600-7036
CT	KG - FAIRFIELD CT	Damashek, Harris	425 Fairfield Avenue Stamford, CT 06902	(855) 335-4824
CT	KG – NEW HAVEN CT*	Fletcher, Jayson	TBD	(914) 450-8851
DE	KG - DELMARVA	Hooman, Trisha	410 Diamond State Boulevard Delmarva, DE 19709	(302) 772-2942
FL	KG - MIAMI FL*	Batista, Ernest	12260 SW 53rd Street, Suite 606 Cooper City, FL 33330	(954) 663-4737
FL	KG - JACKSONVILLE FL	Ehlinger, Christopher	9556 Historic Kings Rd S, Suite 407-408 Jacksonville, FL 32257	(904) 663-4737
FL	KG - ORLANDO FL*	Gardner, LaRone, Gardner, Dawn	TBD	(214) 923-3574
FL	KG - WEST PALM BEACH FL	Motes, John	3845 Investment Lane, Unit 1 West Palm Beach, FL 33404	(561) 970-2800
FL	KG - TAMPA FL	Mouttaki, Samir	2705 E Hanna Ave. Unit 4C Tampa, FL 33610	(813) 524-6511
GA	KG - LAWRENCEVILLE GA	Cox, Kenneth	2317 Danbury Lane Gainesville, GA 30507	(678) 707-5622
GA	KG - MARIETTA GA*	Dornevil, Kednerlin	1341 Capital Circle St Suite I Marietta, GA 30067	(404) 242-1112
IL	KG - CHICAGO CENTRAL IL	Gilani, Sohail	4203 N. Milwaukee Avenue, Unit A Chicago, IL 60641	(312) 500-0199
KY	KG - LOUISVILLE KY	Rosa, David, Rosa, Amanda	4735 Poplar Level Road Louisville, KY 40213	(502) 418-8095
MD	KG - ANNAPOLIS MD	Griffin, Charles	9225 Hampton Overlook Capitol Heights, MD 20743	1-866-367-5482

