

FRANCHISE DISCLOSURE DOCUMENT



**U.S. LAWNS, INC.
A Florida Corporation
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U.S. LAWNS franchisees will operate a business to provide landscape maintenance and related services to commercial and residential customers.

The total investment necessary to begin operation of a U.S. LAWNS Standard Franchise is \$113,000 to \$200,000. This includes \$49,000 to \$53,000 that must be paid to us or our affiliates. The total investment necessary to begin operation of a U.S. LAWNS Conversion Franchise is \$71,500 to \$150,000. This includes \$39,000 to \$43,000 that must be paid to us or our affiliates.

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 Pam Dolan at the above address and telephone number.

The terms of your contract will govern your franchise relationship. Do not 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 on franchising.

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

Issuance Date: April 1, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A 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 U.S. LAWNS 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 U.S. LAWNS franchisee?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in 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. **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.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate the business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
5. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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

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

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

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

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

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

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

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

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

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

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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 the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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EXHIBITS

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

To simplify the language in this Disclosure Document, “U.S. Lawns” or “we” mean U.S. Lawns, Inc., the franchisor. “You” means the franchisee or the person or business entity that buys the franchise. We conduct business under the name U.S. Lawns and maintain our principal place of business at 6700 Forum Drive, Suite 150, Orlando, FL 32821. We do not have any predecessors. Our agents for service of process are identified in Exhibit D.

The Franchisor, Parents, Predecessors, and Affiliates

We were incorporated in Florida on August 26, 1986, and have been offering franchises for landscape maintenance since 1986. We have not in the past and, as of the date of this Disclosure Document, do not plan in the future to sell franchises in any other lines of business. We have not operated any other type of business.

On January 12, 2024, Clintar, Inc. acquired 100% of the issued and outstanding shares of U.S. Lawns, Inc. As a result of this transaction, 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. which are managed by The Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses and it maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111.

Our affiliate milliCare, Inc. is a Delaware Corporation formed on September 17, 2021, with its principal business address at 6700 Forum Drive, Suite 150, Orlando, FL 32821, whose predecessor offered milliCare Floor & Textile Care franchises from January 2011 until December 2021. Our affiliate, and milliCare, Inc.’s subsidiary, is milliCare Franchising, LLC, which is a Delaware limited liability company formed on January 31, 2022, with its principal business address at 6700 Forum Drive, Orlando, FL 32821 which has offered milliCare Floor & Textile Care franchises since March 2022. milliCare Floor & Textile Care franchised businesses offer cleaning and maintenance of floor coverings and interior finishes and related services. As of December 31, 2024, there were 56 milliCare Floor & Textile Care franchises operating in the United States.

Our affiliate Restoration Specialties Franchise Group, LLC is a Michigan limited liability company formed on March 23, 2012, with its principal business address at 6700 Forum Drive, Suite 150, Orlando, FL 32821, offers restoration service franchises under the mark “Prism Specialties.” As of December 31, 2024, there were 93 Prism Specialties franchises operating in the United States.

Our affiliate Kitchen Guard Franchising, Inc. is a Delaware corporation formed on June 23, 2023, with its principal business address at 6700 Forum Drive, Suite 150, Orlando, FL 32821, and began offering franchises in August 2023. A Kitchen Guard franchised business offers commercial kitchen exhaust system cleaning, inspection, maintenance, and restoration services. As of December 31, 2024, there were five Kitchen Guard franchises operating in the United States.

Our affiliate TruServ Groundscare, Inc. is an Ontario corporation with an address at 6700 Forum

Drive, Suite 150, Orlando, FL 32821, and it offers outdoor service franchises under the “Clintar” mark in Canada featuring landscape design and grounds maintenance. As of December 31, 2024, there are 23 franchised Clintar businesses operating in Canada.

Our affiliate The Seals Franchising, LLC is a North Carolina limited liability company formed in August 2019 with its principal business address at 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, 2024, there were four franchised The Seals businesses operating in the United States.

The Company’s agents for service of process are set forth in Exhibit D.

Through various private equity funds managed by The Riverside Company the following portfolio companies of The Riverside Company offer franchises in the United States:

Evive Brands

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, 2024, Executive Care had 22 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, 2024, B&P had 61 franchises operating in the United States.

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, 2024, ALL had 162 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, 2024, Brothers had 355 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 Terminal Tower 50 Public Square, 29th Floor Cleveland, OH 44113. A Bishops franchise offers haircuts, coloring, and barber services. As of December 31, 2024, BCC had 40 franchises 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 2679 West Main, #363, Littleton, CO

80120. A Frenchies Modern Nail Care franchise offers hand and foot care. As of December 31, 2024, Frenchies had 23 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 4370 Varsity Drive, Suite G, Ann Arbor, MI 48108. A Lash Lounge franchise offers permanent and temporary eyelash and eyebrow extensions and other eye enhancing services. As of December 31, 2024, Lash had 140 Lash Lounge franchises operating 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, 2024, Blue Moon had 124 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, 2024, Boost had six franchises in operation in the United States.

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, 2024, ComForCare had 248 franchises operating 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, 2024, CarePatrol had 201 Care Patrol franchises operating in the United States.

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, 2024, Next Day had 50 franchises operating in the United States.

Threshold Brands

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, 2024, PHP had 15 Plumbing

Paramedics and 14 Heating + Air Paramedics franchises operating in the United States.

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, 2024, MaidPro had 237 franchises operating in the United States.

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, 2024, MIK had 23 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, 2024, Pestmaster had 57 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, 2024, USA Insulation had 109 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, 2024, Granite had 55 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, 2024, Mold Medics had six 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, 2024, Sir Grout had 71 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, 2024, Miracle Method had 201 franchises and two master franchises operating in the United States.

The Franchise Offered

We franchise the right to operate a business (a “U.S. Lawns Landscape Business” or U.S. Lawns Business”) which provides, within a territory (“Territory”), certain landscape maintenance services identified in the Franchise Agreement (collectively, “Landscape Maintenance Services”). Such services include the following specific landscape maintenance and related services: (1) lawn mowing, edging, blowing, line trimming; (2) pruning, selective pruning, shearing, weeding, raking, and tree trimming of trees up to 15 feet in height; (3) fertilization; (4) lawn, shrub and tree insect and disease control, (5) pre-emergent and post-emergent weed control; (6) lawn and ornamental consultation; (7) irrigation installation, operation, inspection, consultation, repair, remedial installation and installation relating to landscape construction; (8) sales and installation of authorized landscape products and the sales and the installation of living landscape materials such as plants, trees, and flowers; (9) lawn seeding, overseeding, aerification, thatching and grading; (10) arborist services; and (11) snow management and other snow related services authorized by us. You will sign a Franchise Agreement in the form attached as Exhibit B (the “Franchise Agreement”).

In addition to our standard franchise opportunities, we offer a conversion franchise opportunity to existing active landscape businesses. A conversion franchise is offered to those with businesses with gross billings of more than \$360,000 per year. For each Conversion Franchise, the franchisee will sign the Franchise Agreement and the Conversion Addendum attached as Schedule B to the Franchise Agreement. In Items 5 and 6 we describe modifications to the initial franchise fee, royalty fee and marketing contributions for conversion franchisees. In Item 6 we also describe an adjusted royalty fee schedule as part of renewals or transfers for franchisees that entered into a Franchise Agreement prior to April 18, 2018. Such franchisees can renew or transfer their existing agreement under the terms of the Franchise Agreement attached as Exhibit B and the appropriate Addendum included as part of Exhibit B. Except for the adjusted royalty fee set forth in the appropriate Addendum, conversion franchisees or franchisees renewing, transferring or entering into a new agreement for a new territory will sign the Franchise Agreement attached as Exhibit B.

The Market for the Services

The general market for providing landscape maintenance services is very competitive and widespread and includes national and regional competitors as well as local owner-operated firms and in-house operations.

Industry-Specific Regulations

U.S. LAWNS franchises are regulated by federal, state and local laws regarding pesticide usage and storage (including the Federal Insecticide, Fungicide and Rodenticide Act), the Occupational Safety and Health Act, and various state and local licensing requirements for contractors. You must operate your franchise in compliance with all of these laws as well other local, state and federal laws applicable that apply to businesses generally, and we urge you to make further inquiries about these laws. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer, President, and Director: Kenneth Hutcheson

Ken Hutcheson joined our company in 1995 and has served as our President at our offices in Orlando, Florida since February 2005. Since May 2024, Mr. Hutcheson has also served as our CEO and director and holds the same position in EverSmith Brands and with each of our affiliates.

Chief Operating Officer: Justin Ghadery

Justin Ghadery has served as our Chief Operating Officer since September 2024 and holds the same position in EverSmith Brands and with each of our affiliates. Mr. Ghadery has also served as our Interim Brand President for our affiliate Prism Specialties since October 2024 and for our affiliate Kitchen Guard since November 2024. Mr. Ghadery has served on the Board of Advisors for Best Life Brands since September 2022 and 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. Mr. Ghadery served as Title Boxing Club's Chief Operating Officer in Culver City, California, from January 2021 to December 2021. From September 2016 to September 2020, Mr. Ghadery served as Senior Executive Vice President at Gold's Gym in Dallas, 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. From March 2019 to October 2020, Ms. Thoma served as Chief Financial Officer and Chief Administrative Officer for Shearwater Health in Nashville, Tennessee.

Senior Vice President, Brand Development: David Wells

David Wells has been with us since April 2018 in Orlando, Florida, and since May 2024 has served as our Senior Vice President, Brand Development, holding the same position in EverSmith Brands and with each of our affiliates. From February 2022 to May 2024, he served as our Vice President, Brand Development. From January 2021 to February 2022, he served as our Senior Director, Brand Development. Prior to this position, Mr. Wells held the position of Senior Director of Franchise Recruiting.

Brand Leader: RJ Krone

RJ Krone has served as our Brand Leader since March 2024. Mr. Krone previously served as President of Extraordinary Brands in Chicago, Illinois from December 2023 to March 2025. Mr. Krone served as Vice President for PVolve in Chicago, Illinois, from April 2020 to December 2023. Mr. Krone served as Vice President of Operations for Spring-Green Lawn Care, located in Plainfield, Illinois, from October 2013 to April 2020.

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 also served as CEO of Clearlake, LLC in Glendale, Arizona since April 2014.

Director: Brian Sauer

Brian Sauer has served as a director since January 2024. Mr. Sauer has served as a director of our parent EverSmith Brands since July 2021, and as a director of our affiliates TruServe Groundcare, Inc. since December 2020, milliCare, Inc., Inc. since September 2021, milliCare Franchising, LLC since its inception in January 2022, Clintar Franchising, Inc. since its inception in March 2023, and Kitchen Guard Franchising, Inc. since its inception in June 2023. 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

No bankruptcy information must be disclosed in this Item.

ITEM 5
INITIAL FEES

You pay us an initial franchise fee of \$49,000 when you sign the Franchise Agreement. The initial franchise fee is paid in a lump sum. If you are an honorably discharged veteran, your initial franchise fee is \$44,000. You must pay an initial franchise fee of \$39,000 for a Conversion Franchise. If you purchase additional franchises as part of a multi-pack at the same time that you purchase your first franchise, the fee for each additional franchise is \$40,000. The initial franchise fee, in all cases, is fully earned upon receipt and is not refundable. If you are approved to purchase an additional U.S. Lawns franchise after at least one year 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.

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.

You must engage in grand opening advertising of \$1,000 per month for the first year of operations as we may direct. You should begin advertising at least 30 days prior to the opening of your business or expend such funds as we direct. We may require you to pay this amount to us or our affiliates or directly to third-party vendors in our sole discretion. If paid to us, we will expend these funds on your behalf in our sole discretion. You may spend additional amounts on other pre-opening advertising that are arranged or approved by us.

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 FEES¹

FEES ¹	AMOUNT	DUE DATE	REMARKS
Royalty ^{2 & 3}	<p>The Royalty is based on a sliding scale:</p> <ul style="list-style-type: none"> • If your Gross Billings⁴ in the calendar month are \$62,500 or less, you pay 6% of Gross Billings. • If your Gross Billings in the calendar month are over \$62,500 but equal to or less than \$125,000, you pay 6% of Gross Billings up to and including \$62,500, plus 5% of the Gross Billings between \$62,500.01 and \$125,000. • If your Gross Billings in the calendar month are over \$125,000, you pay 6% of all Gross Billings up to and including \$62,500, plus 5% of the Gross Billings between \$62,500.01 and \$125,000, plus 4% of the Gross Billings in excess of \$125,000. <p>If you provide Landscape Maintenance Services to customer locations which are located outside your Territory, you pay 6% of Gross Billings for such services regardless of your Gross Billings in the calendar month.</p>	15th of each month for the Gross Billings for the previous month	We reserve the right to collect by electronic funds transfer (EFT).
Marketing Contribution ²	Currently, the lesser of 2% of Gross Billings or a "Marketing Cap" of \$650 per month	15th of each month for the previous month	We reserve the right to increase the Marketing Cap and/or the percentage you pay, although in no instance will your Marketing Contribution exceed 3% of Gross Billings (which means that we can increase the Marketing Cap of \$650 up to an amount equal to 3% of Gross Billings, which means you may pay more than \$650 depending on your Gross Billings).
Technology Fee/CRM Fee/Accounting Software Fee ⁵	<p>The then-current monthly fee, which is currently \$299</p> <p>Separate from the Technology Fee is a CRM (customer relationship management) fee, currently between \$250-\$450 annually, as determined by the third-party supplier, and an accounting software we specify (currently QuickBooks), with an annual amount</p>	15 th of each month for the previous month; the CRM fee is an annual subscription-based fee due 15 days after invoiced	We reserve the right to collect by electronic funds transfer (EFT). We may increase monthly support and maintenance fees, and/or modify the services that are provided for these fees with 60 days' notice,

FEES ¹	AMOUNT	DU DATE	REMARKS
	currently equal to \$215-\$400, as determined by the third-party supplier		although such fees will not increase by more than 50% during any 12-month period.
Regional Account Management Fee ⁶	Variable, although the current range of the fee is 1%-10% of the fees paid by the regional account See Note 6	Will be deducted from amounts owed to you for Regional Accounts Work	We will administer and manage the Regional Accounts program.
Transfer	The then-current transfer fee, which we will not increase by more than 5% in any calendar year Currently, \$15,000 for the first agreement (reduced to \$5,000 if sold to an existing U.S. Lawns Franchisee) plus \$2,500 for each additional franchise agreement transferred in the same transaction.	Upon transfer	Paid at closing of the transfer. Subject to applicable state law.
Audit ⁷	Cost of audit plus interest of 1-1/2% per month or the highest legal rate for open account business credit, whichever is greater on the unpaid amount at the rate.	15 days after invoiced	Payable only if audit shows understatement of at least 3% of Gross Billings for any month.
Indemnification	Will vary under circumstances	As incurred	You must indemnify us, against all losses and claims arising from the operation of your Business.
Penalty, Late Fee and Interest	We may assess a \$5.00 per day penalty for late submission of reports or financial information. There is a minimum \$25 late fee for payments and reports plus the greater of 1-1/2% per month and the highest legal rate for open account business credit.	When billed	Payable on all overdue amounts and late reports.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	You must reimburse us for fees and costs we incur from your failure to make payments, submit reports or failure to comply with the Franchise Agreement.
Resale Assistance Fee	An amount equal to the greater of (i) \$10,000; or (ii) our actual costs, including but not limited to any broker commission that may be incurred, due, or required arising from the transfer	As incurred. Before transfer	Payable by you if we find a buyer for your franchise. See Note 8.
Renewal Fee	Our then-current renewal fee, which will not be more than 20% of the then-current Initial Franchise Fee. Currently, \$5,000	The day you sign a renewal franchise agreement	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)

FEES ¹	AMOUNT	DU DATE	REMARKS
			years. The Renewal Fee will not be more than 20% of the then-current Initial Franchise Fee.
Additional and Ongoing Training Fees	Our then-current fees, which will not exceed \$750 per day plus our actual travel costs and expenses Currently, we do not impose an additional training fee	As incurred	If you request additional training or we deem additional training is necessary, we reserve the right to charge you our then-current training fee
Annual Convention Fee	Our then-current fee, which shall not exceed \$1,000 Currently, \$0	As incurred	We reserve the right to charge you our then-current fee in connection with our annual conference or convention that we hold.
Failure to Maintain Insurance	Our actual costs and expenses, together with a \$5.00 per day penalty for each day that such costs and expenses are not repaid to us, with a minimum \$25 late fee, plus the greater of 1-1/2% per month and the highest legal rate for open account business credit.	When billed	If you fail to obtain or maintain any insurance that is required under the Franchise Agreement, we may, but are under no obligation to, obtain the required insurance at your sole cost and expense.

¹ All fees are imposed by and payable to us, unless otherwise noted. All fees are non-refundable.

² If you are a conversion franchisee, for the first 365 days of the Franchise Agreement you will not pay any royalties on your conversion customers, as identified in Schedule 1 to the Conversion Addendum (although you will pay royalties on new customers), nor will you pay any marketing contributions for the first 365 days of the Franchise Agreement.

If you are an existing franchisee who entered into a Franchise Agreement prior to April 18, 2018, and you wish to renew your Franchise Agreement or transfer your Franchise Agreement, you will pay Royalties according to the following sliding scale so long as you are in compliance with your Franchise Agreement and any other agreement with us or our affiliates (including all payment obligations):

- If your Gross Billings in the calendar month are \$41,500 or less, you pay 6% of Gross Billings.
- If your Gross Billings in the calendar month are over \$41,500 but equal to or less than \$62,500, you pay 5% of Gross Billings.
- If your Gross Billings in the calendar month are over \$62,500 but equal to or less than \$83,250, you pay 4% of Gross Billings.
- If your Gross Billings in the calendar month are over \$83,250, you pay 3% of all Gross Billings.
- If your Gross Billings in the calendar month are over \$104,166, you pay 3% of all Gross Billings up to and including \$104,166, plus 1.5% of the Gross Billings in excess of \$104,166.

Except for the adjusted royalty fee set forth above and in the appropriate Addendum, franchisees who signed a Franchise Agreement prior to April 18, 2018 who are renewing or transferring will sign the Franchise Agreement attached as Exhibit B and be obligated to all terms of such Franchise Agreement. In the event that such a renewing franchisee is not in compliance as noted above and as set forth in the applicable Addendum, the Royalty fee will increase to the Royalty fee noted in the chart above, which is the fee set forth in Section 8.B of the Franchise Agreement.

³ You must pay a minimum Royalty for each Territory you own. Payment of the minimum monthly Royalty commences on the one-year anniversary of your completion of U.S. Lawns Training and shall be in the following amounts:

- Months 13 to 18: \$450.00 per month
- Months 19 to 24: \$550.00 per month
- Months 25 and thereafter: \$650.00 per month

For franchisees that purchase multiple territories as part of a multi-pack, we reserve the right to adjust the minimum royalty timeline to commence with the launch date of each additional unit.

⁴ “Gross Billings” means the gross amount billed by you during any calendar month, whether or not payment is received therefore, on account of Landscape Maintenance 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 exclude sales taxes collected and paid to the proper authorities.

⁵ The monthly Technology Fee will cover the use of maintenance and support for the software and other technology you are required to use. We reserve the right to increase this monthly fee, as we add to, enhance or upgrade the technology. We will provide you with at least 60 days’ notice of any increases to the monthly fee, although the fee will not increase by more than 50% during any 12-month period. You also are required to use our designated CRM vendor, with a current CRM annual fee of \$250-\$450 (subject to change). In addition to the CRM fee, you also must use the accounting software we specify (currently QuickBooks), for which you will pay QuickBooks an annual amount equal to \$215-\$400 (subject to change). We also reserve the right to implement other technology related fees in the future.

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 Interest accrues from the date of underpayment.

⁸ In the event that the transferee was introduced to you by the franchisor, its agents, or otherwise was a prospective franchisee working with franchisor’s sales team or outside brokers, you will pay us a resale assistance fee (“Resale Assistance Fee”), in addition to the Transfer Fee, equal to the greater of (i) \$10,000; or (ii) our actual costs, including but not limited to any broker commission that may be incurred, due, or required arising from the transfer.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – Standard Franchise

FEES	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	\$49,000 (\$44,000 for veterans) (Note 1)	Lump sum or Financed (Note 1)	At signing of Franchise Agreement	Us
Grand Opening Advertising (Note 2)	\$4,000	Monthly for first year	Before Opening and monthly	Us or Vendors
Training Expenses (Travel, Lodging, Meals, Incidental)s (Note 3)	\$2,500 to \$6,000	As arranged	As incurred	Hotels, Airlines, Restaurants
Real Estate (Note 4)	\$3,000 to \$6,000	As arranged	As agreed	Third Parties
Service Vehicle and Trailer (Note 5)	\$8,000 to \$12,500	Initial payment and monthly lease payments (Note 5)	As agreed	Third Parties
Equipment (Note 6)	\$4,000 to \$16,500	Lump sum or leased	As agreed	Third Parties
Tools, Supplies, Office Equipment (Note 7)	\$2,500 to \$6,000	Lump sum	Before opening	Vendors
Additional Funds (Three Months) (Note 8)	\$40,000 to \$100,000	As incurred	As incurred	Employees, suppliers, utilities
Total Estimated Initial Investment	\$113,000 to \$200,000 (\$108,000 to \$195,000 for veterans) (Notes 1 and 8)			

YOUR ESTIMATED INITIAL INVESTMENT – Conversion Franchise

FEES	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	\$39,000 (Note 1)	Lump sum or Financed (Note 1)	At signing of Franchise Agreement	Us
Grand Opening Advertising (Note 2)	\$4,000	Monthly for first year	Before Opening and monthly	Us or Vendors
Training Expenses (Travel, Lodging, Meals, Incidental)s (Note 3)	\$2,500 to \$6,000	As arranged	As incurred	Hotels, Airlines, Restaurants
Real Estate (Note 4)	\$0 to \$6,000	As arranged	As agreed	Third Parties
Service Vehicle and Trailer (Note 5)	\$0 to \$12,500	Initial payment and monthly lease payments	As agreed	Third Parties
Equipment (Note 6)	\$0 to \$16,500	Lump sum or leased	As agreed	Third Parties
Tools, Supplies, Office Equipment (Note 7)	\$1,000 to \$6,000	Lump sum	Before opening	Vendors (CRM fee paid to us)
Additional Funds (Three Months) (Note 8)	\$25,000 to \$60,000	As incurred	As incurred	Employees, suppliers, utilities
Total Estimated Initial Investment	\$71,500 to \$150,000 (Note 8)			

¹ All initial franchise fees are non-refundable.

² You must engage in grand opening advertising of \$1,000 per month for the first year of operations as we may direct. You should begin advertising at least 30 days prior to the opening of your business or expend such funds as we direct. This estimate is for the month prior to opening and the three months thereafter. If paid to us, we will expend these funds on your behalf in our sole discretion. You may spend additional amounts on other pre-opening advertising that are arranged or approved by us.

³ The expenses to attend training are for travel, lodging, meals, and incidental expenses incurred by you and your designees who attend training (estimated total is for 1 or 2 people for 5 days). There is no fee for the initial training.

⁴ You will need an office and shop/storage area for your U.S. LAWNS business. Some existing businesses (conversion franchises) choose to operate out of their current facilities therefore incur no additional cost for real estate. If this is not an option, you should budget \$500 to \$1,000 per month to rent a facility. The amount listed in the above chart assumes a security deposit and 3 months' rent. These are only estimates. You will need about 100 to 150 square feet of office and 200 square feet of shop/storage area. The amount of rent will vary depending upon the size, location and condition of the space as well as regional variations in rental

values. Included in the estimate are the first and last month's rent and a deposit in an equal amount that you may be required to pay prior to occupying the space. This amount also includes business and occupational licenses. These expenses are variable depending on the size of the contract sold and the type and size of equipment required. If you obtain a contract for a large property, you may need additional equipment, supplies, and labor.

- 5 You are required to have a service vehicle(s) to operate your Business. This includes a pick-up truck, trailer, and any vehicles used by you to make sales calls on, and provide services to, customers and prospective customers of the Business, which service vehicle(s) must conform to our standards and specifications. An existing vehicle may be converted to use in the business if it conforms to our standards. The estimated cost for the vehicle is based on the lease of a ¾ ton pickup truck, an eighteen foot enclosed trailer and any additional customization, such as graphics or snow plowing equipment necessary to begin operating the business. The estimated expenses include the first and last month's lease payments and lease payments for the initial three month operating period. This amount includes the cost of a 10% security deposit and 3 monthly payments on a fully capitalized 4-year lease of a new service vehicle and trailer valued at \$55,000. (At 8% interest, the monthly payments on \$49,500 would be \$1,208.44 per month.) These numbers will vary based on your creditworthiness, whether the vehicle is new or used, term of the lease, down payment; options installed, and market conditions.
- 6 You will need landscape industry equipment such as mowers, string trimmers, edgers, and blowers to operate your Business. This equipment can be purchased outright, financed, or leased from third parties. In the event you have an existing business (conversion franchises) and your equipment meets our standards, you will not incur any additional cost for equipment. The estimated initial investment is based on the lease cost for this equipment over a three month period for the low range and the outright purchase of the equipment for the high range. The amount includes one month security deposit and 3 monthly payments on a fully capitalized 4-year lease at 8% interest for a commercial quality mower, string trimmer, edger, and blower, at a total value of \$12,000.
- 7 You must have a computer system, office supplies and equipment such as a desk, chair, maps, shelves, and miscellaneous tools and equipment, including uniforms.
- 8 These are operating expenses, excluding your salary, required to be paid to third parties during the three-month initial operating period. This includes insurance, telephone and communication expenses, utilities, fuel, and marketing/advertising expenses, and assumes that you will hire one crew leader, two gardeners and a full-time salesperson, and may choose to also hire an operations manager. This table estimates your initial start-up expenses. If you are buying a Conversion Franchise, you must make purchases of any equipment and tools that you do not already have, within 90 days of signing the Agreement. If you are purchasing a new franchise, signage for one pick-up truck is provided by us at no cost to you. These figures are estimates based on our 38 years of experience in the landscape maintenance and franchise business.

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

To help assure a uniform image and uniform quality of products and services in all U.S. LAWNS businesses, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us, the location of your office is subject to our approval. You must purchase for use in your business (the "Business") the following categories of goods, services, supplies, equipment and inventory according to specifications (including brand specifications) issued by us from time to time. These purchases include a vehicle, computer systems, lawn mowers, string trimmers, blowers, hand tools and certain designated software. Items such as herbicides, insecticides, fertilizers, and other landscape related products may be used only if you provide extra services to your customers. From time to time, we may designate a single supplier for a product or service, and that single supplier may be us, an affiliate, or a third party. We may require you to use, offer and/or promote, and maintain in stock in such quantities as are needed to meet reasonably anticipated consumer demand, certain proprietary products, materials or equipment ("Proprietary Products"). You may buy Proprietary Products only from us (if we sell them) or our designated manufacturer or supplier. As of the date of this Disclosure Document, there

are no Proprietary Products that you must use other than we do have a designated vendor (PipeDrive) as our CRM software vendor. You are not required to purchase products which are not Proprietary Products from us or any other supplier, but the items you purchase must satisfy our specifications.

As of our fiscal year, which ended on December 31, 2024, U.S. Lawns, Inc. derived \$1,962,196 or approximately 18.6% of our total revenue of \$10,550,786, resulting from required franchisee purchases or leases. In 2025, we expect to derive 18.6% of our revenues from required purchases or leases, although, as further noted below, we may derive revenue from required purchases or leases in the future. Additionally, for our most recently concluded fiscal year ending December 31, 2024, we received \$401,545 in rebates or approximately 3.8% of our total revenue as a result of purchases by our franchisees from third party suppliers.

All products utilized by the Business in providing Landscape Maintenance Services must meet our specifications. You may purchase approved brands of inventory from us or from any other supplier.

The other items used in the operation of the Business also may be subject to our specifications. These items may be purchased from us or from any other supplier. Specifications are included in the Franchise Agreement and the Operations Manual and may be provided to you in other written communications from us.

You must purchase and maintain from a company we approve, insurance that insures both you and us, our affiliates our parent companies, our sister companies, and our customers and the owners of any property you service. The insurance policies must include, at a minimum: (i) commercial general liability insurance covering claims for personal injuries and property damage with minimum limits of \$1,000,000 per occurrence, \$2,000,000 general aggregate, \$2,000,000 products/completed operations aggregate; (ii) employers liability insurance with minimum limits of \$1,000,000 for bodily injury caused by accident or disease, or the minimum required by state law (whichever is greater); (iii) vehicle liability for owner, leased, hired and non-owned vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage per occurrence; (iv) umbrella liability insurance with minimum limits of \$1,000,000; (v) Worker's Compensation Insurance; (vi) any other such insurance coverages or amounts as required by law or agreement related to the U.S. LAWNS Business; and (vii) any other insurance we may require from time to time. Additional insurance requirements are set forth in the Manual. All liability insurance policies must name us (and our affiliates, officers, directors and employees), as well as any subcontractors on the particular property, and/or our customers and/or the owners of any property you service) as additional insureds.

You must deliver to us at commencement and annually or at our request a proper certificate evidencing the existence of such insurance coverage. We may modify, upon written notice to you, the required minimum limits from time to time and by written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the U.S. LAWNS System, standards of liability and higher damage awards.

You can expect items purchased or leased in accordance with our specifications will represent approximately 80% of total purchases you will make to begin operations of the business and 10% to 20% of the ongoing costs to operate the business.

Upon request, we will periodically provide you with a list of approved suppliers for equipment and other items. We may modify the standards and specifications for these items from time to time. You are encouraged to use our approved suppliers as these have been identified as suppliers who meet our approval specifications. You may, however, wish to use products or equipment of a brand that is not currently approved by us, except for instances where we have designated a single source only. Before using a currently unapproved brand, you must first notify us of your intent to do so, submit to us information about the unapproved brand and obtain our written approval. We will let you know within 30 days if we do not approve. We will determine whether the brand is substantially the same as the brands then approved by us. We do not make our supplier approval criteria available to franchisees. In the future, we may require different procedures to be followed for requests for approval of brands. We may charge you fees (no more than \$300 per hour) for evaluating proposed brands and may impose reasonable limits on the number of approved brands of any product or piece of equipment, although we currently do not charge any supplier evaluation fee.

We have established purchasing arrangements through our parent company and its affiliates to provide better service and cost savings to our franchisees.

Franchisees may purchase on a voluntary basis items such as stationery, marketing materials, uniforms, and other products through us. Some of these accounts are run through the MarketPlace. A mark-up ranging from 0 to 20% is applied to products and equipment purchased by franchisees through us. The amount of the mark-up is based upon amounts necessary to cover overhead, billing and stocking costs. In order to anticipate the needs of our franchisees, if you purchase from us, we may request that you give notice of intent and a commitment to purchase through us. This notice and commitment must be given by you if requested by us.

Except as described in this Item 8, neither we nor our affiliates receive any payments from any suppliers because of their transactions with our franchisees. We may negotiate other purchase arrangements with suppliers for your benefit for uniforms, forms and marketing services. We do not provide any material benefits to you based on your use of designated or approved sources. In addition to offering a preferred service and/or price to the franchisee suppliers may offer a rebate or other consideration to us ranging from 0% to 10%. As of the date of this Disclosure Document, there is no purchasing or distribution cooperative.

One or more of our officers own shares in a publicly-held supplier approved for use in this franchise system.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	Sections 2.B and 5.A of Franchise Agreement	Items 7 and 11
b. Pre-opening purchases/leases	Sections 5.A and 5.B of Franchise Agreement	Item 7

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
c. Site development and other pre-opening requirements	Sections 2 and 5 of Franchise Agreement	Item 11
d. Initial and ongoing training	Sections 6.B and 6.C of Franchise Agreement	Item 7 and 11
e. Opening	Section 2 of Franchise Agreement	Item 11
f. Fees	Sections 8 and 10.C of Franchise Agreement	Items 5, 6, and 7
g. Compliance with standards and policies/Operations Manual	Section 5 of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Section 3 of Franchise Agreement	Item 13
i. Restrictions on products/services offered	Section 5 of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Section 5.H-N of Franchise Agreement	None
k. Territorial development and sales quotas	Section 2.B and 5.M of Franchise Agreement	Item 12
l. Ongoing product/service purchases	Section 5 of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Section 5 of Franchise Agreement	Item 11
n. Insurance	Section 9.C of Franchise Agreement	Item 7
o. Advertising	Section 7 of Franchise Agreement	Items 6 and 11
p. Indemnification	Section 9.B of Franchise Agreement	Item 6
q. Owner's participation/management/staffing	Sections 6.A and 6.D of Franchise Agreement	Items 11 and 15
r. Records/reports	Section 8.J of Franchise Agreement	Items 6 and 11
s. Inspections/audits	Sections 5.F and 8.I of Franchise Agreement	Items 6 and 11
t. Transfer	Section 10 of Franchise Agreement	Item 17
u. Renewal	Section 4.B of Franchise Agreement	Item 17
v. Post-termination obligations	Sections 9.D and 13 of Franchise Agreement	Item 17
w. Non-competition covenants	Section 9.D of Franchise Agreement	Item 17
x. Dispute resolution	Sections 11, 14.H-J and 14.K of Franchise Agreement	Item 17
x. Other	None	Not Applicable

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, we are not required to provide you any assistance.

Pre-Opening Assistance

Before you commence operating your Business, we will:

1. Designate your Territory (Schedule A and Section 2.B of the Franchise Agreement).
2. Provide initial training as described in more detail in this Item 11 (Section 6.B of the Franchise Agreement).
3. Provide you with lists of Proprietary Products and approved suppliers (Section 5.C of the Franchise Agreement).
4. Loan you either a written copy or electronic copy of the Operations Manual, the current table of contents of which is in Exhibit F. As of the date of this Disclosure Document, the Operations Manual contains 88 pages (Section 5.G of the Franchise Agreement).
5. Conduct pre-opening marketing on your behalf (Section 7.C of the Franchise Agreement).

Post-Opening Assistance

During the operation of your Business, we will:

1. Maintain the Marketing Fund (Section 7.A of the Franchise Agreement).
2. Provide updates to the lists of Proprietary Products and approved suppliers (Section 5.C of the Franchise Agreement).
3. Provide updates to the Operations Manual (Section 5.G of the Franchise Agreement).
4. Periodically inspect or review your Business to insure compliance with the Franchise Agreement (Section 5.F of the Franchise Agreement).

Computer System

You must purchase, use and maintain a personal computer system (the "Computer System") as specified in the Operations Manual or otherwise by us in writing for use in connection with your Business. We will designate, and you must use certain computer software including, without limitation, the currently recommended version of QuickBooks. We estimate the cost for a computer to be \$1,000 to \$2,000. You must purchase any upgrades, enhancements or replacements to the Computer System and/or hardware and software that we may require, for which we estimate the annualized cost to be \$100 to \$200. We will have access to the Computer System and the information and data stored on and produced by the Computer System. At your cost and expense, you must subscribe to the U.S. LAWNS intranet web site, or successor system established. You must also maintain membership in a third-party internet service provider and/or network, which may be designated by us for the purpose of implementing, transmitting, collecting and maintaining any information or data exchange system. We reserve the right to have unlimited independent access to the information on the computer system. There are no contract limitations on our right to access

the information. We have no contractual obligations to maintain, upgrade and update the Computer System, and there are no contractual limits on your obligation to maintain, upgrade and update the Computer System.