MD	KG - ALEXANDRIA VA*	Griffin, Charles	9225 Hampton Overlook Capitol Heights, MD 20743	TBD
MI	KG - DETROIT NORTH MI	Abu Seman, Abu Azrine	Royal Oak, MI	(248) 765-5027
MO	KG - ST LOUIS MO	Drake, Patrick	2324 Centerline Industrial Drive St Louis, MO 63146	(314) 940-7233
NC	KG - CHARLOTTE NC	Ord, Matt	4401 Bishop Drive Charlotte, NC 28217	(704) 230-4943
NC	KG - PIEDMONT TRIAD NC	Vukelich, Joshua	1112 Warren Street Greensboro, NC 27403	(855) 948-2731
NE	KG - NEBRASKA	Dornish, Tom, Dornish, Kyra	5030 S 16th St. Unit 4 Lincoln, NE 68512	(402) 480-6102
NJ	KG - BERGEN COUNTY NJ**	Patel, Konark	TBD	973-874-8234
NJ	KG - CHERRY HILL NJ	Gohil, Ankit	154 Cooper Road, #1503 West Berlin, NJ 08091	(856) 930-4553
NM	KG - ALBUQUERQUE NM*	Frantz, Tanya, Frantz, Daniel	4609 Lumber Ave. NE Albuquerque, NM 87109	(505) 651-5669
NV	KG - HENDERSON NV*	Harrington, Martin	4291 Polaris Ave Las Vegas, NV 89103	(702) 620-4505
OH	KG - AKRON OH	Onesti, Renee	3592 S. Arlington Rd. Akron, OH 44312	(844) 547-2334
OH	KG - COLUMBUS E OH	Sutter, Eric	108 E. College Ave Columbus, OH 43081	(614) 654-8273
SC	KG - GREENVILLE SC	Krige, Michelle	283 Lakewood Drive Mauldin, SC 29607	(864) 920-7776
SC	KG - COLUMBIA SC*	Reynolds, Thomas	TBD	(901) 679-4158
TN	KG - CHATTANOOGA TN	Higley, Jeremy, Ellis, Mark	109 Woodrow Avenue Chattanooga, TN 37415	(423) 275-6273
TN	KG - NASHVILLE TN	Kowalski, Curt	220 Great Circle Road, Suite 132 Nashville, TN 37228	(615) 546-0037
TX	KG - DALLAS TX*	Fudge, Alan, McAfee, Michael, Quinn, Walter	1000 Post & Paddock Road Grand Prairie, TX 75050	TBD
TX	KG - SPRING TX	Gutierrez, Benjamin	5479 W. Sam Houston Parkway N, Suite B Houston, TX 77041	(713) 489-0790
TX	KG - NEW BRAUNFELS TX	Johnson, Seth	314 E Nakoma, W-5 San Antonio, TX 78216	(210) 874-7396
TX	KG - SAN ANTONIO TX*	Johnson, Seth	314 E Nakoma, W-5 San Antonio, TX 78216	(210) 874-7396
TX	KG - EL PASO TX	Lawson, Jonathan, Lawson, Blanca	645 Wallenberg Dr. Suite A2 El Paso, TX 79912	(915) 297-9393
TX	KG - AUSTIN TX	Miguel, Reynaldo	18281 FM 150 Driftwood, TX 78652-3616	(512) 765-6625
TX	KG - WACO COLLEGE STATION TX	Thompson, Aaron, Fudge, Alan	359 Enterprise Boulevard Hewitt, TX 76643	(254) 855-2512
UT	KG - SALT LAKE CITY UT*	Jones, Dayton, Schultz Jr., Ray	TBD	TBD
UT	KG - PROVO UT	Jones, Dayton, Schultz Jr., Ray	778 N 1890 W Provo, UT 846501	(385) 412-1964
VA	KG - RICHMOND VA	Gaffney, Christopher	262 N Otterdale Rd Midlothian, VA 23113	(804) 823-8999
VA	KG - FAIRFAX VA*	Thacker, Nitya, Jayani, Pathik	TBD	(571) 344-4350

* Indicates names and addresses of Franchisees who have signed but not opened as of December 31, 2025.

**Indicates name and addresses of Franchisees who signed a development agreement, or who signed a Franchise Agreement in Q1 of 2026

EXHIBIT G: LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

The following is a list of the name, city and state and current business telephone number, of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

State	Franchise ID	Contact	Address	Phone
CO	KG – BOULDER CO *	Kleve, Ryan	2278 Clancy Ct Brighton, CO 80601	720-351-9905
CO	KG – AURORA CO *	Kleve, Ryan	2278 Clancy Ct Brighton, CO 80601	720-351-9905
RI	KG – RHODE ISLAND	Belton, Christopher	34 Woodside Drive Grafton, MA 01519	408-497-2375

* Transfer

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

EXHIBIT H: FRANCHISEE COMPLIANCE CERTIFICATION

PRE-CLOSING COMPLIANCE ACKNOWLEDGMENT

NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE):

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, DO NOT COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, you and we are entering into a Franchise Agreement for the operation of a franchised business offering the Franchised Business. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of the Business. Where a question refers to a "person speaking on behalf of the Franchisor," this phrase does not include other Franchisees, who are not authorized to speak on behalf of the Franchisor. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations. *

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least (a) 14 calendar days prior to signing the Franchise Agreement; **or** (b) if you are a resident of **New York**, at the earlier of the first personal meeting or 10 business days before the execution of the Franchise Agreement (or other agreement) or payment of any consideration; **or** (c) if you are a resident of **Michigan, or Iowa**, at the earlier of 10 business days before the execution of any binding agreement or payment of any consideration?

   Check one: ___ Yes ___ No.

   If no, please comment:

2. Have you studied and carefully reviewed our Disclosure Document and Franchise Agreement?

   Check one: ___ Yes ___ No.

   If no, please comment:

3. If the franchisor made any unilateral changes to the Franchise Agreement, did you receive a copy of the complete revised agreement at least 7 calendar days prior to the date on which the applicable agreement was executed?