As of the date of this Disclosure Document, we charge an ongoing Technology Fee of \$299. We reserve the right to increase the monthly fee in the future as we add to, enhance or upgrade the technology. This monthly Technology Fee will cover the use of, maintenance and support for the software and other technology you are required to use. We also require you to use our designated CRM (customer relationship management) software in your business, with an annual subscription fee of \$250-\$450). You will also use the currently recommended version of QuickBooks with an annual cost between \$215 and \$400.

You must have Internet access with a form of high speed connection as we require and you must maintain a dedicated email account for the U.S. LAWNS Business, separate from any personal or other email account. You must purchase any upgrades, enhancements or replacements to the Computer System and/or hardware and software that we may from time to time require.

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.

Advertising

As of the date of this Disclosure Document, you pay a monthly Marketing Contribution in an amount equal to the lesser of 2% of Gross Billings or a “Marketing Cap” of \$650 per month to a marketing fund (the “Fund”) established by us. We reserve the right to increase the amount of the percentage you are required to pay and/or the Marketing Cap, upon 60 days’ notice, but in no event will the Marketing Contribution exceed 3% of Gross Billings (which means that we can increase the Marketing Cap of \$650 up to an amount equal to 3% of Gross Billings, which means you may pay more than \$650 depending on your Gross Billings). Other franchisees may contribute a different amount or at a different rate, depending on the franchise agreement they signed when they entered the system or other similar factors.

We administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. If all of the marketing fees are not spent in the fiscal year in which they accrue, the remaining amounts are retained in the Fund for use in the following years. We may use the Fund for various purposes, including, but not limited to: (1) salaries, benefits and any other payments made to employees/team members or any other individual or entity providing services to the Fund; (2) broadcast or print advertising; (3) the creation, development and production of advertising and

promotional materials; (4) any marketing or related research and development; and (5) advertising and marketing expenses, including services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, menu designs, customer incentive programs, sponsorships, marketing meetings and sales incentives, development of our website and intranet system, Internet access provider costs, subscriptions to industry newsletters or magazines, and administrative costs and salaries for marketing support personnel.

We determine the use of the monies in the Fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your Business is located. We oversee the advertising program and use the Fund to create marketing materials and conduct national, regional or local advertising as we determine appropriate. Although an advertising council does not exist, we do have the right to form, change or dissolve any advertising council. We do, however, utilize our Franchise Advisory Council (“FAC”) to serve in an advisory capacity only. FAC members are elected by franchisees in good standing. We have the right to form, change or dissolve the FAC. We will contribute to the Fund amounts equal to your required percentage for each similarly situated company-owned businesses in the same local marketing area. From time to time we may contribute to the Fund some amounts paid to us by outside suppliers. We will prepare an annual unaudited accounting of the Fund and will make it available for your review upon your written request. We may use an outside national, regional, or local advertising agency and we anticipate using local and regional media and the internet. We may be reimbursed for administrative costs and overhead incurred in administering the Fund. No portion of the Marketing Fund will be used primarily for the solicitation of franchise sales.

During our last fiscal year ending December 31, 2024, Fund income was spent in the following approximate amounts: 25% on website management and digital marketing; 23% on production; 40% on sales support; and 12% on administrative expenses.

In addition to the Fund contributions, you also must use your best efforts to promote and advertise your Business. You may only use your own marketing material if we have approved it before its use. We will notify you of our approval within 30 days after the marketing material is submitted. If we do not notify you of our approval within 30 days of the marketing material being submitted, then the marketing material will be deemed unapproved.

You must obtain our written approval of all promotional and marketing materials prior to their use.

Although we do not currently do so, we reserve the right to require advertising or marketing cooperatives to be formed, changed, dissolved or merged in our sole determination.

Local Sales and Marketing

Within 90 days of completing initial training, you must hire a dedicated salesperson, an employee whose primary responsibility is to sell the Landscape Maintenance Services to commercial customers in the market verticals we serve. With our prior written permission, you may serve in this capacity; however, you must then hire a Designated Manager to manage the operational aspects of the Business.

Site Selection

You will select the site for your Business, subject to our approval. The factors we consider in approving your site are whether the site is located within your Territory and whether it meets zoning requirements. We will attempt to approve or disapprove your selected site within 10 business days after you submit the location to us for approval. We do not assist you in conforming the site to ordinances and

codes. There are no consequences if you and we can't agree upon the location, except that the Business cannot be operational.

Time of Opening

The typical length of time between the signing of the Franchise Agreement and the opening of the Business is between 30-60 days. You must complete the initial training before opening your Business. Other factors that affect how quickly you can open your Business include the training schedule, your ability to obtain necessary financing, any local requirements for permits or licenses.

Training

We provide a training program for our franchisees. Before the opening of the Business, you must have successfully completed our training program. If you plan to use a manager as a primary operator of the business rather than you as the owner-operator, then your manager must also successfully complete our training program. The initial training is approximately 5-6 days. The training program is scheduled approximately one month before opening of your Business at a time designated by us. The program will be held at our offices in Orlando, although parts of the training program may also be conducted virtually or in the field. The following chart outlines our initial training program.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE- JOB TRAINING	LOCATION
Franchise System	2	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Support Programs	4	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Products/ Services	3	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Marketing and Sales	14	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Customer Service	2	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Personnel	1	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Financial Management	4	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Office Administration	1	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Computer Operations	3	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE- JOB TRAINING	LOCATION
Safety	1	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Equipment Operations	*	*	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
Follow up Training in the Subjects Listed Above	0	15	Orlando, FL, Your Location and/or Webinar/Video-Conference Distance Learning
TOTAL HOURS	35	15	

Instructors are Ken Hutcheson, David Wells, Joseph Greene, Pam Dolan, Steve Gold, Jay Todd, Norbert Nicholas, Stacy Leger, John Steeves, and Sevdalina Carr. Ken Hutcheson has over 30 years' experience in the industry and joined U.S. Lawns in 1995. David Wells has been involved with franchising and franchise training for over 20 years and joined U.S. Lawns in 2018. Joseph Greene has over 16 years' experience in accounting and joined U.S. Lawns in 2018. Pam Dolan has over 30 years' experience in the industry and joined U.S. Lawns in 1999. Steve Gold has over 30 years' experience in the industry and joined U.S. Lawns in 2017. Jay Todd has over 30 years' experience in the industry and joined U.S. Lawns in 2018. Norbert Nicholas has over 39 years' experience in sales and joined U.S. Lawns in 2022. Stacy Leger has over 13 years' experience in marketing and joined U.S. Lawns in 2024. John Steeves has over 13 years' experience in the industry and joined U.S. Lawns in 2014. Sevdalina Carr has one year of experience in the industry and joined U.S. Lawns in 2024. Generally, the instructors will conduct the training using specified lectures, presentations, our Operations Manual and other supplemental material.

In addition to the initial training program, you must attend, at your expense, all annual franchise conventions and all meetings relating to new services or products, new operational procedures or programs, training, business management, sales or sales promotion, or similar topics, including any system-wide teleconferences or web-conferences. Although we do not currently do so, we reserve the right to charge you a fee to attend any franchise conventions, meetings, programs or other trainings we require. You are responsible for all travel and living expenses for people from your organization that attend such conventions, meetings, programs, and training sessions. As of the date of this Disclosure Document, we may conduct such conventions, meetings, programs or trainings remotely/virtually. Therefore, you may not incur any travel expenses if such events are done remotely/virtually.

Any training provided by us to any of your workers will be limited to training or guidance regarding the delivery of approved services to clients in a manner that reflects the customer and client service standards of the U.S. LAWNS system. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your workers. You are solely responsible for ensuring that your workers receive adequate training.

ITEM 12 TERRITORY

Franchise Agreement

A geographic territory (the "Territory") will be identified in Schedule A to the Franchise Agreement when you sign it. The location of your Territory will be decided on by discussions between you and us. The size of your Territory will be based upon the opportunities within the Territory to provide landscape

maintenance services. The minimum territory will be a ten mile radius from the center point. You will have protected rights within your Territory to provide Landscape Maintenance Services (as defined in Item 1 and the Franchise Agreement) under the U.S. Lawns marks. During the term of the Franchise Agreement and provided you are in compliance with the Franchise Agreement, we will not, without your consent (i) modify the Territory without your written permission, or (ii) establish either a company-owned or franchised Lawns Landscape Business within the Territory under the U.S. Lawns Marks or provide Landscape Maintenance Services using the U.S. Lawns Marks within your Territory, and we will not license others to do so (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, from other channels of distribution or competitive brands that we control.

We retain all rights that are not expressly granted to you under the Franchise Agreement. We and our affiliates may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein: (i) establish and/or license others to establish franchised or company-owned U.S. Lawns businesses at any location outside the Territory regardless of the proximity of such business to your Territory; (ii) advertise, market, promote and provide any goods and services under trademarks, service marks, trade names and other commercial symbols other than the Marks, at any location, within or outside the Territory, and to solicit prospective customers, including Property Management Companies, for such goods and services wherever they may be located; (iii) merge with, acquire or become acquired by any businesses, including competitive businesses, which businesses operate under trademarks other than the U.S. Lawns Marks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your U.S. Lawns Business, and which may be located anywhere inside or outside the Territory; and (iv) except for the limited rights granted to you in Section 2.B, sell and distribute for ourselves and/or license others to sell and distribute within and outside the Territory, products or services the same as or different from the products and services offered from your U.S. Lawns Business, and which are offered and distributed under marks different than the Marks.

You may not solicit or accept orders from outside your Territory without our prior consent or use other channels of distribution such as the Internet, catalog sales, telemarketing, or direct marketing to make sales outside your Territory with our consent or without adherence to our policies and procedures.

If you do not meet minimum annual Gross Billings, we have the right to terminate the Franchise Agreement. The minimum annual Gross Billings are: (1) \$50,000 for the first year of operation; (2) \$100,000 for the second year of operation; and (3) \$200,000 for the third year of operation and each subsequent year. You do not receive the option to acquire additional franchises unless you sign another franchise agreement with us.

Regional Accounts

We have the right to solicit Regional Accounts wherever 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 Landscape Maintenance Services to Regional Account locations located in your Territory; provided, however, that we may, as applicable, submit Bid Packages and perform such Landscape Maintenance 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 Landscape Maintenance 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.

We may, but are not obligated to, compensate you for Landscape Maintenance Services performed by us, our affiliate or another franchisee or contractor for Regional Account locations which are located within your Territory in such amounts (if any) as we determine.

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.

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ITEM 13 TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use the Marks in connection with the operation of your Business. The following Marks are registered upon the Principal Registry of the United States Patent and Trademark Office:

Mark	Registration No.	Date of Registration
	1,475,402	February 9, 1988
	1,596,756	May 15, 1990
US LAWN	1,980,654	June 18, 1996
	2,937,423	April 5, 2005
U.S. LAWNS	3,047,863	January 24, 2006
	3,152,508	October 10, 2006
NATIONAL STRENGTH, LOCAL COMMITMENT	3,219,575	March 20, 2007
YOUR IMAGE IS EVERYTHING TO US	3,751,579	February 23, 2010
IMPROVE YOUR COMMUNITY. IMPROVE YOUR LIFE.	4,769,230	July 7, 2015
YOUR TURF. OUR LAWN.	4,769,231	July 7, 2015
	4,944,158	April 26, 2016
CONSERVING THE NATURE OF YOUR BRAND	5,086,920	November 22, 2016
BETTER PAY IS ONLY THE BEGINNING	5,787,509	June 25, 2019

We claim common law trademark rights for all of the Marks. We have filed or intend to file all required affidavits and renewals for the Marks noted above.

Your use of the Marks and any goodwill is to our exclusive benefit, and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks, including the adoption of new Marks, new products, new services, or new techniques, and you must adopt the changes in the System as if they were part of the Franchise Agreement at the time of its execution. If we notify you to discontinue or modify your use of any Mark, you have no rights under the Franchise Agreement to object

to that change and you must comply within a reasonable time, at your expense.

There are currently no material determinations of the U.S. Patent and Trademark Office (“USPTO”), the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceedings involving the principal Marks. There is no pending material federal or state court litigation regarding our use or ownership rights in any trademark.

There are no currently effective agreements that significantly limit our rights to use or license the use of these trademarks.

We will protect your right to use the Marks against claims of infringement or unfair competition arising out of your proper use of the Marks. You must promptly notify us of the use of, or claim of rights to, a trademark identical or confusingly similar to our Marks, or of any use or infringement of which you are aware or any challenge or claim arising out of your use of any Mark. We have the right to determine whether or not we will take affirmative action when notified of these uses or claims and the right to exclusively control any litigation or proceedings. You are required to assist us, without compensation, in the prosecution of such litigation or proceedings. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Marks in violation of the Franchise Agreement, in which case you must pay us for our costs and expenses.

We know of no superior prior rights or infringing uses that could materially affect your use of the trademarks in the state where your franchise business will be located.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

As of the date of this Disclosure Document, we do not own any rights in or to any patents, patent applications or copyrights that are material to the franchise. We claim copyright protection for our Operations Manual and other publications and promotional materials, although we have not registered any of the materials with the U.S. Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement, Operations Manual, and other communications that we provide to you. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress), USPTO, Board of Patent Appeals & Interferences, or any court, or any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any patents or copyrights.

There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

We know of no superior prior rights or infringing uses that could materially affect your use of the copyrights in the state where your franchise business will be located.

All ideas, concepts, techniques, or materials concerning the operation of a U.S. LAWNS business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

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 lawn care 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 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 to 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.

You may not use our Confidential Information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third-party beneficiary of that agreement with independent enforcement rights.

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

You do not have to participate personally in the direct operation of the Business, even though we recommend that you do. You or one or more of your employees must successfully complete the initial training program. You must keep the Business under the direct full-time supervision of you or of a trained and competent manager who has completed our training program or equivalent training to our satisfaction, although the manager is not required to have any ownership or equity interest in your entity or the Business. You must keep us informed at all times of the identity of any supervisory employee acting as regular manager of the Business. Any individual who attends our initial training program and will serve in a general manager role will be required to sign a confidentiality/non-competition agreement (Schedule E to the Franchise Agreement).

You and your owners must sign a personal guarantee, the form of which is attached to the Franchise Agreement. Your spouse does not need to sign a personal guarantee of a confidentiality/non-competition agreement unless the spouse is an owner or actively involved in the operation of the Business.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may provide Landscape Maintenance Services to any customer in your Territory. You must meet our requirements when operating your Business. You may not sell any product or service which we have not approved in advance. You may not use the Business office or warehouse for any purpose other than the operation of the U.S. LAWNS business. During each season of the year, you must offer all products and services which we have authorized. We may change the types of authorized products and services, and there is no limit on our ability to make these changes. You do not have to offer services which we have classified as "optional services." You must purchase only materials and supplies which meet our requirements.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 4.A	10 years
b. Renewal or extension	Section 4.B	Two renewal terms of 10 years each.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
c. Requirements for you to renew or extend	Section 4.B	Sign new agreement (that new agreement may contain terms different from your current agreement, including higher fees); pay the renewal fee; you are not in default, including payment of amounts owed and have satisfied all monetary and material obligations on a timely basis and you are in good standing; you complete any current training requirements; and you sign a release of claims in a form we prescribe. (subject to applicable state law)
d. Termination by you	Section 12.C	If we have materially failed to comply and do not cure within 30 days of notice, or under any grounds permitted by law
e. Termination by us without cause	None	Not applicable
f. Termination by us with cause	Section 12.B	We can terminate only if you default or fail to comply with your obligations. (subject to applicable state law)
g. "Cause" defined-curable defaults	Section 12.B	<p>You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your Business, or failure to meet any requirements or specifications established by us, and any other default not listed in (h) below.</p> <p>You have 30 days to cure defaults not listed in (h) below.</p> <p>(subject to applicable state law)</p>

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h. “Cause” defined-non-curable defaults	Section 12.B	<p>Non-curable defaults include: any material misrepresentation or omission in your franchise application for a franchise or other reports or information, abandonment, unauthorized use of confidential information, your insolvency, unapproved assignments or transfers, defaults that materially impair the goodwill associated with any of the Marks, criminal convictions, intentionally understating or underreporting Gross Billings or other fees, multiple defaults or failure to cure within 24 hours of notice a default which violates any health, safety or sanitation law.</p> <p>(subject to applicable state law)</p>
i. Your obligations on termination/nonrenewal	Section 13	<p>Cease operating Business, cease use of system and Marks, cancel assumed or similar name registrations, return materials, change telephone number or de-identify, and pay outstanding amounts.</p> <p>(subject to applicable state law)</p>
j. Assignment of contract by us	Section 10.G	No restriction on our right to assign.
k. “Transfer” by you-defined	Section 10.A	Includes transfer of any right or interest in the Agreement or you, the franchisee entity. (subject to applicable state law)
l. Our approval of transfer by franchisee	Sections 10.B, 10.C and 10.D	We have the right to approve all transfers.
m. Our approval of transfer by you	Sections 10.B, 10.C and 10.D	Transferee meets all of our then-current requirements for new franchisees, transfer fee and any applicable training or resale assistance fee paid, all amounts owed by prior franchisee paid, training completed, transferee executes then current form of franchise agreement (modified to reflect that agreement relates to a transfer), required guarantees signed, necessary financial reports and other data on franchise business is prepared, release signed by you, full compliance of your obligations under all Franchise Agreements executed between you and us, and other conditions that we may reasonably require from time to time as part of our transfer policies. (subject to applicable state law)
n. Our right of first refusal to acquire your Business	Section 10.F	We have right to match offer.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
o. Our option to purchase your Business	Section 13.B	Upon termination, we have the right (but not the obligation) to purchase or designate a third party that will purchase all or any portion of the assets of your Business, including the equipment, fixtures, signs, supplies, and inventory. (subject to applicable state law)
p. Your death or disability	Section 10.E	You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions. (subject to applicable state law)
q. Non-competition covenants during the term of the franchise	Sections 9.D	No involvement in any landscape maintenance business anywhere. (subject to applicable state law)
r. Non-competition covenants after the franchise is terminated or expires	Section 9.D	No interest for 2 years in any landscape maintenance business within the Territory, within 50 mile radius of Territory, or inside territory of other U.S. LAWNS business. (subject to applicable state law)
s. Modification of the agreement	Sections 14.B	No modifications without writing, but the Operations Manual, specifications and procedures can be changed.
t. Integration/merger clause	Section 14.B	Only terms of Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Franchise Agreement or this Disclosure Document may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 11	Except for certain claims (including any action related solely to the collection of moneys owed to us or our affiliate), all disputes must be mediated and arbitrated. (subject to applicable state law)
v. Choice of forum	Section 14.I	Litigation must be in the applicable federal or state court where our headquarters are located (currently, Orlando, Florida) (subject to state law).
w. Choice of law	Section 14.H.1	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the laws of the state of Florida will govern (subject to state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item 19 presents historical unaudited information about 171 franchised territories ("Franchised Territories") that were open and continuously operating from January 1, 2024, through December 31, 2024 (the "2024 Accounting Period"). As the end of the 2024 Accounting Period, there were 210 Franchised Territories open and operating in the United States. Of the 39 Franchised Territories excluded from the tables in this Item 19, 12 Franchised Territories are excluded because the U.S. Lawns Landscape Businesses for such territories were not continuously operating for the full 2024 Accounting Period and are pending formal termination, 14 Franchised Territories are excluded because the franchisee reports were not submitted in a complete and timely fashion for inclusion in this Item 19, and 13 Franchised Territories are excluded from this Item 19 because the U.S. Lawns Landscape Business for such territory commenced operations during the 2024 Accounting Period and was open less than the full 12-month 2024 Accounting Period. In addition, 14 Franchised Territories closed during the 2024 Accounting Period and are not included in this Item 19. Of the 14 that closed during the 2024 Accounting Period, none were closed after being open for less than 12 months.

All amounts are shown in U.S. dollars.

STATEMENT OF AVERAGE AND MEDIAN GROSS SALES

The following Tables A and B present unaudited information about the average and median Gross Sales of the 171 Franchised Territories that were open and continuously operating for the 2024 Accounting Period.

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.

TABLE A
GROSS SALES OF THE 171 FRANCHISED TERRITORIES
OPEN THE ENTIRE 2024 ACCOUNTING PERIOD

# of Full Calendar Years	Average Gross Sales	High	Median	Low	Number & % Above Average	Number & % Below Average	Number & % Above Median	Number & % Below Median
1+	\$1,391,588	\$9,293,049	\$975,915	\$26,269	58 / 34%	113 / 66%	86 / 50%	85 / 50%

TABLE B
GROSS SALES BY “TIME PERIOD” OF THE 171 FRANCHISED TERRITORIES
OPEN THE ENTIRE 2024 ACCOUNTING PERIOD

# of Full Calendar Years	Average Gross Sales	High	Median	Low	Number & % Above Average	Number & % Below Average	Number & % Above Median	Number & % Below Median
5+	\$1,464,098	\$9,293,049	\$982,856	\$26,269	47 / 31%	104 / 68%	76 / 50%	75 / 50%
3-4	\$1,024,924	\$2,136,283	\$994,664	\$226,811	6 / 43%	8 / 57%	7 / 50%	7 / 50%
1-2	\$422,314	\$1,546,695	\$209,600	\$117,525	1 / 17%	5 / 83%	3 / 50%	3 / 50%

Footnotes to Tables A and B

- (1) Number of Full Calendar Years – The term “Number of Full Calendar Years” refers to the relative performance of the Franchised Territories included in this Item 19 by their length of time in operation, also referred to as the “time period”. Specifically, “1-2” full calendar years refers to Franchised Territories in operation between 12 months and 35 months; “3-4” full calendar years refers to Franchised Territories in operation between 36 months and 59 months; and “5+” full calendar years refers to Franchised Territories in operation 60 months or longer. Table A includes all 171 Franchised Territories open the entire 2024 Accounting Period regardless of the number of full calendar years in operation. Table B includes all 171 Franchised Territories and is separated by the number of full calendar years in operation.
- (2) Gross Sales – As referenced above, “Gross Sales” means all revenue and income from any source derived or received by the Franchised Territory from, through, by or on account of the operation of the 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.
- (3) Average Gross Sales – In the above charts, Average Gross Sales is defined by the total Gross Sales of each time period divided by the number of Franchised Territories in each time period as referenced in the “Number of Full Calendar Years” description. As noted above, information relating to the Franchised Territories is based on unaudited franchisee reports submitted to us.
- (4) Median – This is the Median Gross Sales amount for each grouping of Franchised Territories in the charts above. In calculating the median for the Franchised Territories in the tables above, the two central amounts for an odd number of Franchised Territories were averaged.

- (5) High – Discloses the highest Gross Sales from a Franchised Territory within each time period.
- (6) Low – Discloses the lowest Gross Sales from a Franchised Territory within each time period.
- (7) Number & % Above Average – Refers to the number and percentage of Franchised Territories for each time period whose Gross Sales met or exceeded the Average Gross Sales.
- (8) Number & % Below Average – Refers to the number and percentage of Franchised Territories for each time period whose Gross Sales were less than the Average Gross Sales.
- (9) Number & % Above Median – Refers to the number percentage of Franchised Territories for each time period whose Gross Sales met or exceeded Median Gross Sales.
- (10) Number & % Below Median – Refers to the number and percentage of Franchised Territories for each time period whose Gross Sales were less than the Median Gross Sales.

STATEMENT ON AVERAGE AND MEDIAN GROSS SALES BY QUARTILE

The following Table C presents unaudited information about the average and median Gross Sales of the 171 Franchised Territories that were open and continuously operating during the 2024 Accounting Period. 171 Franchised Territories are represented and divided into quartiles based on Gross Sales. The quartiles were derived by taking the 171 Franchised Territories and dividing them into four evenly-sized groups, with the Franchised Territories achieving the highest Gross Sales being in the fourth quartile, the next highest being in the third quartile, and so forth.

TABLE C
GROSS SALES BY QUARTILE OF THE 171 FRANCHISED TERRITORIES
OPEN FOR MORE THAN ONE YEAR AND THE ENTIRE 2024 ACCOUNTING PERIOD

Quartile	First Quartile	Second Quartile	Third Quartile	Fourth Quartile	All Quartiles
Average Gross Sales	\$3,282,278	\$1,306,483	\$725,777	\$295,786	\$1,391,588
High	\$9,293,049	\$1,759,269	\$975,915	\$468,250	\$9,293,049
Low	\$1,806,822	\$982,018	\$471,500	\$26,269	\$26,269
Median	\$2,438,944	\$1,242,728	\$699,056	\$302,488	\$975,915
Number of Territories	42	43	43	43	171
Number / % Above Average	13 / 31%	19 / 44%	21 / 49%	22 / 51%	58 / 34%
Number / % Below Average	29 / 69%	24 / 56%	22 / 51%	21 / 48%	113 / 66%
Number / % Above Median	21 / 50%	22 / 51%	22 / 51%	22 / 51%	86 / 50%
Number / % Below Median	21 / 50%	21 / 49%	21 / 49%	21 / 49%	85 / 50%

- (1) Gross Sales – As referenced above, “Gross Sales” means all revenue and income from any source derived or received by the Franchised Territory from, through, by or on account of the operation of the 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.

- (2) Average Gross Sales – In the above chart, Average Gross Sales is defined by the total Gross Sales of the Franchise Territory in each quartile during the 2024 Accounting Period divided by the number of Franchised Territories in each quartile. As noted above, information relating to the Franchised Territories is based on unaudited franchisee reports submitted to us.
- (3) Median – This is the Median Gross Sales amount for each quartile of Franchised Territories in the chart above. In calculating the median for the Franchised Territories in the table above, the two central amounts for an odd number of Franchised Territories were averaged.
- (4) High – Discloses the highest Gross Sales from a Franchised Territory within each quartile.
- (5) Low – Discloses the lowest Gross Sales from a Franchised Territory within each quartile.
- (6) Number & % Above Average – Refers to the number and percentage of Franchised Territories for each quartile whose Gross Sales met or exceeded the Average Gross Sales for the relevant quartile.
- (7) Number & % Below Average – Refers to the number and percentage of Franchised Territories for each quartile whose Gross Sales were less than the Average Gross Sales for the relevant quartile.
- (8) Number & % Above Median – Refers to the number percentage of Franchised Territories for each quartile whose Gross Sales met or exceeded Median Gross Sales for the relevant quartile.
- (9) Number & % Below Median – Refers to the number and percentage of Franchised Territories for each quartile whose Gross Sales were less than the Median Gross Sales for the relevant quartile.

STATEMENT OF AVERAGE AND MEDIAN GROSS PROFITS

The following Tables D and E present unaudited information about the average Gross Profit of the 171 Franchised Territories that were open and continuously operating during the 2024 Accounting Period. As used in this Item 19, the term “Gross Profit” 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 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 cost of providing the service, including; direct costs (labor, materials, supplies, royalties), equipment overheads (payments, insurance, repairs & maintenance, gas & oil) and indirect costs (supervisory salaries, waste disposal, uniforms). We obtained this Gross Profit 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 Profit information reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

TABLE D
GROSS PROFITS BY OF THE 171 FRANCHISED TERRITORIES
OPEN THE ENTIRE 2024 ACCOUNTING PERIOD

# of Full Calendar Years	Average Gross Profit	High	Median	Low	Number & % Above Average	Number & % Below Average	Number & % Above Median	Number & % Below Median
1+	\$419,454	\$3,171,502	\$292,194	\$10,501	59 / 35%	112 / 65%	86 / 50%	85 / 50%

TABLE E
GROSS PROFITS BY “TIME PERIOD” OF THE 171 FRANCHISED TERRITORIES
OPEN THE ENTIRE 2024 ACCOUNTING PERIOD

# of Full Calendar Years	Average Gross Profit	High	Median	Low	Number & % Above Average	Number & % Below Average	Number & % Above Median	Number & % Below Median
5+	\$438,154	\$3,171,502	\$302,347	\$10,501	49 / 33%	102 / 67%	76 / 50%	75 / 50%
3-4	\$334,734	\$585,425	\$404,735	\$68,339	8 / 57%	6 / 43%	7 / 50%	7 / 50%
1-2	\$145,519	\$522,157	\$63,153	\$33,687	2 / 33%	4 / 67%	3 / 50%	3 / 50%

Footnotes to Tables D and E

- (1) Number of Full Calendar Years – The term “Number of Full Calendar Years” refers to the relative performance of the Franchised Territories included in this Item 19 by their length of time in operation, also referred to as the “time period”. Specifically, “1-2” full calendar years refers to Franchised Territories in operation between 12 months and 35 months; “3-4” full calendar years refers to Franchised Territories in operation between 36 months and 59 months; and “5+” full calendar years refers to Franchised Territories in operation 60 months or longer. Table D includes all 171 Franchised Territories open the entire 2024 Accounting Period regardless of the number of full calendar years in operation. Table E includes all 171 Franchised Territories and is separated by the number of full calendar years in operation.
- (2) Gross Profit – As referenced above, “Gross Profit” means all revenue and income from any source derived or received by the Franchised Territory from, through, by or on account of the operation of the 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 cost of providing the service, including; direct costs (labor, materials, supplies, royalties), equipment overheads (payments, insurance, repairs & maintenance, gas & oil) and indirect costs (supervisory salaries, waste disposal, uniforms).
- (3) Average Gross Profit – In the above charts, Average Gross Profit is defined by the total Gross Profits of each time period divided by the number of Franchised Territories in each time period as referenced in the “Number of Full Calendar Years” description. As noted above, information relating to the Franchised Territories is based on unaudited franchisee reports submitted to us.

- (4) Median – This is the Median Gross Profit amount for each grouping of Franchised Territories in the charts above. In calculating the median for the Franchised Territories in the tables above, the two central amounts for an odd number of Franchised Territories were averaged.
- (5) High – Discloses the highest Gross Profits from a Franchised Territory within each time period.
- (6) Low – Discloses the lowest Gross Profits from a Franchised Territory within each time period.
- (7) Number & % Above Average – Refers to the number and percentage of Franchised Territories for each time period whose Gross Profits met or exceeded the Average Gross Profits.
- (8) Number & % Below Average – Refers to the number and percentage of Franchised Territories for each time period whose Gross Profits were less than the Average Gross Profits.
- (9) Number & % Above Median – Refers to the number and percentage of Franchised Territories for each time period whose Gross Profits met or exceeded Median Gross Profits.
- (10) Number & % Below Median – Refers to the number and percentage of Franchised Territories for each time period whose Gross Profits were less than the Median Gross Profits.

STATEMENT ON AVERAGE EXPENSE PERCENTAGES BY CATEGORY

The following Table F presents unaudited information about the average expense percentages of the 171 Franchised Territories that were open and continuously operating during the 2024 Accounting Period. Expense information is shown as a percentage of Gross Sales. As used in 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 tax. We obtained this expense 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 expense information reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

TABLE F
AVERAGE EXPENSE PERCENTAGES OF THE 171 FRANCHISED TERRITORIES OPEN
FOR THE ENTIRE 2024 ACCOUNTING PERIOD

Operational Expenses	Gross Profit	Administrative Expenses	Net Profit
69.8%	30.2%	14.9%	15.3%

- (1) Operational Expenses – Refers to the average percentage of Gross Sales that is directly attributed to providing service to customers. Operational Expenses include labor, materials, supplies, royalties, subcontractor payments, equipment costs, supervisory salaries, waste disposal and uniforms.
- (2) Gross Profit – Refers to the average Gross Profit percentage. Gross Profit is defined as Gross Sales less Operational Expenses.

- (3) Administrative Expenses – Refers to the average percentage of Gross Sales that is attributed to Administrative Expenses. Administrative Expenses include owner/officer salaries, owner benefit, rent, utilities, insurance, office supplies promotional/advertising expenses, sales expenses, licenses and interest.
- (4) Net Profit – Refers to the percentage of Gross Sales that is remaining after all operational and administrative expenses have been paid.

STATEMENT ON AVERAGE REVENUE PERCENTAGES BY CATEGORY

The following Table G presents unaudited information about the average revenue percentages of the 171 Franchised Territories that were open and continuously operating during the 2024 Accounting Period. Revenue information is shown as a percentage of Gross Sales. As used in 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 tax. We obtained this revenue 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 revenue information reported to us. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

TABLE G
AVERAGE REVENUE PERCENTAGES BY CATEGORY OF THE 171 FRANCHISED
TERRITORIES OPEN FOR THE ENTIRE 2024 ACCOUNTING PERIOD

Contract Maintenance	Enhancement	Other
66.9%	21.6%	11.5%

- (1) Contract Maintenance – Refers to revenues generated regularly scheduled maintenance services that are typically performed under an annual contract. Examples of contract maintenance services include mowing, edging, shrub trimming, and blowing.
- (2) Enhancement - Refers to ancillary services that are typically not included in an annual contract. These one-time services are generally value-add and are billed upon completion. Examples of enhancement services include plant replacement/installation, seasonal color (flower) installation, seasonal clean-up and tree trimming.
- (3) Other – Other revenues include services like snow and ice management, irrigation, subcontractor, and miscellaneous revenues. Like enhancement revenues, these revenues are not typically included as part of an annual maintenance contract.

General Notes:

1. The Gross Sales and Gross Profit information included in this Item 19 relates only to the Franchised Territories that were continuously open and operating during the entire 2024 Accounting Period.

It does not include Gross Sales information for Franchised Territories open less than the entire 2024 Accounting Period. You should conduct an independent investigation of the costs and expenses you will incur in operating your Territory. Current and former franchisees listed in this Disclosure Document may be one source of this information.

2. **Some Franchised Territories have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.**
3. Written substantiation of all data presented in this Item 19 will be made available to you on reasonable request.

Other than the preceding financial performance representation, we do 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 franchise territory, however, we may provide you with the actual records of that territory. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting David Wells, our Senior Vice President, Brand Development at U.S. Lawns, Inc. (6700 Forum Drive, Suite 150, Orlando, Florida 32821, 407-246-1630), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 **OUTLETS AND FRANCHISEE INFORMATION**

Table #1
Systemwide Outlet Summary
For years 2022 to 2024*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	222	209	-13
	2023	209	208	-1
	2024	208	210	2
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	222	209	-13
	2023	209	208	-1
	2024	208	210	2

*In 2022 and 2023, our fiscal year end was September 30. In 2024, our fiscal year end changed to December 31.

Table #2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For years 2022 to 2024*

State	Year	Number of Transfers
AL	2022	0
	2023	0
	2024	2
AR	2022	0
	2023	1
	2024	0
FL	2022	5
	2023	5
	2024	0
GA	2022	0
	2023	0
	2024	2
LA	2022	0
	2023	0
	2024	1
MA	2022	0
	2023	1
	2024	0
MI	2022	0
	2023	1
	2024	0
MS	2022	0
	2023	1
	2024	0
NY	2022	0
	2023	1
	2024	0
NC	2022	0
	2023	0
	2024	0
SC	2022	3
	2023	0
	2024	3
TN	2022	3
	2023	0
	2024	0
TX	2022	1
	2023	3
	2024	0
	2022	0

State	Year	Number of Transfers
UT	2023	1
	2024	0
TOTAL	2022	12
	2023	14
	2024	9

*In 2022 and 2023, our fiscal year end was September 30. In 2024, our fiscal year end changed to December 31.