   Check one: ___ Not Applicable ___ Yes ___ No.

   If no, please comment:

4. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement?

   Check one: ___ Yes ___ No.

   If no, please comment:

5. Was any oral, written, or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document?

   Check one: ___ No ___ Yes.

   If yes, please state in detail the oral, written, or visual claim or representation:

6. Except as stated in Item 19 of the Disclosure Document, did any employee or other person speaking on behalf of the Franchisor make any oral, written, or visual claim, statement, promise or representation to you that stated, suggested, predicted, or projected sales, revenues, expenses, earnings, income, or profit levels at any Franchised

Business location or business, or the likelihood of success at your franchised Business?

Check one: ___ No ___ Yes.

If yes, please state in detail the oral, written, or visual claim or representation:

7. Did any employee or other person speaking on behalf of the Franchisor make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one

   Check one: ___ No ___ Yes.

   If yes, please comment:

8. Do you understand that the Franchise Agreement grants you the right to operate a Franchised Business offering the Approved Services using the Trademarks for such Approved Service in a specified geographic area, and that we and our affiliates reserve any and all rights not expressly granted to you under the Franchise Agreement, as detailed and disclosed in Item 12 of the Disclosure Document. Check one: ___ Yes ___ No.

   If no, please comment:

9. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the Business, meaning that any prior oral or written statements not set out in the applicable agreement or in the disclosure document will not be binding?

   Check one: ___ Yes ___ No.

   If no, please comment:

10. Do you understand that the success or failure of the Business will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the Trademarks, interest rates, the economy, weather patterns, inflation, the number of employees you hire and their compensation, competition, and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you commence operations of the Business may change?

    Check one: ___ Yes ___ No.

    If no, please comment:

11. Do you understand that you are likely to achieve results that are different, possibly significantly and adversely, from the results shown in Item 19. Many factors, including the location of your Franchised Business, customers located within the territory, management capabilities, local market conditions, weather, and other factors, are unique to each Franchised Business and may significantly impact the financial performance of the business you operate.

    Check one: ___ Yes ___ No.

    If no, please comment:

12. Do you understand that during the term of the Franchise Agreement and for two years after it expires or terminates, you (including all Principal Operators, your Designated Manager and all guarantors, officers, directors, members, managers, and partners) may not, directly, or indirectly, have or maintain any interest in any business selling products or services similar to the Products and Services sold by a Franchised Business?

    Check one: ___ Yes ___ No.

    If no, please comment:

13. Do you understand that any training, support, guidance or tools we provided to you as part of the franchise are for the purpose of protecting the System, and brand and Trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over you decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all

other employment and employee related matters?

Check one: ___ Yes ___ No.

If no, please comment:

14. Do you understand that we do not make any promises or representations of any kind that you will achieve any particular results or level of performance or profitability or even achieve break-even results in any particular year of operation?

Check one: ___ Yes ___ No.

If no, please comment:

15. On the receipt pages of your disclosure document you identified _____ as the franchise seller(s) involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction?

Check one: ___ Yes ___ No.

If no, please identify any additional franchise sellers involved with this transaction:

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

<u>NOTE</u>: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

FRANCHISE APPLICANT

_____ _____
Franchisee Name Date

_____ _____
Franchisee Name Date

EXHIBIT I: STATE ADDENDA

CALIFORNIA
ADDENDUM TO THE KITCHEN GUARD SERVICES FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

The following paragraphs are added to the Disclosure Document:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dfpi.ca.gov.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN YOUR STATE INCLUDING, BUT NOT LIMITED TO, A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11

U.S.C.A. Sec. 101 et. seq.).

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Flroida with certain exceptions. These provisions may not be enforceable under California law.