Table #3
Status of Franchised Outlets
For years 2022 to 2024*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of Year
AL	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
AZ	2022	4	0	1	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
AR	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
CA	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
CO	2022	5	0	2	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	3	0	0	0	0
CT	2022	2	0	0	0	0	0	2
	2023	2	0	1	0	0	0	1
	2024	1	1	0	0	0	0	2
FL	2022	38	0	0	0	0	0	38
	2023	38	0	2	0	1	0	35
	2024	35	0	3	0	0	0	32
GA	2022	14	0	2	0	0	0	12
	2023	12	0	0	0	0	0	12

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of Year
	2024	12	1	0	1	0	4	8
ID	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
IL	2022	2	0	1	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
IN	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	2	0	0	0	0	8
KS	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
KY	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
LA	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
MD	2022	5	0	1	0	0	0	4
	2023	4	0	1	0	0	0	3
	2024	3	2	0	0	0	0	5
MA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MI	2022	6	0	1	0	0	0	5
	2023	5	0	0	1	0	0	4
	2024	4	0	2	0	0	0	2
MN	2022	1	0	0	0	1	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
MS	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
MO	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of Year
	2024	4	0	0	0	0	0	4
NV	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
NH	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NJ	2022	3	0	1	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	0	0	4
NY	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NC	2022	16	0	2	0	1	0	13
	2023	13	0	0	0	0	0	13
	2024	13	2	0	0	0	0	15
OH	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
OK	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
OR	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
PA	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	2	0	0	0	0	4
SC	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
TN	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	1	0	0	0	0	10

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of Year
TX	2022	23	0	0	0	0	0	23
	2023	23	1	0	0	0	0	24
	2024	24	1	1	0	0	0	24
UT	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
VA	2022	12	1	0	0	0	0	13
	2023	13	1	0	0	0	0	14
	2024	14	1	0	0	0	0	15
WV	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
WI	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	222	2	11	1	2	1	209
	2023	209	5	4	1	1	0	208
	2024	208	16	9	1	0	4	210

*In 2022 and 2023, our fiscal year end was September 30. In 2024, our fiscal year end changed to December 31.

Table #4
Status of Company-Owned Outlets
For years 2022 to 2024*

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
ALL STATES	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

*In 2022 and 2023, our fiscal year end was September 30. In 2024, our fiscal year end changed to December 31.

Table #5
Projected Openings
As of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
CO	0	2	0
CT	0	1	0
FL	3	3	0
KY	1	0	0
MD	1	1	0
NC	0	2	0
NJ	1	1	0
NV	1	0	0
NY	1	1	0
PA	1	1	0
TN	3	3	0
WA	0	1	0
Total	12	16	0

A list of the name of all franchisees and the addresses and telephone number of their Businesses is attached as Exhibit C to this Disclosure Document. Exhibit C also discloses the names, cities and last known telephone numbers of each franchisee who had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our last fiscal year or who has not communicated with us within the ten weeks of the issuance date of this Disclosure Document. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with U.S. Lawns. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. Franchisees have signed confidentiality agreements in the past three fiscal years. There are no trademark-specific franchisee organizations associated with this franchise. As noted in Item 11, however, the FAC includes elected franchisee members and meets periodically with us to discuss various franchise issues. We both created and sponsor the FAC and contact information for the FAC is the same as our contact information. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

ITEM 21
FINANCIAL STATEMENTS

Attached hereto as Exhibit A are the audited financial statements for our parent company, EverSmith Brands Holding Company, for its fiscal years ending December 30, 2022, December 31, 2023, and December 31, 2024, accompanied by its Guarantee of Performance. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following agreements are attached as Exhibits and Schedules to this disclosure document:

Exhibit B Franchise Agreement - Including:

Schedule A	Data Sheet
Schedule B	Conversion Addendum
Schedule C	Electronic Transfer of Fund Authorization
Schedule D	Confidentiality and Non-Compete Agreement
Schedule E	SBA Addendum
Schedule F	Renewal Addendum
Schedule G	Transfer Addendum
Schedule H	New Territory Addendum
Schedule I	Personal Guarantee
Schedule J	Acknowledgement Addendum

Exhibit G – Sample Release

ITEM 23
RECEIPT

At the end of this Disclosure Document are the Receipt pages which are prepared in duplicate. You must sign both copies of the Receipt. Please keep one copy for your records and return the other copy to us.

EXHIBIT A
FINANCIAL STATEMENTS

**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	<u>1,573,314</u>	<u>477,175</u>
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	<u>50,609</u>	<u>-</u>
Total other assets	<u>2,600,109</u>	<u>593,583</u>
Total assets	<u>\$ 102,610,490</u>	<u>\$ 29,250,682</u>
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	<u>1,395,399</u>	<u>1,282,175</u>
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	<u>1,037,222</u>	<u>1,073,807</u>
Total liabilities	52,389,391	7,255,521
Stockholders' Equity		
Total liabilities and stockholders' equity	<u>\$ 102,610,490</u>	<u>\$ 29,250,682</u>

See notes to consolidated financial statements.

EverSmith Brands Holding Company and Subsidiaries

Consolidated Statement of Operations

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
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	<u>14,085,134</u>	<u>11,634,041</u>
Gross Profit	20,949,783	10,535,116
Operating Expenses	<u>34,186,155</u>	<u>16,573,859</u>
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	<u>1,928,222</u>	<u>421,961</u>
Consolidated Net Loss	(17,309,193)	(6,443,910)
Other Comprehensive (Loss) Income - Foreign currency translation adjustment	<u>(697,817)</u>	<u>284,764</u>
Comprehensive Loss	<u>\$ (18,007,010)</u>	<u>\$ (6,159,146)</u>

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	<u>\$ 3,616,016</u>	<u>\$ 2,767,852</u>
Classification of Cash and Restricted Cash		
Cash	\$ 3,515,558	\$ 2,711,279
Restricted cash	100,458	56,573
Total cash and restricted cash	<u>\$ 3,616,016</u>	<u>\$ 2,767,852</u>
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.

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EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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 Groundcare 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.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

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.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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	 <u>\$ 11,792,651</u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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	<u>(1,072,909)</u>
 Total identifiable net assets	 3,069,645
Goodwill	<u>8,723,006</u>
 Total	 <u>\$ 11,792,651</u>

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
------------------------------------------------------	---------------

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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
Prepays 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

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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
Prepays 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	 <u>\$ 22,272,444</u>

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:

	<u>2024</u>	<u>2023</u>
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	<u>\$ 1,214,135</u>	<u>\$ 612,069</u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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	<u>(962,865)</u>
Long-term debt less unamortized debt issuance costs	34,857,135
Less current portion	<u>360,000</u>
Long-term portion	<u><u>\$ 34,497,135</u></u>

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	<u>34,020,000</u>
Total	<u><u>\$ 34,857,135</u></u>

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.

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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	<u>11,701</u>
Present value of net minimum lease payments	1,240,833
Less current obligations	<u>507,060</u>
Long-term obligations under leases	<u>\$ 733,773</u>

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	<u>-</u>	<u>15,294</u>
Total lease cost	<u>\$ 604,548</u>	<u>\$ 403,046</u>
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)	<u>390,415</u>	<u>(7,083)</u>
Total income tax expense	<u>\$ 1,928,222</u>	<u>\$ 421,961</u>

EverSmith Brands Holding Company and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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 Groundcare 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 %

EverSmith Brands Holding Company and Subsidiaries
Notes to Consolidated Financial Statements

December 31, 2024 and 2023

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.

**EverSmith Brands Holding Company
(f/k/a Clintar Holding Company)
and Subsidiaries**

**Consolidated Financial Statements
Years Ended December 31, 2023 and 2022**

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



**EverSmith Brands Holding Company
(f/k/a Clintar Holding Company)
and Subsidiaries**

Consolidated Financial Statements
Years Ended December 31, 2023 and 2022

**EverSmith Brands Holding Company
(f/k/a Clintar Holding Company)
and Subsidiaries**

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Independent Auditor's Report

The Board of Directors
EverSmith Brands Holding Company
(f/k/a Clintar Holding Company)
Charlotte, North Carolina

Opinion

We have audited the consolidated financial statements of EverSmith Brands Holding Company (f/k/a Clintar Holding Company) and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the 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 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.

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, P.C.

March 28, 2024

Consolidated Financial Statements

EverSmith Brands Holding Company
(f/k/a Clintar Holding Company)
and Subsidiaries

Consolidated Balance Sheets

<i>December 31,</i>	2023	2022
Assets		
Current Assets		
Cash	\$ 2,711,279	\$ 4,733,869
Advertising fund restricted assets	328,234	489,807
Accounts receivable, net of allowance for credit losses	3,615,646	2,568,780
Unbilled revenue	610,886	593,276
Inventory	-	35,256
Prepaid expenses and other current assets	405,895	142,332
Deferred contract acquisition costs, short-term	71,280	29,975
Total Current Assets	7,743,220	8,593,295
Property and Equipment, Net	796,019	217,041
Other Assets		
Income tax receivable	-	35,457
Deferred contract acquisition costs, long-term	593,583	262,079
Intangibles, net	4,261,233	4,036,649
Goodwill, net	14,725,847	7,416,106
Operating right-of-use assets	1,130,780	410,947
Total Other Assets	20,711,443	12,161,238
Total Assets	\$ 29,250,682	\$ 20,971,574
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 1,795,159	\$ 1,908,612
Income tax payable	421,961	-
Advertising fund restricted liabilities	363,756	486,509
Accrued expenses	860,214	677,961
Accrued compensation	529,572	981,195
Short-term deferred revenue	139,360	62,758
Current portion of operating lease obligations	422,328	144,553
Total Current Liabilities	4,532,350	4,261,588
Long-Term Liabilities		
Long-term deferred revenue	926,109	459,845
Operating lease obligations, less current portion	723,255	268,324
Deferred income taxes	1,073,807	1,120,624
Total Long-Term Liabilities	2,723,171	1,848,793
Total Liabilities	7,255,521	6,110,381
Stockholders' Equity		
Common stock, \$0.01 par value, 300,000 shares authorized at December 31, 2023 and 2022, and 28,818 and 21,380 shares issued and outstanding at December 31, 2023 and 2022, respectively	288	214
Additional paid-in capital	37,145,577	23,852,537
Accumulated deficit	(14,542,708)	(8,098,798)
Accumulated other comprehensive loss	(607,996)	(892,760)
Total Stockholders' Equity	21,995,161	14,861,193
Total Liabilities and Stockholders' Equity	\$ 29,250,682	\$ 20,971,574

See accompanying notes to consolidated financial statements.

EverSmith Brands Holding Company
 (f/k/a Clintar Holding Company)
 and Subsidiaries

Consolidated Statements of Operations

<i>Year ended December 31,</i>	2023	2022
Revenue		
Royalty fees	\$ 5,676,883	\$ 5,644,549
Professional service fees	15,647,169	10,874,796
Promotional fund revenue	315,957	322,017
Initial franchise fees	94,011	17,621
Chemical product revenue	119,685	248,347
Other revenue	315,452	103,106
Total Revenue	22,169,157	17,210,436
Operating Costs and Expenses		
Cost of professional service revenue	11,634,041	9,360,432
Selling, general, and administrative	13,362,929	9,770,701
Depreciation and amortization	2,047,036	1,510,787
Transaction expenses	1,163,894	-
Total Operating Costs and Expenses	28,207,900	20,641,920
Loss from Operations	(6,038,743)	(3,431,484)
Other (Income) Expense, Net	(16,794)	26,410
Loss from Operations, before income taxes	(6,021,949)	(3,457,894)
Income Tax Expense	421,961	347,696
Net Loss	(6,443,910)	(3,805,590)
Foreign Currency Translation Adjustment	284,764	(880,147)
Comprehensive Loss	\$ (6,159,146)	\$ (4,685,737)

See accompanying notes to consolidated financial statements.

**EverSmith Brands Holding Company
(f/k/a Clintar Holding Company)
and Subsidiaries**

Consolidated Statements of Stockholders' Equity

	Common Stock		Accumulated Other Comprehensive Loss			Accumulated Deficit	Total Stockholders' Equity
	Shares	\$0.01 Par Value	Additional Paid-in Capital	Other Comprehensive Loss	Accumulated Deficit		
Balance, January 1, 2022	18,823	\$ 188	\$ 19,782,866	\$ (12,613)	\$ (4,293,208)	\$ 15,477,233	
Issuance of common stock	2,557	26	3,999,974				4,000,000
Stock-based compensation	-	-	69,697				69,697
Net loss	-	-	-		(3,805,590)		(3,805,590)
Foreign currency translation adjustment	-	-	-	(880,147)	-		(880,147)
Balance, December 31, 2022	21,380	214	23,852,537	(892,760)	(8,098,798)		14,861,193
Issuance of common stock	7,438	74	13,220,486				13,220,560
Stock-based compensation	-	-	72,554				72,554
Net loss	-	-	-		(6,443,910)		(6,443,910)
Foreign currency translation adjustment	-	-	-	284,764	-		284,764
Balance, December 31, 2023	28,818	\$ 288	\$ 37,145,577	\$ (607,996)	\$ (14,542,708)	\$	21,995,161

See accompanying notes to consolidated financial statements.

EverSmith Brands Holding Company
(f/k/a Clintar Holding Company)
and Subsidiaries

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2023	2022
Cash Flows from Operating Activities		
Net loss	\$ (6,443,910)	\$ (3,805,590)
Reconciliation of net loss to net cash used in operating activities, net of assets acquired and liabilities assumed in business acquisitions:		
Depreciation and amortization expense	2,047,036	1,510,787
Amortization of right-of-use assets	358,968	163,136
Stock compensation expense	72,554	69,697
Deferred income taxes	421,961	347,696
Bad debt expense	258,348	128,577
Change in operating assets and liabilities, net of assets acquired and liabilities assumed:		
Accounts receivable	(592,949)	(391,903)
Unbilled revenue	(17,610)	105,358
Inventory	35,256	95,603
Advertising fund restricted assets and liabilities	(209,286)	(125,595)
Deferred contract acquisition costs	(372,636)	(292,054)
Income tax receivable	(35,457)	(174,537)
Prepaid expenses and other current assets	(162,580)	135,786
Accounts payable	(224,092)	(219,503)
Income tax payable	421,961	-
Deferred revenue	540,915	523,745
Right-of-use lease liability	(346,157)	(161,129)
Accrued expenses	(403,190)	615,859
Net Cash Used in Operating Activities	(4,650,868)	(1,474,067)
Cash Flows from Investing Activities		
Business acquisition, net of cash acquired	(9,234,628)	-
Capital expenditures	(190,387)	(52,917)
Proceeds from sale of property and equipment	25,737	-
Net Cash Used in Investing Activities	(9,399,278)	(52,917)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	12,170,560	4,000,000
Net Cash Provided by Financing Activities	12,170,560	4,000,000
Net Effect of Exchange Rate Changes on Cash	(391,110)	(118,501)
Net (Decrease) Increase in Cash and Restricted Cash	(2,270,696)	2,354,515
Cash and Restricted Cash, beginning of year	5,038,548	2,684,033
Cash and Restricted Cash, end of year	\$ 2,767,852	\$ 5,038,548
Supplemental Disclosures of Cash Flow Information		
Taxes paid in cash	\$ 187,543	\$ 192,280
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Liabilities assumed in connection with business acquisition	\$ 1,327,089	\$ -
Equity issued in connection with business acquisition	1,050,000	-
Operating lease right-of-use assets obtained in exchange for operating lease liabilities upon ASC 842 adoption	-	567,758

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

1. Organization and Description of Business

The accompanying consolidated financial statements include the accounts of EverSmith Brands Holding Company, formerly known as Clintar Holding Company (Holdings), a Delaware corporation, and its wholly owned subsidiaries, EverSmith Brands Intermediate Holding Company, formerly known as Clintar Intermediate Holding Company; 2792705 Ontario Inc.; TruServe Groundscare Inc.; Clintar, Inc.; Clintar Franchising, Inc.; milliCare, Inc.; milliCare Franchising, LLC; Kitchen Guard Franchising, Inc.; and Green Guard Services, LLC (collectively, Clintar or the Company). Effective March 14, 2023, the name of Holdings was rebranded to EverSmith Brands Holding Company (Holdings).

On December 14, 2020, Riverside Micro-Cap Fund V, L.P. and Riverside Micro-Cap Fund V-A, L.P. (collectively, RMCF or Riverside) acquired a majority ownership in the Company through RMCF's investment in Holdings and a stock purchase agreement with 2792705 Ontario Inc.

Holdings, headquartered in Charlotte, North Carolina, is a holding company owning subsidiaries principally engaged as franchisors of businesses, which provide landscaping and snow removal services throughout Canada, as well as providing landscaping and snow removal services directly to customers where franchising territories do not exist.

On November 12, 2021, the Company acquired the assets of milliCare, Inc., a complementary franchisor of businesses, which provides operating floor and textile care services throughout the Eastern United States, as well as providing professional floor cleaning directly to customers where franchising territories do not exist.

On April 10, 2023, the Company acquired the membership interests of Green Guard Services Inc., a complementary service business that provides commercial kitchen exhaust cleaning and ancillary services throughout California. After the acquisition, Green Guard Services Inc. was restructured to Green Guard Services, LLC. The Company created the legal entity, Kitchen Guard Franchising, Inc. to franchise the Green Guard Services, LLC brand. There were no franchise sales in 2023.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and include the results of EverSmith Brands Holding Company (f/k/a Clintar Holding Company) and its subsidiaries for the years ended December 31, 2023 and 2022. The results of Green Guard Services Inc. are included from the date of acquisition, April 10, 2023, through December 31, 2023. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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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.

Reclassifications

Unbilled revenue previously included in accounts receivable, net of allowance for credit losses as of December 31, 2022 were reclassified to unbilled revenue on the consolidated balance sheet and the consolidated statements of cash flows to conform to the current year presentation. This reclassification does not result in any changes to previously reported total assets, stockholder's equity, and net income.

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 revenues 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 statements of stockholders' equity as a component of accumulated other comprehensive loss.

Gains and losses arising from foreign currency transactions are included in the consolidated statements 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.

Concentrations of Risk

One customer group made up approximately 17% and 31% of the Company's net sales for the years ended December 31, 2023 and 2022, respectively. The same customer group made up approximately 14% and 16% of the Company's outstanding accounts receivable at December 31, 2023 and 2022, respectively. No other customer groups exceeded 10% of the Company's revenue for the years ended December 31, 2023 and 2022 or outstanding accounts receivable at December 31, 2023 and 2022.

Cash

Cash includes cash on deposit and highly liquid investments with original maturities of three months or less. The Company places its cash and cash equivalents with institutions with high-credit quality. However, at certain times, such cash and cash equivalents may be in excess of Federal Deposit Insurance Corporation limits of \$250,000. Additionally, the Company maintains cash in various foreign institutions amounting to \$1,429,696 and \$1,351,550 as of December 31, 2023 and 2022, respectively, converted at year-end exchange rates. The Company has not experienced any losses on such amounts.

Restricted Cash

In accordance with the milliCare's franchise agreements, certain cash accounts established for promotional or advertising contributions and spending are restricted in their use for cash collected

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by the promotional fund, usage of which is restricted for advertising activities and is included in advertising fund restricted assets on the consolidated balance sheets. Refer to Note 8 for further information.

Reconciliation of cash and restricted cash is as follows:

<i>Year ended December 31,</i>	2023	2022
Cash	\$ 2,711,279	\$ 4,733,869
Restricted cash, included in advertising fund restricted assets	56,573	304,679
Total Cash and Restricted Cash	\$ 2,767,852	\$ 5,038,548

Property and Equipment, Net

Property and equipment are recorded at the estimated fair market value at the date of the respective business acquisitions. Additions subsequent to the business acquisitions are recorded at cost, less accumulated depreciation and amortization. The Company has adopted the straight-line method of depreciation and amortization over the estimated useful lives of the assets, as follows:

Asset Category	Years
Office and computer equipment	5
Furniture and fixtures	5
Vehicles	5
Leasehold improvements	Shorter of the lease term or estimated life of the asset

For the years ended December 31, 2023 and 2022, depreciation expense for property and equipment of \$95,833 and \$62,839, respectively, is included in depreciation and amortization within the accompanying consolidated statements of operations.

Business Combinations

When the Company acquires businesses in a business combination, the total consideration paid is allocated to the fair value of the tangible assets, liabilities, and identifiable intangible assets acquired. Any residual purchase consideration is recorded as goodwill. The allocation of the purchase price requires management to make significant estimates in determining the fair values of assets acquired and liabilities assumed. These estimates are inherently uncertain and unpredictable. In addition, unanticipated events and circumstances may occur that may affect the accuracy or validity of these estimates. Acquisition-related costs are expensed as incurred. Refer to Note 3 for further information.

Goodwill

Goodwill represents the purchase price in excess of the fair value of net assets acquired in a business combination. As discussed below, on December 14, 2020, the Company elected to adopt Accounting Standards Update (ASU) 2014-02, *Intangibles - Goodwill and Other (Topic 350)*, which allows private companies to amortize goodwill, an alternative to the previously issued standard ASU 2011-08. Upon adoption on December 14, 2020, the Company began to amortize goodwill over ten years. Under ASU 2014-02, the Company has elected to test goodwill for impairment at the entity level. Goodwill

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will be tested for impairment when a triggering event occurs that indicates the fair value of the entity may be below the carrying amount, including goodwill. There were no impairment charges for the years ended December 31, 2023 and 2022.

In December 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-08, *Business Combinations (Topic 805)*, to allow private companies an accounting alternative that no longer requires recognition of customer-related intangibles assets, unless they are capable of being sold or licensed independently from the other assets of the business, and noncompetition agreements separately from goodwill in a business combination if the company has adopted ASU 2014-02. The Company adopted ASU 2014-08 on December 14, 2020 and, accordingly, did not separately value any customer-related intangible assets or noncompetition agreements for the acquisitions described in Note 3.

In March 2021, the FASB issued ASU 2021-03, *Intangibles - Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events*, which provides private companies and not-for-profit entities with an accounting alternative to perform the goodwill impairment triggering event evaluation as of the end of the reporting period. Under current guidance in Accounting Standards Codification (ASC) 350-20, an entity is required to identify and evaluate goodwill impairment triggering events when they occur to determine whether it is more likely than not that the fair value of an entity is less than its carrying amount. If an entity determines that it is more likely than not that goodwill is impaired, it must test goodwill for impairment using the triggering event date as the measurement date. Under ASU 2021-03, an entity that elects this alternative is not required to monitor for goodwill impairment triggering events during the reporting period but, instead, should evaluate the facts and circumstances as of the end of each reporting period to determine whether a triggering event exists and, if so, whether it is more likely than not that goodwill is impaired. The amendments in this update are effective on a prospective basis for fiscal years beginning after December 15, 2019. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance as of March 30, 2021. The Company adopted ASU 2021-03 on December 14, 2020.

Definite-Lived Intangible Assets

Intangible assets consist of trade names and franchise agreements and were recorded at their estimated fair value at the date of acquisitions. These assets are amortized on a straight-line basis that approximates the estimated pattern benefit to be realized from each asset over their estimated useful lives ranging from six to 20 years. The Company evaluates definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset might not be recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset are less than its carrying amount. There were no impairment charges recorded related to definite-lived intangible assets for the years ended December 31, 2023 and 2022.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2023 and 2022, the Company incurred advertising expense of \$843,644 and \$526,098, respectively, which is included in selling, general, and administrative expenses on the consolidated statements of operations.

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Revenue Recognition

In accordance with ASC 606, *Revenue from Contracts with Customers (Topic 606)*, revenue is recognized when (or as) a customer obtains control of promised goods or services. The amount of revenue is measured as the transaction price that reflects the consideration that the Company expects to be entitled to receive in exchange for these services. The Company generates all revenue from contracts with customers.

To achieve the core principle of this new standard, the Company applies the following steps:

1. *Identification of the Contract, or Contracts, with the Customer*

The Company considers the terms and conditions of the contract and customary business practices in identifying contracts under ASC 606. The Company determines it has a contract with a customer when the contract is approved, the Company can identify each party's rights regarding the services to be transferred, the Company can identify the payment terms for the services, the Company has determined that the customer has the ability and intent to pay, and the contract has commercial substance. The Company applies judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit, and financial information pertaining to the customer. At contract inception, the Company evaluates whether two or more contracts should be combined and accounted together as a single contract.

2. *Identification of the Performance Obligations in the Contract*

Performance obligations promised in a contract are identified based on the services and the products that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the services and the products is separately identifiable from other promises in the contract. The Company considers the following distinct goods and services to represent separate performance obligations for the purpose of revenue recognition: initial franchise fees, royalty fees, promotional fund fees, monthly technology fees, monthly bookkeeping fees, renewal fees, professional kitchen hood cleaning services landscaping services, and snow removal services.

3. *Determination of the Transaction Price*

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring services to the customer. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur.

4. *Allocation of the Transaction Price to the Performance Obligation in the Contract*

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price (SSP).

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5. Recognition of the Revenue When, or as, the Company Satisfies a Performance Obligation

Revenue is recognized at the time (or as) the related performance obligation is satisfied by transferring control of the promised good or service to the customer in an amount that reflects the consideration that the Company expects to receive in exchange for those goods and services.

The Company derives its revenue from the following sources:

Franchise Revenue

The terms of the franchise agreements for the Company are typically ten years. As part of each agreement, the Company identified one performance obligation that requires the Company to provide a combination of the following relating to upfront franchisee fees:

- *Intellectual Property (IP)* - Licenses grant an exclusive right to establish and operate a landscaping, snow removal, and commercial floor cleaning business under the trademarks and systems established as part of the Clintar, milliCare, or Kitchen Guard license during the term of the agreement.
- *Continuing Consulting Services* - These services include the review of plans, equipment and merchandise selection, 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 Clintar, milliCare, and Kitchen Guard brands.
- *Pre-Opening 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. The standard specifically identifies franchise rights as an example of a symbolic 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. Royalty fees represent the majority of consideration the Company receives under franchise agreements and are recognized over time each month. Revenue related to upfront fees allocated to this single performance obligation is recognized over time using a straight-line measure of progress as the control of various services is provided to the customer ratably over the term of the contract for the initial upfront fee. The renewal option provides continued access for the franchise rights (symbolic license) for an extended period of time and, therefore, would also be recognized over time (over the course of the renewal term) as it meets the above-mentioned criterion. The contracts the Company enters contain several types of payments, including:

- *Clintar Initial Franchise Fees* - Franchise agreements require an initial fee of \$40,000 CAD for each territory. The initial franchise fees are due and payable when a contract is signed and is not refundable.
- *milliCare Initial Franchise Fees* - Franchise agreements require an initial franchise fee of \$45,000 USD. Effective in 2023, the Company increased the initial franchise fee amount to

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\$49,000. For existing franchise owners who may be approved for a second franchise license, the Company offers a discount of \$9,000. The Company offers a \$5,000 discount for veterans who present satisfactory evidence of honorable discharge. Franchisees are eligible for discounts within the first 12 months of operations if revenue levels exceed \$200,000.

- *Kitchen Guard Initial Franchise Fees* - Franchise agreements require an initial franchise fee of \$49,000 USD. For existing franchise owners who may be approved for a second franchise license, the Company offers a discount of \$9,000. The Company offers a \$5,000 discount for veterans who present satisfactory evidence of honorable discharge. There were no Kitchen Guard Franchising, Inc. initial franchise sales in 2023.
- *Royalty Fees* - The Company receives monthly royalty payments based on a percentage of each franchisee's gross billings throughout the initial term. The franchisee is required to meet a certain minimum revenue level for the payment of these royalty fees in any given month, payable monthly on or before the 15th of each month and based upon gross sales for the immediately preceding month.
- *Bookkeeping Services* - The Company receives monthly fees for performing bookkeeping services to franchisees.
- *Monthly Technology Fees* - The Company receives monthly fees for the use of its technology.
- *Renewal Fees* - Franchise agreements include renewal options for an additional ten-year term. The Company has not historically charged a renewal fee.
- *Promotional Fund Revenue* - milliCare and Kitchen Guard maintains a national advertising fund established to collect and administer funds contributed for use in advertising and promotional programs for franchisees in the United States. Franchisees make contributions to the national advertising fund based on a percentage of sales of the franchisees. As of December 31, 2023 and 2022, the Company recorded a promotional fund liability of \$363,756 and \$486,509, respectively, for funds received and reserved for future advertising spend. Refer to Note 8 for further information. There were no Kitchen Guard Franchising, Inc. promotional fund sales in 2023.

The Company recognizes revenue for each performance obligation identified within the customer franchise agreement when, or as, the performance obligation is satisfied by transferring the promised goods or services. All revenue is recognized over time.

Landscaping, Snow Removal, Professional Hood Cleaning Services, and Professional Floor Cleaning Services

The Company's professional services include snow removal, landscaping, professional kitchen hood cleaning services, and professional floor cleaning services to where a franchisee territory is not located. Revenue is recognized over time as the services are rendered.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable represent trade receivables from customers for which the Company has not yet received payment. Accounts receivable are presented net of an allowance for credit losses. The Company maintains an allowance for credit losses for estimated credit losses resulting from the inability of customers to make required payments, or the customer canceling prior to the service being rendered. In evaluating the sufficiency of the allowance for credit losses, the Company considers the specific details of the customer account, the age of the outstanding balance, the

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current economic environment, and historical credit trends. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. Receivable balances are charged off when all collection efforts have failed, and management determines the balance is uncollectable. In the case of balances relating to services not yet rendered, the balance is charged off when the customer cancels the service or when the Company determines that the invoiced service will no longer be provided, whichever occurs first. The allowance for credit losses was \$612,069 and \$263,852 at December 31, 2023 and 2022, respectively.

Unbilled Revenue

Contract assets consist of unbilled revenue. The Company records royalty revenue that has been recognized but not invoiced to its customers 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.

Deferred Revenue

The Company records amounts that have been invoiced to its clients in either deferred revenue or revenue depending on whether the revenue recognition criteria described above have been met. Deferred revenue that will be recognized during the succeeding 12-month period from the respective consolidated balance sheet date is recorded as short-term deferred revenue and the remaining portion is recorded as long-term.

Contract liabilities consist of deferred revenue and include payments received in advance of performance under the contract and non-cancellable amounts billed in advance relating to initial franchise fee invoiced. Such amounts typically relate to the initial franchise fee paid and are recognized as revenue over the contract period, which is generally ten years.

Transaction Price Allocated to Remaining Performance Obligations

As of December 31, 2023, \$1,065,469 of deferred revenue is expected to be recognized from remaining performance obligations. This is comprised of initial franchise fees.

The estimated revenues from the remaining performance obligations do not include uncommitted contract amounts, such as (i) amounts that are cancelable by the client without any significant penalty, (ii) future billings for time and material contracts, and (iii) amounts associated with optional services and renewal periods.

Deferred Contract Acquisition Costs

The Company capitalizes sales commissions and certain parts of bonuses paid to internal sales personnel and third-party broker fees that are incremental to the acquisition of customer contracts. These costs are recorded as deferred contract acquisition costs on the consolidated balance sheets. The Company determines whether costs should be deferred based on sales compensation plans. If the commissions or third-party broker fees are, in fact, incremental and would not have occurred absent the customer contract, such commissions or broker fees are capitalized and deferred, as further described below.

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Sales commissions for renewal of a franchise agreement or other services are not considered commensurate with the commissions paid for the acquisition of the initial franchisee agreement given the substantive difference in commission rates between new and renewal contracts. Commissions and bonuses paid upon the initial acquisition of a contract are amortized on a straight-line basis over an estimated period of benefit of ten years. Commissions on professional services are typically recognized when incurred because professional services are performed in less than one year. The Company determined the period of benefit for commissions paid for the acquisition of the initial franchise agreements by taking into consideration the initial estimated customer life. The Company determined the period of benefit for renewal of franchisee agreements by considering the average contractual term for renewal contracts. Amortization of deferred contract acquisition costs is included in general, selling, and administrative expenses on the consolidated statements of operations.

The Company periodically reviews these deferred costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred contract acquisition costs. There were no material impairment losses recorded during the periods presented.

The following table represents a roll-forward of deferred contract acquisition costs:

Ending Balance, December 31, 2022	\$ 292,054
Additions to deferred contract acquisition costs	406,230
Amortization of deferred contract acquisition costs	(33,421)
Ending Balance, December 31, 2023	\$ 664,863

Future estimated amortization of capitalized commission costs is as follows at December 31, 2023:

<u>Year ending December 31,</u>	
2024	\$ 71,280
2025	71,280
2026	71,280
2027	71,280
2028	71,280
<u>Thereafter</u>	<u>308,463</u>
Total	\$ 664,863

Taxes Collected from Customers and Remitted to Governmental Authorities

When required, the Company collects sales tax from its customers on sales and remits these funds to various governmental authorities when due. The Company made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by any governmental authorities that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer. The Company records sales tax collected from customers as a component of accrued expenses within the consolidated balance sheets.

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Leases

On January 1, 2022, the date of initial application, the Company adopted ASC 842, *Leases*, using the modified retrospective transition method whereby prior comparative periods have not been restated and continue to be reported under the accounting standards in effect for the prior period. The Company elected the package of practical expedients permitted under the transition guidance for all leases, which allowed the Company to adopt ASC 842 without reassessing whether arrangements contain leases, the lease classification, and the determination of initial direct costs.

The Company determines if an arrangement contains a lease in whole or in part at the inception of the contract. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term while lease liabilities represent the obligation to make lease payments arising from the lease. All leases with an expected term greater than 12 months result in the recognition of an ROU asset and a liability at the lease commencement date based on the present value of the lease payments over the lease term. Lease liabilities are measured at the present value of remaining lease payments, while ROU assets are initially set equal to the lease liability, as adjusted for any payments made prior to lease commencement, lease incentives, and any initial direct costs incurred by the Company. The Company elected the practical expedient for private companies that allows companies to use the risk-free discount rate at the lease commencement date to determine the present value of the lease payments instead of calculating their incremental borrowing rate.

The lease term includes all non-cancellable periods and may include options to extend (or to not terminate) the lease when it is reasonably certain that the Company will exercise the option. Leases that have a term of 12 months or less at the commencement date are expensed on a straight-line basis over the lease term and do not result in the recognition of an ROU asset or lease liability.

For operating leases, rent expense is recognized on a straight-line basis over the term of the lease, and ROU assets are subsequently re-measured to reflect the effect of uneven lease payments. For finance leases, ROU assets are amortized on a straight-line basis over the lease term. Expenses for finance leases include the amortization of ROU assets, which is recorded as depreciation and amortization expense, and interest expense, which reflects interest accrued on the lease liability. The Company has elected to combine lease and non-lease components, such as fixed maintenance costs, as a single lease component in calculating ROU assets and lease liabilities for all classes of leased assets.

Income Taxes

The Company is a C-corporation for U.S. tax purposes and a corporation for Canadian tax purposes and accounts for income taxes using the asset and liability method. Deferred income taxes are provided for temporary differences in recognizing certain income, expense, and credit items for financial reporting purposes and tax reporting purposes. Such deferred income taxes primarily relate to differences between the tax basis of assets and liabilities and their financial reporting amounts. Deferred income tax assets and liabilities are measured by applying enacted statutory tax rates applicable to the future years in which the deferred income tax assets or liabilities are expected to be settled or realized. In assessing the ability to realize deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers historic earnings, scheduled reversals of deferred income tax liabilities, and projected future taxable income in making this assessment.

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The Company follows the provisions of the FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*, which seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained. The Company recognizes any corresponding interest and penalties associated with its income tax positions in income tax expense. The Company does not believe there are any material uncertain tax positions that should be recorded as of December 31, 2023 and 2022.