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration is to occur at the office of the American Arbitration Association in Orlando, Florida with costs being borne by the non-prevailing party.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Neither the Franchisor, nor any person or franchise broker in Item 2 of the Franchise Disclosure Document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that associate or exchange.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

The disclosure document, franchise agreement and any document signed in connection with the franchise are supplemented with the following language: 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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CONNECTICUT

ADDENDUM TO THE KITCHEN GUARD SERVICES

FRANCHISE DISCLOSURE DOCUMENT

REQUIRED BY THE STATE OF CONNECTICUT

DISCLOSURES REQUIRED BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the product(s), equipment, or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be canceled.

Item 19 is amended to include the following: **"Caution: Some business opportunities have (sold)(earned) this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well."**

Kitchen Guard Franchising, Inc.

ISSUANCE DATE OF DISCLOSURE DOCUMENT:

April 1, 2026

*** The remainder of this page is intentionally blank ***

ILLINOIS

ADDENDUM TO THE KITCHEN GUARD SERVICES FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the Kitchen Guard Services Franchise Disclosure Document for use in the State of Illinois shall be amended as follows:

1. Item 17(b), under the heading "Renewal or extension of the term," shall be amended by the addition of the following language at the end thereof:

Your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/20.

2. Item 17(f), under the heading "Termination by the Company with cause," shall be amended by the addition of the following language at the end thereof:

The conditions under which your franchise can be terminated may be affected by Illinois law, 815 ILCS 705/19.

3. Item 17(v), under the heading "Choice of forum," shall be amended by the addition of the following language at the end thereof:

You may commence an action against us in Illinois with respect to any cause of action arising under Illinois law.

4. Item 17(w), under the heading "Choice of law," shall be amended by the addition of the following language at the end thereof:

Illinois law, however, will apply to all claims arising under Illinois law.

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

6. The disclosure document, franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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AMENDMENT TO THE KITCHEN GUARD SERVICES

FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the Kitchen Guard Services Franchise Agreement (the "**Franchise Agreement**") agree as follows with respect to franchises sold in the state of Illinois:

1. Section 1.4.3 of the Franchise Agreement, under the heading "Renewal Conditions," shall be supplemented by the addition of the following language at the end of the Section:

> If any of the provisions of this Section 1.4.3 concerning non-renewal are inconsistent with the provisions of Section 20 of the Illinois Franchise Disclosure Act of 1987, then the provisions of Section 20 of the Act shall apply.

2. Section 6.1 of the Franchise Agreement, under the heading "Termination by Franchisor," shall be supplemented by the addition of the following language at the end of the Section:

If any of the provisions of this Section 6.1 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then the provisions of Section 19 of the Act shall apply.

3. Section 7.1 of the Franchise Agreement, under the heading "Governing Law," shall be supplemented by the addition of the following language at the end of the Section:

Illinois law, however, will apply to all claims arising under Illinois law.

4. Section 7.2 of the Franchise Agreement, under the heading "Forum Selection; Jurisdiction," shall be supplemented by the addition of the following language at the end of the Section:

Franchisee shall not, however, be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or Illinois law outside of the state of Illinois.

5. Section 7.6 of the Franchise Agreement, under the heading "No Punitive Damages," shall be supplemented by the addition of the following language at the end of the Section:

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise disclosure Act or any other law of the State of Illinois is void.

6. Section 7.7 of the Franchise Agreement, under the heading "No Trial By Jury," shall be supplemented by the addition of the following language at the end of the Section:

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any law of the State of Illinois is void.

7. Section 7.9 of the Franchise Agreement, under the heading "Limitation of Claims," shall be supplemented by the addition of the following language at the end of the Section:

> No action shall be maintained under the Illinois Franchise Disclosure Act of 1987 to enforce any liability created by the Act unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of one year after Franchisee becomes aware of facts or circumstances reasonably indicating that it may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire.

8. The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other

term of any document executed in connection with the franchise.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Amendment to the Franchise Agreement in duplicate on the date indicated below.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

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MARYLAND

ADDENDUM TO THE KITCHEN GUARD SERVICES FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND

1. Item 17 is amended by adding the following language after the table:

   (a) You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

   (b) The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.)