Fair Value of Financial Instruments

The carrying values of financial instruments, such as accounts receivable, accounts payable, and accrued expenses are reasonable estimates of their fair value because of the short maturity of these items.

Fair Value Measurements

The Company follows ASC 820-10, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements.

ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability in an orderly transaction. Fair value measurement is based on a hierarchy of observable or unobservable inputs. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology other than quoted prices in active markets are either directly or indirectly observable as of the reporting date, and the fair value can be determined using models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the asset and liability and the reporting entity makes estimate assumptions relating to the pricing of the asset or liability, including assumptions regarding risk.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which applies primarily to the Company's accounts receivable impairment loss allowances. The guidance provides a revised model whereby the current expected credit losses are used to compute impairment of financial instruments. The

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new model requires evaluation of historical experience and various current and expected factors, which may affect the estimated amount of losses and requires determination of whether the affected financial instruments should be grouped in units of account. This standard was effective for private entities for annual periods beginning after December 15, 2022. The Company adopted ASU 2016-13 on January 1, 2023. There was not a material impact of this standard on the Company's financial position, results of operations, and cash flows. Refer to the accounts receivable policy in Note 1.

3. Business Combination

GG Services Holdings, Inc.

On April 10, 2023, Clintar, Inc. (d/b/a EverSmith Brands), a wholly owned subsidiary of Holdings, 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 investment to fund the acquisition consisted of the following:

Capital contributions	\$ 12,105,788
Rollover equity	1,050,000
Net working capital adjustment	(199,243)
Total Initial Investment	\$ 12,956,545

The total consideration has been allocated using the purchase method of accounting to the assets acquired and liabilities assumed based upon a determination of estimated fair values, as follows:

Cash	\$ 1,508,023
Accounts receivable	667,211
Other assets	69,896
Property and equipment	495,695
Separately identifiable intangible assets	583,000
Goodwill	8,723,006
Operating right-of-use assets	1,072,909
Total Assets	13,119,740
Accounts payable	94,630
Accrued expenses	79,243
Accrued compensation	80,307
Operating lease obligations	1,072,909
Total Liabilities	1,327,089
Net Assets Acquired	\$ 11,792,651

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The excess of the initial investment over the net assets acquired was used to cover acquisition costs, and to fund additional working capital for operations.

Intangible assets acquired consist of trade names of \$583,000. The Company did not separately value the customer relationships or non-compete 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.

4. Intangible Assets, Net

Acquired intangible assets (other than goodwill) consist of the following:

December 31, 2023

	Cost	Accumulated Amortization	Net Book Value
Trade names	\$ 3,161,987	\$ (435,032)	\$ 2,726,955
Franchise agreements	2,227,513	(693,235)	1,534,278
Total	\$ 5,389,500	\$ (1,128,267)	\$ 4,261,233

December 31, 2022

	Cost	Accumulated Amortization	Net Book Value
Trade names	\$ 2,532,880	\$ (243,139)	\$ 2,289,741
Franchise agreements	2,188,492	(441,584)	1,746,908
Total	\$ 4,721,372	\$ (684,723)	\$ 4,036,649

For the years ended December 31, 2023 and 2022, amortization expense of \$413,289 and \$377,697, respectively, for trade names and franchise agreements is included in depreciation and amortization expense within the accompanying consolidated statements of operations. Foreign currency translation impact on intangible assets, net, was an increase of \$54,873 and a decrease of \$(219,564) for the years ended December 31, 2023 and 2022, respectively.

EverSmith Brands Holding Company
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Estimated amortization expense on intangible assets is as follows:

<i>Year ending December 31,</i>	
2024	\$ 455,163
2025	455,163
2026	455,163
2027	448,620
2028	402,829
Thereafter	2,044,295
Total	\$ 4,261,233

5. Goodwill, Net

The Company's goodwill balance is a result of the acquisitions. The Company elected to test goodwill for impairment at the entity level and amortize the balance on a straight-line basis over a ten-year period. Amortization expense of \$1,537,914 and \$1,070,251 for the years ended December 31, 2023 and 2022, respectively, is recorded in operating expenses in the consolidated statements of operations.

The carrying value of the Company's goodwill is as follows:

<i>December 31,</i>	2023	2022
Gross Carrying Amount of Goodwill, beginning of year	\$ 9,261,991	\$ 9,692,227
Additions from business acquisition	8,723,006	-
Accumulated amortization	(3,383,799)	(1,845,885)
Foreign currency translation	124,649	(430,236)
Net Carrying Amount of Goodwill, end of year	\$ 14,725,847	\$ 7,416,106

Estimated amortization expense of goodwill is as follows:

<i>Year ending December 31,</i>	
2024	\$ 1,807,711
2025	1,807,711
2026	1,807,711
2027	1,807,711
2028	1,807,711
Thereafter	5,687,292
Total	\$ 14,725,847

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EverSmith Brands Holding Company
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Notes to Consolidated Financial Statements

6. Income Taxes

The provision for income tax expense (benefit) is as follows:

<i>Year ended December 31,</i>	2023	2022
Foreign - current	\$ 429,044	\$ 337,167
Foreign - deferred	(7,083)	10,529
Income Tax Expense	\$ 421,961	\$ 347,696

The income tax expense differs from the statutory rate due primarily to the impact of foreign income tax expense, meals and entertainment, nondeductible goodwill amortization, and valuation allowance.

The components of deferred income tax assets and liabilities are as follows:

<i>December 31,</i>	2023	2022
Deferred Income Tax Assets (Liabilities)		
Property and equipment	\$ (184,332)	\$ (78,910)
Intangible assets	(920,517)	(1,027,945)
Gain on sale of property and equipment	-	(8,704)
Prepaid expenses	(79,108)	(112)
Net operating losses	2,526,054	1,200,176
Acquisition costs	506,669	229,352
Bad debt expense	50,679	25,000
ASC 842 Lease Accounting	2,891	-
Accrued expense	163,055	-
Unrealized loss (gain)	2,221	(514)
Total Deferred Income Tax Assets (Liabilities)	2,067,612	338,343
Valuation Allowance	(3,141,419)	(1,458,967)
Deferred Income Tax Liability	\$ (1,073,807)	\$ (1,120,624)

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment. Based on current and projected future taxable income, management believes it is more likely than not that the U.S. deferred tax assets will not be realized. Therefore, a valuation allowance was placed on the Company as of December 31, 2023 and 2022. Management believes it is more likely than not that the foreign deferred tax assets will be realized.

The Company evaluates uncertain tax positions as prescribed under ASC 740, which requires significant judgments and estimates regarding the recoverability of deferred tax assets, the likelihood of the outcome of examinations of tax positions that may or may not be currently under review, and potential scenarios involving settlements of such matters. The Company assessed its uncertain tax positions and has determined that no liability should be recorded as of December 31, 2023 and 2022. The Company's policy is to recognize interest and penalties as a

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component of the provision for income taxes. For the years ended December 31, 2023 and 2022, there were no penalties or interest recorded.

The Company has available at December 31, 2023 a net operating loss carryforward of \$2,100,000 for federal tax purposes, carrying forward indefinitely, and \$400,000 for state tax purposes with various expiration dates.

7. Stockholders' Equity

Common Stock

The Company has 300,000 shares of common stock authorized and 28,818 and 21,380 shares issued and outstanding as of December 31, 2023 and 2022, respectively, with a par value of \$0.01.

Stock Options

The Company's 2020 Equity Incentive Plan (Incentive Plan) is administered through Holdings. The Incentive Plan, which is shareholder-approved, 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 shareholders. Stock options are granted with an exercise price equal to the estimated fair value per Holdings' common stock value 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. For the years ended December 31, 2023 and 2022, the Company issued 445 and six stock options, respectively. As of December 31, 2023 and 2022, there were 2,145 stock options authorized under the Incentive Plan.

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 based upon the Company's credit facilities, which prohibits the payment of 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:

<i>December 31,</i>	2023	2022
Expected volatility (%)	25	25
Expected dividend yield	-	-
Expected life (years)	7	7
Risk-free interest rate (%)	4.23	1.47

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A summary of rights to stock option activity under the plan is presented below:

	Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (Years)
Outstanding, January 1, 2022	1,312	\$ 1,268	11.7
Granted	6	1,000	11.3
Forfeited or canceled	(40)	1,000	10.7
Outstanding, December 31, 2022	1,278	1,110	10.8
Granted	445	1,664	9.3
Forfeited or canceled	(508)	1,133	9.2
Outstanding, December 31, 2023	1,215	\$ 1,301	9.9
Exercisable, December 31, 2023	251	\$ 1,093	9.9

Stock-based compensation expense related to stock options granted to employees charged to operations was \$72,554 and \$69,697 for the years ended December 31, 2023 and 2022, respectively. Stock-based compensation expense is included in selling, general, and administrative expenses on the accompanying consolidated statements of operations.

The following is a summary of non-vested options:

	Shares	Weighted-Average Grant-Date Fair Value per Share
Non-Vested, January 1, 2022	1,245	\$ 390
Granted	6	425
Vested	(183)	357
Forfeited or exercised	(40)	289
Non-Vested, December 31, 2022	1,028	393
Granted	445	630
Vested	(166)	364
Forfeited or exercised	(342)	333
Non-Vested, December 31, 2023	965	\$ 534

As of December 31, 2023 and 2022, there was \$478,469 and \$388,911, respectively, of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the Company's Incentive Plan. The cost for the Company's time-vested option is expected to be recognized over a weighted-average period of 5.8 years.

8. Advertising Costs and Fund

milliCare Franchising, LLC maintains a United States national advertising fund established to collect and administer funds contributed for use in advertising and promotional programs. Contributions to the promotional fund are required from franchisees and are based on a percentage of franchisee sales.

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Restricted assets and liabilities of the promotional fund are as follows:

<i>Year ended December 31,</i>	2023	2022
Restricted cash	\$ 56,573	\$ 304,679
Accounts receivable	271,661	185,128
Advertising Fund Restricted Assets	\$ 328,234	\$ 489,807
Accounts payable	\$ 18,632	\$ 75,802
Accrued expenses and other current liabilities	345,124	410,707
Advertising Fund Restricted Liabilities	\$ 363,756	\$ 486,509

Advertising promotional fund expense is included in selling, general, and administrative expenses on the accompanying consolidated statements of operations and totaled \$375,458 and \$485,018 for the years ended December 31, 2023 and 2022, respectively. The 2022 advertising fund restricted liabilities were funded by Holdings during 2023.

9. Lease Obligations

The Company has operating lease arrangements for its various office spaces, office equipment, and vehicle 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. For the majority of leases entered into during the current period, the Company concluded it is not reasonably certain that the Company would exercise the options to extend the lease or not terminate the lease. Therefore, as of the lease commencement date, the Company's lease terms generally do not include these options. The Company includes options to extend the lease when it is reasonably certain that the Company will exercise that option.

The Company's leases typically include a combination of fixed and variable payments. Fixed payments are generally included when measuring the ROU asset and lease liability. Variable payments, which primarily represent payments based on usage of the underlying asset, are generally excluded from such measurement and expensed as incurred. In addition, certain of the Company's lease arrangements may contain a lease coupled with an arrangement to provide other services, such as maintenance, or may require the Company to make other payments on behalf of the lessor related to the leased asset, such as payments for taxes or insurance. As mentioned in Note 2, the Company accounts for these non-lease components together with the associated lease component for each asset class.

The Company's lease arrangements generally do not contain significant restrictions or covenants; however, certain of the Company's vehicle and equipment leases include residual value guarantees, whereby the Company provides a guarantee to the lessor that the value of the underlying asset will be at least a specified amount at the end of the lease. Amounts probable of being owed under these guarantees are included within the measurement of the ROU asset and lease liability.

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Notes to Consolidated Financial Statements

Lease Position

The following table presents the Company's lease-related assets and liabilities at the end of the year:

Lease Type	Classification on the Consolidated Balance Sheets	2023		2022	
		\$	1,130,780	\$	410,947
Operating lease assets	Operating lease ROU assets, net				
Total Lease Assets		\$	1,130,780	\$	410,947
Current					
Operating	Current portion of operating lease obligations				
		\$	422,328	\$	144,553
Non-Current					
Operating	Long-term portion of operating lease obligations				
			723,255		268,324
Total Lease Liabilities		\$	1,145,583	\$	412,877

Lease Costs

The following table presents information related to the Company's lease expense:

<i>Year ended December 31,</i>	2023		2022	
Operating lease expense	\$	387,752	\$	163,136
Short-term lease expense		15,294		9,092
Total Lease Costs	\$	403,046	\$	172,228

Lease Term and Discount Rate

The following table presents certain information related to the lease terms and discount rate:

<i>Year ended December 31,</i>	2023		2022	
Weighted-average remaining lease term - operating leases (years)		2.82		2.87
Weighted-average discount rate - operating leases (%)		3.19		1.22

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EverSmith Brands Holding Company
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Notes to Consolidated Financial Statements

Maturity of Lease Liabilities

The following table reconciles the Company's future minimum lease payments on an undiscounted cash-flow basis to its lease liabilities reported in the consolidated balance sheet as of December 31, 2023:

Year ending December 31,

	Operating Leases
2024	\$ 451,604
2025	398,274
2026	279,932
2027	70,633
Total Minimum Lease Payments	1,200,443
Less: imputed interest	(54,860)
Present Value of Future Minimum Lease Payments	\$ 1,145,583
Current portion of lease liabilities	\$ 422,328
Non-current portion of lease liabilities	723,255
Present Value of Future Minimum Lease Payments	\$ 1,145,583

10. Related Party Transactions

The Company signed consulting services agreements with affiliates of the majority equity holder of Holdings 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 \$610,010 and \$593,364 expensed under these agreements for the years ended December 31, 2023 and 2022, respectively, which was included in selling, general, and administrative expenses in the consolidated statements of operations.

11. Commitments and Contingencies

During the ordinary course of business, the Company is, from time-to-time, threatened with, or may become a party to, legal actions and other proceedings. Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including management's assessment of the merits of any particular claim, the Company does not expect that these legal proceedings or claims will have any material adverse impact on its future financial position or results of operations.

The Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and cyber security breaches for which the Company carries commercial insurance. There have been no significant reductions in coverage from prior year, and settlements, if any, have not exceeded coverage.

EverSmith Brands Holding Company
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Notes to Consolidated Financial Statements

12. Foreign Operations

Total assets and liabilities (after intercompany eliminations) of subsidiaries in foreign countries are as follows:

<i>December 31,</i>	2023	2022
Current assets	\$ 3,668,043	\$ 3,532,025
Long-term assets, net	9,640,997	10,803,846
Total Assets	13,309,040	14,335,871
Total Liabilities	(3,201,340)	(3,135,958)
Net Assets	\$ 10,107,700	\$ 11,199,913

Net revenue and net loss of the Company's foreign subsidiaries totaled \$9,640,746 and \$839,388, respectively, for the year ended December 31, 2023. Net revenue and net loss of the Company's foreign subsidiaries totaled \$11,496,011 and \$584,386, respectively, for the year ended December 31, 2022.

13. Subsequent Events

The Company has evaluated subsequent events through March 28, 2024, the date the consolidated financial statements were available to be issued. Based on the evaluation performed, there were no material subsequent events that required recognition or additional disclosure in the consolidated financial statements, other than the events noted below.

On January 12, 2024, the Company entered into a share purchase agreement to acquire shares of U.S. Lawns, Inc. for an initial base purchase price of \$52,000,000, subject to purchase-price adjustments based on principles defined in the share purchase agreement. The acquisition was funded with capital contributions from RMCF.

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 U.S. Lawns, 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 2025 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.

6700 Forum Dr, Ste 150
The Guarantor signs this guarantee at Orlando, Fl on the 1st day of April, 2025.

Guarantor:

EverSmith Brands Holding Company

By:

Document signed by:
Ken Hutcheson
Ken Hutcheson, CEO and Director

EXHIBIT B

U.S. LAWNS FRANCHISE AGREEMENT

U.S. LAWNS FRANCHISE AGREEMENT

U.S. Lawns, Inc.

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U.S. LAWNS FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is made this ____ day of _____, 202____ between U.S. Lawns, Inc. a Florida corporation with its principal business located at 6700 Forum Drive, Suite 150, Orlando, FL 32821 ("we" or "us"), and "Franchisee" or "you" as identified on the Data Sheet attached as Schedule A (the "Data Sheet"). If the franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its owners.

RECITALS

- A. We have developed a distinctive system for opening and operating a business providing landscape maintenance services pursuant to certain standards and specifications ("U.S. LAWNS Business");
- B. We own the U.S. LAWNS service mark and other trademarks used in connection with the operation of a U.S. LAWNS Business;
- C. You desire to develop and operate a U.S. LAWNS Business; and
- D. We have agreed to grant you a franchise subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

SECTION 1 DEFINITIONS

- 1. For purposes of this Agreement, the terms below have the following definitions:
 - A. "Business" means the U.S. LAWNS Business you develop and operate pursuant to this Agreement.
 - B. "Confidential Information" means any proprietary information, knowledge, and know-how, including processes, materials, software, computer data files, methods, procedures, suggested pricing, specifications, techniques, data bases of potential customers and any other Customer Information (as defined below), technical information and expertise, sales and marketing programs and techniques, knowledge of operating systems, results and financial performance of U.S. LAWNS Businesses other than U.S. LAWNS Businesses that you own, and other data concerning the methods of operation of a System franchised business proprietary and non-public information owned by us relating to the development or operation of U.S. LAWNS Businesses whether contained in the Operations Manual or otherwise.

C. “Conversion Franchise” means a franchise purchased by the owner of an existing active, landscape business that meets our criteria for conversion franchises.

D. “Conversion Sales” means Gross Billings received pursuant to the specific contract maintenance work agreements which are identified on Schedule B.