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

   (d) The General Release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. The disclosure document, franchise agreement, development agreement and any document signed in connection with the franchise are supplemented with the following language:

   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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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AMENDMENT TO THE KITCHEN GUARD SERVICES

FRANCHISE AGREEMENT

REQUIRED BY THE STATE OF MARYLAND

The parties to the Kitchen Guard Services Franchise Agreement (the "**Franchise Agreement**") agree as follows with respect to franchises sold in the state of Maryland:

1. **No Release, Estoppel or Waiver of State Law**. All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law ("**Maryland Law**").

2. **Jurisdiction**. Any litigation arising from claims under Maryland Law may be brought by the Franchisee in Maryland.

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

4. **Limitation on Claims**. All claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise.

5. **General Release**. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

6. **Acknowledgments**. Section 7.24 of the Franchise Agreement is hereby deleted in its entirety.

7. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

8. The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

> 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Amendment to the Franchise Agreement in duplicate on the date indicated below.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____	By: _____
Print Name:	Print Name:
Its: Authorized Representative / Individual	Its: Authorized Representative / Individual

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MINNESOTA

ADDENDUM TO THE KITCHEN GUARD SERVICES

FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document of Kitchen Guard Services for use in the state of Minnesota shall be amended to include the following:

1. Item 13, "Trademarks," shall be amended by deleting the sixth paragraph and substituting the following paragraph in lieu thereof:

You must promptly notify the Company of any unauthorized use of any of the trademarks, or any colorable variation of the trademarks, by third parties. You must promptly notify the Company of any claim, demand, or suit against you based upon, or arising in connection with, your use of the trademarks. You have no authority to defend or prosecute any action relating to the trademarks, and the Company in its sole discretion, may elect to defend or prosecute any action relating to the trademarks. If the Company defends or prosecutes any action relating to the trademarks, you will execute any and all documents and do all acts necessary to carry out the litigation. Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), we are required to protect any rights which you have to use our Marks.

2. Items 17 (b), (c), (e), and (k) of the Franchise Agreement chart, under the headings "Renewal or extension of the term," "Requirements for you to renew or extend," "Termination by the Company without cause" and "Transfer by you – definition," shall be amended by the addition of the following language at the conclusion of the provisions:

Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably denied.

3. Item 17(m) of the Franchise Agreement chart, under the heading "Conditions for Company approval of transfer," shall be amended by adding the following language at the end of the Item:

The general release will not apply to any liability under the Minnesota Franchise Law.

4. Item 17 (v) of the Franchise Agreement chart, under the heading "Choice of forum," shall be amended by deleting in its entirety and replacing it with the following:

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit you from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or the Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. Item 17(w) of the Franchise Agreement chart, under the heading entitled "Choice of law," shall be amended by adding the following language at the end of the Item:

This provision may not be enforceable under Minnesota law.

6. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules

§§ 2860.0100 through 2860.9930 are met independently without reference to this Addendum to the Franchise Disclosure Document.

7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

8. The disclosure document, franchise agreement, development agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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AMENDMENT TO KITCHEN GUARD SERVICES FRANCHISE AGREEMENT

REQUIRED BY THE STATE OF MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn Rules. §§ 2860.0100 through 2860.9930, the parties to the attached Kitchen Guard Services Franchise Agreement (the "**Franchise Agreement**") agree as follows:

1. Sections 1.4, 5.2.4 and 6.1 of the Franchise Agreement, under the headings entitled "Term," "Conditions to Transfer," and "Termination by Franchisor," shall be supplemented by the addition of the following language:

Minnesota law provides franchisees with certain termination, non-renewal and transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 3, 4, and 5) currently requires, except specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

2. Section 3.11.3 of the Agreement, under the heading "Obligations of Franchisee," shall be amended by the addition of the following new paragraph:

Pursuant to Minnesota Stat. Sec. 800.12, Subd. 1(g), Franchisor is required to protect any rights Franchisee may have to Franchisor's Marks.

3. Section 7.1 of the Franchise Agreement, under the heading entitled "Governing Law" shall be supplemented by the addition of the following:

7.1.1 Pursuant to Minn. Stat. § 80C.21, this Section 25 shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

4. Section 7.2 of the Franchise Agreement, under the heading entitled "Forum Selection; Jurisdiction," shall be supplemented by the addition of the following language:

Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibits Franchisor from requiring litigation to be conducted outside Minnesota. This Section 26.4 shall not in any way abrogate or reduce any of Franchisee's rights as provided for in the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

5. Section 7.2 of the Franchise Agreement, under the heading entitled "Forum Selection; Jurisdiction," shall be supplemented by the addition of the following:

Pursuant to Minn. Stat. § 80C.17 (subd. 5), this Section 7.2 shall not in any way abrogate or reduce the time period for bringing a civil action under Minn. Stat.

§ 80C.17.

6. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

7. The disclosure document, franchise agreement, development agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

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NEW YORK

ADDENDUM TO THE KITCHEN GUARD SERVICES FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

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

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

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

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

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NORTH CAROLINA

ADDENDUM TO THE KITCHEN GUARD SERVICES

FRANCHISE DISCLOSURE DOCUMENT

REQUIRED BY THE STATE OF NORTH CAROLINA

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

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NORTH DAKOTA
ADDENDUM TO KITCHEN GUARD SERVICES
FRANCHISE DISCLOSURE DOCUMENT
FOR USE IN NORTH DAKOTA

1. The first sentence of the summary column of Item 17, paragraph c. of this disclosure document is modified as follows:

   "Sign new franchise agreement, which may contain materially different terms and conditions than your initial franchise agreement, comply with current Franchise Agreement, exercise diligent efforts to develop your franchise during the term in a manner acceptable to us, meet our then current subjective and objective standards for new franchisees, provide us with requested documentation, give timely notice of desire to renew, execute a general release (except for matters coming under the North Dakota Franchise Investment Law (the "**ND Law**"), complete required training and consulting programs, and attend all required meetings and events."

2. The summary column of Item 17, paragraph (i) of this disclosure document is modified by adding the following at the end of the sentence:

   "The Franchisee is not required to pay liquidated damages upon termination for any matters coming under the ND Law."

3. The Summary column of Item 17, paragraph (r) of this disclosure document is modified by adding the following at the end of the sentence:

   "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

4. The Summary column of Item 17, paragraph (u) of this disclosure document is amended by adding the following at the end of the paragraph:

   "except those matters coming under the ND Law will be submitted to arbitration in a mutually agreeable location and may not be remote from the franchisee's place of business."

5. The Summary column of Item 17, paragraph (v) of this disclosure document is amended to read as follows:

   "Except for matters coming under the ND Law, litigation must be in Spartanburg, South Carolina."

6. The Summary column of Item 17, paragraph (w) of this disclosure document is amended to read as follows:

   "Except for matters coming under the ND Law, the laws of South Carolina apply."

7. The Franchisee is not required to consent to a waiver of exemplary and punitive damages.

8. The Franchisee is not required to waive jury trial for any matters coming under the ND

   1.

   Law.

9. The Franchisee is not required to consent to limitation of claims within 1 year for any matters coming under the ND Law.

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

11. The prevailing party in any enforcement action is entitled to recover all costs and expenses including

attorney's fees.

RIDER TO

KITCHEN GUARD SERVICES FRANCHISE AGREEMENT

FOR USE IN NORTH DAKOTA

This Rider is entered into this _____, 20___ (the "**Effective Date**"), between **KITCHEN GUARD, FRANCHISING, INC.** ("**Kitchen Guard**"), a Delaware limited liability company ("**Franchisor**"), and _____ ("**Franchisee**") and amends the Franchise Agreement between the parties dated as of the Effective Date, (the "**Agreement**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Renewal Conditions**. Franchisee is not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the "**ND Law**").

3. **Liquidated Damages Upon Termination Due to Franchisee's Default**. The provision relating to Liquidated Damages is deleted.

4. **Competition**. Covenants not to compete, such as those mentioned in this section, are generally considered unenforceable in the state of North Dakota.

5. **Arbitration**. All matters coming under the ND Law will be submitted to arbitration in a mutually agreeable location and may not be remote from the Franchisee's place of business.

6. **Forum Selection; Jurisdiction**. All matters coming under the ND Law may be brought in the courts of North Dakota.

7. **Governing Law**. This Agreement will be governed by and interpreted under the laws of North Dakota.

8. **No Punitive Damages**. Section 7.6 of the Franchise Agreement has been deleted in its entirety.

9. **No Trial by Jury**. Section 7.7 of the Franchise Agreement is deleted in its entirety.

10. **Limitation of Claims**. The statute of limitations under ND Law applies to all matters coming under ND Law.

11. **Costs and Legal Fees**. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

12. **Payment of Initial Franchise Fee**. After examination of the financial statements of franchisor by the North Dakota Securities Department, it has been determined that adequate financial resources may not be available to the franchisor for the performance of its obligations to furnish good and/or services to assist franchisees in establishing and opening their franchise business. As such, payment of the initial franchise fee will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

13. 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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound the Franchisor and Franchisee sign and deliver this Rider in 2 counterparts effective on the date of execution of the Agreement, regardless of actual date of signature.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

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VIRGINIA

ADDENDUM TO THE KITCHEN GUARD SERVICES

FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginian Retail Franchising Act, the Franchise Disclosure Document for Kitchen Guard Franchising, Inc. for use in the Commonwealth of Virginia shall be amended as follow:

The following statements are added to Item 17.h:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforced.

Under subsection D of §13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of §13.1-563 of the Virginia Retail Franchising Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

The disclosure document, franchise agreement, development agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation**. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants**. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements**. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Item 5 of the Disclosure Document is amended as follows:

    For Washington franchisees, the franchisor will defer collection of the initial franchise fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchise

is open for business.

Franchisees who receive financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

The undersigned parties do hereby acknowledge receipt of this addendum.

Dated this ____ day of _____, 20__.

FRANCHISOR:

Kitchen Guard Franchising, Inc.

By: _____

Print Name:

Its: Authorized Representative

FRANCHISEE:

By: _____

Print Name:

Its: Authorized Representative / Individual

By: _____

Print Name:

Its: Authorized Representative / Individual

*** The remainder of this page is intentionally blank ***

EXHIBIT J: SAMPLE FORM OF GENERAL RELEASE

RELEASE OF CLAIMS

For and in consideration of the Agreements and covenants described below, Kitchen Guard Franchising, Inc. ("Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. Franchisor and Franchisee entered into a Kitchen Guard Franchise Agreement dated _____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. Consideration. [NOTE: Describe the consideration paid.]

2. [NOTE: Detail other terms and conditions of the release.]

3. Release of Claims by Franchisor. Except as noted in this Section 4, and subject to your compliance with the terms and conditions of this Agreement, including the payment of $ _____ to Franchisor, Franchisor, for itself, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the "Franchisor Parties"), hereby release and forever discharge Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Parties") from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which you may now or in the future own or hold, that in any way relate to the Franchise Agreement (collectively, "Claims"), for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisor Parties do not release the Franchisee Parties from any obligations arising by virtue of this Agreement and the Franchisee Parties' failure to comply with those obligations. Further, the Franchisor Parties do not release the Franchisee Parties from any Claims related to Franchisee's (i) indemnification obligations under Section _of the Franchise Agreement, (ii) non-disclosure obligations under Section of the Franchise Agreement, and (iii) post- termination non-compete obligations under Section _of the Franchise Agreement, each of which remain in full force and effect and are incorporated by reference in this Agreement.

4. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties release and forever discharge the Franchisor Parties of and from any and all Claims, for known or unknown damages or other losses including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other related agreement between you and Franchisor or your affiliate and Franchisor.

The Franchisee Parties do not release the Franchisor Parties from any obligations arising by virtue of this Agreement and the Franchisor Parties' failure to comply with those obligations.

[**FOR USE IN MARYLAND]:** Further, the Franchisee Parties and the Franchisor Parties acknowledge that the release set forth in this Section 5 does not release the Franchisor Parties from any liability under the Maryland Franchise Registration and Disclosure Law.

[**FOR USE IN CALIFORNIA]:** The Releasors, for themselves, their heirs, successors, and assigns, hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereinafter existing under the laws of California or any other applicable federal and state law with jurisdiction over the parties relationship. The Franchisee Parties acknowledge that Section 1542 of the Civil Code of the State of California provides as follows:

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

5. **Acknowledgement.** The releases of Claims set forth in Section 4 and Section 5 are intended by the Franchisor Parties and the Franchisee Parties (collectively, the "Parties") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the one of the Parties against the other Party regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Parties' respective intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Agreement shall void the releases set forth in this Agreement.

6. **Reservation of Claims Against Non-Settling Parties.** Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the state of _____.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____ KITCHEN GUARD FRANCHISING, INC.

By_____

Its_____

Dated: _____ FRANCHISEE:_____

By_____

*This Agreement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

EXHIBIT K: STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	Pending Registration
Hawaii	Not Registered
Illinois	Pending Registration
Indiana	Pending Registration
Maryland	Pending Registration
Michigan	Pending Registration
Minnesota	Pending Registration
New York	Pending Registration
North Dakota	Pending Registration
Rhode Island	Pending Registration
South Dakota	Pending Registration
Virginia	Pending Registration
Washington	Pending Registration
Wisconsin	Pending Registration

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

EXHIBIT L: RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kitchen Guard Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first.

If Kitchen Guard Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit A to this disclosure document).

The franchisor is Kitchen Guard Franchising, Inc., located at 6700 Forum Drive, Suite 150, Orlando, FL 32821. Its telephone number is 940-331-0740.

We authorize the respective state agencies identified on Exhibit A to receive service of process for us if we are registered in the particular state.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are: John Dobelbower, Cassidy Ford, Alfonso Vilches, Jamie Lavigne, and Chelsea Hall of EverSmith Brands, act as our Franchise Sellers. Their principal business address is 6700 Forum Drive, Suite 150, Orlando, FL, 32821, 940-331-0740
_____, of _____ acts as our Franchise Seller. His/her principal business address is _____.

Issuance Date: April 1, 2026. (See State Effective Dates page immediately prior to the Receipt for state effective dates.)

I have received a disclosure document dated: April 1, 2026, that included the following exhibits:

A. State Administrators and Agents for Service of Process
B. Financial Statements and Guaranty
C. Franchise Agreement
D. Confidentiality and Non-Competition Agreement
E. Operations Manual Table of Contents
F. List of Franchisees
G. List of Franchisees Who Have Left The System
H. Franchisee Compliance Certification
I. State Addenda
J. Form of General Release
K. State Effective Dates

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

KEEP THIS COPY FOR YOUR RECORDS

This Disclosure Document is available by request in either paper or .pdf format, please contact john.dobelbower@eversmithbrands.com.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kitchen Guard Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first.

If Kitchen Guard Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit A to this disclosure document).

The franchisor is Kitchen Guard Franchising, Inc., located at 6700 Forum Drive, Suite 150, Orlando, FL 32821. Its telephone number is 940-331-0740.

We authorize the respective state agencies identified on Exhibit A to receive service of process for us if we are registered in the particular state.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are: John Dobelbower, Cassidy Ford, Alfonso Vilches, Jamie Lavigne, and Chelsea Hall of EverSmith Brands, act as our Franchise Sellers. Their principal business address is 6700 Forum Drive, Suite 150, Orlando, FL, 32821, 940-331-0740.

_____, of _____ acts as our Franchise Seller. His/her principal business address is _____.

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I. State Addenda
J. Form of General Release
K. State Effective Dates

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to John Dobebower, Kitchen Guard Franchising, Inc, 6700 Forum Dr Ste 150, Orlando, Florida 32821-8013, 940-331-0740, john.dobelbower@eversmithbrands.com.

Copy for Kitchen Guard Franchising, Inc.