E. “Customer Information” means contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, corporate background, all customer lists, data collected from former, existing, and/or potential customers including customer names and addresses, discounts and credit extensions to customers, customer contracts, designs, and status information and all other information about (1) any person or entity included on any marketing or customer list provided by us to you, (2) any person or entity who has purchased or purchases services from you during the term (even if you have solicited the person and/or established a relationship independent of us and without our assistance) or who you have solicited to purchase any goods and/or services, (3) any person or entity for whom you provide services on our behalf or at our direction; and (4) if customer is a corporation or limited liability company, all employees of such corporation or limited liability company.

F. “Gross Billings” means the gross amount billed by you during any calendar month, whether or not payment is received therefore, on account of Landscape Maintenance 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 exclude sales taxes collected and paid to the proper authorities.

G. “Internet” means all communications between computers and television, telephone, facsimile and any other communication or communication capable devices and another such device or machine, including the World Wide Web, proprietary online services, social media platforms, blogs, E-mail, news groups and electronic bulletin boards and forums.

H. “Landscape Maintenance Services” means the following specific landscape maintenance and related services: (1) lawn mowing, edging, blowing, line trimming; (2) pruning, selective pruning, shearing, weeding, raking, and tree trimming of trees up to 15 feet in height; (3) fertilization; (4) lawn, shrub and tree insect and disease control, (5) pre-emergent and post-emergent weed control; (6) lawn and ornamental consultation; (7) irrigation installation, operation, inspection, consultation, repair, remedial installation and installation relating to landscape construction; (8) sales and installation of authorized landscape products and the sale and the installation of living landscape materials such as plants, trees, and flowers;

(9) lawn seeding, overseeding, aerification, thatching and grading; (10) arborist services; and (11) snow management and other snow related services authorized by us.

I. “Marks” means the “U.S. LAWNS” service mark, and such other trademarks, service marks, logo types and commercial symbols as we may from time to time expressly authorize or direct you to use in connection with the operation of Business.

J. “Operations Manual” or “Manual” means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for operating U.S. LAWNS Businesses, all of which we may change from time to time. The term “Operations Manual” includes all means of communicating such information, including all written, digitized, computerized, and electronically formatted versions, such as an Extranet site, bulleting, e-mails, videotapes, audio tapes, and compact discs.

K. “Property Management Company” means a company which has been engaged by a property owner (or the owner’s representative) to provide property management and supervisory services with respect to such owner’s property, which may include a building, a building or office complex or industrial park; a homeowners, condominium or co-operative association; a hotel, motel, resort or other lodging facility; a shopping center; a campus; or other industrial, business or residential property.

L. “Regional Account” means a customer or prospective customer who has more than one business location, which location(s) may or may not be located in the Territory, and Property Management Companies who manage properties at more than one location, which locations may or may not be located in the Territory.

M. “Service Vehicle(s)” means and include vans, pick-up trucks, service trailers and any vehicle used by you to make sales calls on, and provide services to, customers and prospective customers of the Business, which Service Vehicle(s) must conform to the standards, specifications and policies established from time to time by us.

N. “System” means U.S. Lawn’s operating systems, methods, policies and procedures for providing Landscape Maintenance Services for commercial and residential customers, including, items of trade dress, specifications for equipment, operating and administrative procedures, management and technical training programs, landscape (including softscape and hardscape) maintenance and construction procedures and systems, all as the same may exist today or as the same may change from time to time, as specified in the Operations Manual or as otherwise reasonably directed by us from time to time.

O. “Territory” means the area designated in Section 3 of Schedule A.

P. “Year” or “Years” means the period beginning on the day and month of the Effective Date and ending on the day immediately preceding each subsequent anniversary of such date.

SECTION 2 GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Rights Granted. We hereby grant to you, subject to the terms and conditions of this Agreement, the right and license to engage in and conduct a U.S. LAWNS Business identified by the Marks that we authorize for your use hereunder (or such other marks as we may direct) for the territory consisting of the area set forth in Section 3 of Schedule A (the “Territory”).

You hereby accept said license and undertake the obligation to operate your Business faithfully, honestly and diligently, using the System in compliance with our standards and requirements for the System. You agree to maintain and operate your Business under your active and continuous supervision and management. You must begin operating your Business within three months of the date we sign this Agreement, although you may not commence operations of your Business until you successfully complete our training program and we have approved the commencement date of operations. The license granted herein is limited to the right to operate your Business only within the Territory and may not be used elsewhere or at any other location by you, except as we may authorize from time to time and under the terms and conditions set forth in the Operations Manual or otherwise in writing. If we do permit you to service clients outside the Territory, we reserve the right to require you to cease servicing those clients, and you agree to assist in transferring the service needs of those clients immediately to the entity that will continue to service those clients, all without compensation to you. You do not have the right to subfranchise, sublicense, assign or transfer your rights under this Agreement, except as specifically provided in this Agreement.

B. Territory Rights. During the term of this Agreement and provided that you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Territory without your written permission, or (ii) establish either a company-owned or franchised Landscape Maintenance Business within the Territory under the U.S. LAWNS Marks, 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.

C. Our Reservation of Rights. We retain all rights that are not expressly granted to you under this Agreement. We and our affiliates may, among other

things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

- (i) establish and/or license others to establish franchised or company-owned U.S. LAWNS businesses at any location outside the Territory regardless of the proximity of such business to your Territory;
- (ii) advertise, market, promote and provide any goods and services under trademarks, service marks, trade names and other commercial symbols other than the Marks, at any location, within or outside the Territory, and to solicit prospective customers, including Property Management Companies, for such goods and services wherever they may be located;
- (iii) merge with, acquire or become acquired by (“Merger/Acquisition Activity”) any businesses, including competitive businesses, which businesses operate under trademarks other than the U.S. LAWNS Marks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your U.S. LAWNS Business, and which may be located anywhere inside or outside the Territory; and
- (iv) except for the limited rights granted to you in Section 2.B, sell and distribute for ourselves and/or license others to sell and distribute within and outside the Territory, products or services the same as or different from the products and services offered from your U.S. LAWNS Business, and which are offered and distributed under marks different than the Marks.

D. Regional Accounts. Without limiting the generality of Section 2.C, we expressly reserve the right to solicit Regional Accounts wherever 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 located in the Territory, upon our request, you 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 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 the proposal and execute such agreements and other documents and instruments as we and the Regional Account may require to fulfill the agreed upon contract terms (“Regional Account Agreement”). We will afford you the first opportunity to submit a Bid Package on each proposed Regional Account location which is within your Territory and to perform Landscape Maintenance Services to Regional Account locations located in the Territory; provided, however, that we may, as applicable, submit Bid Packages and perform such Landscape Maintenance Services ourselves or cause other franchisees or contractors to do so, if: (a) you fail to timely submit a Bid Package in accordance with our request; (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 are, at the time of the issuance of the RFP or submission of the Bid Package, in default of your obligations or under any other agreement with us, or under any other Regional Account Agreement to which you are a 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. You acknowledge and agree that we or our affiliate 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.

We may, but are not obligated to, compensate you for Landscape Maintenance Services performed by us, our affiliate or another franchisee or contractor for Regional Account locations which are located within your Territory in such amounts (if any) as we determine.

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.

SECTION 3 TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Marks are our property and we have licensed the use of the Marks to you and others. You further acknowledge that your right to use the Marks is specifically conditioned upon the following:

A. **Mark Ownership.** The Marks are our valuable property, and we are the owner of all right, title and interest in and to the Marks and all past, present or future goodwill of the U.S. LAWNS Business and of the business conducted that is associated with or attributable to the Marks. Your use of the Marks will inure to our benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. **Use of Marks.** You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the U.S. LAWNS Business except those we authorize or direct in writing. You may use the Marks only in connection with such products and services as we specify and only in the

form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Marks only in association with products and services approved by us and that meet our standards or requirements with respect to quality, production, installation and sale.

C. Business Identification. You must use the name U.S. LAWNS as the trade name of the Business and you may not use any other mark or words to identify the Business without our prior written consent. You may not use the words “U.S. LAWNS” or any of the other Marks as part of the name of your corporation, partnership, limited liability company or other business entity. You may use the Marks on various materials, such as business cards, stationery and checks, provided you (i) accurately depict the Marks on the materials as we describe, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Marks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Marks. You must post a prominent sign in your office identifying you as a U.S. LAWNS franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the U.S. LAWNS Business and that the U.S. LAWNS Mark is owned by us and your use is under a license we have issued to you.

D. Litigation. In the event any person or entity improperly uses or infringes the Marks or challenges your use or our use or ownership of the Marks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Marks in violation of this Agreement, in which case you must pay us for our costs and expenses.

E. Changes. You may not make any changes or substitutions to the Marks unless we direct in writing. We reserve the right to change the Marks at any time and you must comply with any such changes within the time frames we specify.

F. Creative Works. All ideas, concepts, techniques, or materials concerning the U.S. LAWNS business, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action

(including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

SECTION 4 TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement is 10 years. The initial term commences upon the Effective Date (as defined in Section 14.P) of this Agreement.

B. Renewal Term and Conditions of Renewal. You may renew your license for two additional terms of 10 years each, provided that with respect to each renewal: (i) you have given us written notice of your decision to renew at least 120 days but not more than 180 days prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to the grant of a renewal), the terms of which may differ from this Agreement, including higher fees; (iii) pay our then-current renewal fee, presently \$5,000, and capped at 20% of the then-current Initial Franchise Fee; (iv) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; (v) you comply with our then-current training requirements; and (vi) you and your guarantors execute a general release of claims in a form we prescribe.

C. Interim Period. If you do not exercise your right to renew this Franchise Agreement prior to the expiration of this Agreement and you continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating a franchise without the right to do so and in violation of our rights; or (ii) continued on a month-to-month basis (“Interim Period”) until one party provides the other with written notice of such party’s intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

SECTION 5 PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

5. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Facilities. Before commencing operation of the U.S. LAWNS Business, you must have: i) a centrally located storage or warehouse facility in the

Territory, ii) an office, the location of which is subject to our reasonable approval, iii) all designated equipment, supplies and uniforms for the operation of the U.S. LAWNS Business, and iv) at least one Service Vehicle identified and equipped in accordance with our standards and specifications.

B. Authorized Products and Supplies. You must use in the operation of the U.S. LAWNS Business and in the offer and sale of the products and services we approve only the techniques, equipment, procedures and supplies we specify in writing. You acknowledge and agree that we may change any of our requirements periodically and that you are obligated to conform to the requirements. All customer service materials and promotional items of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that the U.S. LAWNS Business must at all times maintain an inventory of products, material and supplies that will permit operation of the U.S. LAWNS Business at sufficient capacity.

C. Approved Supplies and Suppliers. We may furnish to you from time to time lists of approved supplies or approved suppliers. We reserve the right to require that you only use approved products, inventory, equipment, signs, advertising materials, and other items (collectively "Proprietary Products") in the U.S. LAWNS Business as set forth in the Proprietary Products and approved suppliers lists, as we may amend from time to time. We may develop and research new products as we determine necessary. Although we do not do so for every item, we have the right to approve the supplier of Proprietary Products. You acknowledge and agree that certain Proprietary Products may only be available from one approved supplier source, and we or our affiliates may be that source. You will pay the then-current price in effect for any approved products and supplies you purchase from us or our affiliates. All inventory, products, materials and other items and supplies used in the operation of the U.S. LAWNS Business must conform to the specifications and standards we establish from time to time. **ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS.**

D. Computer System; Customer Information. You must purchase a computer system, including all future updates, supplements and modifications (the "Computer System") that meets our standards and requirements. The Computer System will be used to develop a database of Customer Information, schedule your appointments, generate bids and proposals, maintain communications over the Internet, and produce your accounting records. We own all data and information related to customers of the Business, including, all Customer Information as that term is defined in this Agreement. If we request, you must provide us with an up-to-date customer list in the form we prescribe. You acknowledge that we may

require you to submit this information through our Internet system or other online communications. We have the right to contact the customers to ascertain your quality of service and the level of customer satisfaction. You 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, you must promptly deliver to us all customer lists, data, and information for all past and current customers of the Business. You agree to strictly adhere to our privacy policies we may now, or in the future, establish with respect to Customer Information. You may only use the Customer Information to the extent necessary to perform your obligations under this Agreement and during the term hereof and subject to all privacy, security and other applicable laws. Without limiting the foregoing, you agree to comply with applicable law in connection with your collection, storage and your use and our use of the Customer Information, including, if required under applicable law, obtaining consents from customers to our sharing of the Customer Information as contemplated hereunder. You must comply with all laws and regulations relating to data protection, privacy and security, and must comply with any data protection, privacy and security policies including data breach response policies we may periodically establish.

You may be required to license software from us, an affiliate, or a third party and you also may be required to pay an additional software licensing or user fee in connection with your use of the software and sign any applicable software license agreement. All right, title and interest in the software will remain with the licensor of the software. You shall not use or download any software on your computer unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You acknowledge and agree that we will have full and complete access to the information and data entered and produced by the Computer System. You must have Internet access with a form of high speed connection as we require and you must maintain a dedicated email account for the U.S. LAWNS Business, separate from any personal or other email account. You must purchase any upgrades, enhancements or replacements to the Computer System and/or hardware and software that we may from time to time require. At your cost and expense, you must subscribe to the U.S. LAWNS Franchise Support internet web site, or successor system established by us (with access fees paid by you).

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 as well, such as PCI and CCPA compliance. You agree that we have the right to require you to update or upgrade computer hardware components, Software, and/or cloud-based subscriptions as we deem necessary from time to time, with no limitations as to the number or cost of such updates or upgrades. You must take all steps, including but not limited to those related to visibility and management of your Business network, 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. You agree 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 our standards, protocols, and restrictions that we include in the Operations Manual or in our 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. You further agree not to violate our privacy policies or user terms on our Website.

E. Promotional Items. All sales promotion materials, customer goodwill items and signage used in the sales promotion, sale and distribution of products or services covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Marks. We may require you to purchase these items from an approved supplier.

F. Evaluations. We or our authorized representative have the right to visit and inspect your U.S. LAWNS Business at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your building, land and equipment, and to test, sample, inspect and evaluate your supplies, products and services. Any failure of an inspection is a default under Section 12.A of this Agreement. Further, if we determine that any condition in the U.S. LAWNS Business presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the U.S. LAWNS Business until the situation is remedied to our satisfaction. 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 to assume any responsibility for your obligations under this Agreement.

G. Operating Procedures. We will loan you a copy of our Operations Manual. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in our Operations Manual or other written materials relating to services, uniforms, financial management, equipment and facility requirements. We will revise the Operations Manual and these standards, procedures, techniques and management systems periodically to meet changing conditions in the best interest of the commercial U.S. LAWNS businesses. The Operations Manual will contain both mandatory standards and recommended standards. Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required

standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

You acknowledge having received one copy of the Operations Manual on loan from us for the term of this Agreement. The Operations Manual is at all times our sole property. You must at all times treat the Operations Manual, and the information they contain, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Operations Manual and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Operations Manual is kept current and up to date, and in the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling. We will notify you of any updates or modifications to the Operations Manual and you acknowledge and agree that in the future the Operations Manual and other system communications may only be available on the Internet or other online or computer communications.

H. Confidential Information. You, your Principal Operator, your Minority Operators, any person you hire to perform management obligations related to the Business (“Designated Manager”), and your Personal Guarantors (as described in Article 16. F) must not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any Confidential Information, as that term is defined in this Agreement, except to such employees as must have access to it to operate the Business. All Confidential Information must not be used for any purpose other than conducting the Business in the PAR. You must obtain nondisclosure and confidentiality agreements in a form satisfactory to us from your Principal Operator, Minority Operators, and from other key employees. You must provide copies of the executed agreements to us upon request. You will not disclose Customer Information and our other proprietary information, trade secrets, and Confidential Information to third parties, including entering such information into public/open Artificial Intelligence models or any other AI model that uses such information to train the Artificial Intelligence unless specifically authorized by us in writing.

I. Compliance with Law; Licenses and Permits. 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 franchise system as a whole. 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.

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

You must secure and maintain in force all required licenses, permits and certificates relating to your U.S. LAWNS Business.

J. Participation in Internet Websites or Other Online Communications.

We may require you, at your expense, to participate in our U.S. LAWNS website on the Internet, our intranet or extranet system or other online communications as we may require. We have the right to determine the content and use of our website and intranet or extranet system and will establish the rules under which franchisees may or must participate. We will post your U.S. LAWNS Business's contact information on our website. You may not separately register any domain name containing any of the Marks or operate a website for your U.S. LAWNS Business. We reserve the right to establish rules, procedures and policies relating to any website you create for the operation of your U.S. LAWNS Business. We may immediately terminate this Agreement if you register any domain name containing any of the Marks. We retain all rights relating to our website and intranet system and may alter or terminate our website, extranet system or intranet system. Your general conduct on our website and intranet or extranet system or other online communications and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website, extranet system or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website and intranet or extranet system, or otherwise use the Marks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates. You acknowledge and agree that you do not have any right to use the Marks on any website except as expressly approved by us in writing.

K. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must

comply with these modifications, additions or rescissions at your expense, subject to any express limitations set forth in this Agreement.

L. Suggested Pricing Policies. We may, from time to time, make suggestions to you with regard to your pricing policies. In addition, we have the right to negotiate national or regional account arrangements, including pricing which will bind all U.S. LAWNS Businesses providing services to such accounts. Although you generally have the right to establish prices for the products and services you sell, we reserve the right to establish and enforce prices, both minimum and maximum, to the extent permitted by applicable law.

M. Minimum Performance Standards. During each year of operation, you must meet the following minimum annual Gross Billings: i) at least \$50,000 for the first year of operation; ii) at least \$100,000 for the second year of operation; and iii) at least \$200,000 for the third year of operation and each subsequent year.

N. Crisis Situations. In the interest of protecting the Marks and the System, we have the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and you agree to comply with and implement our directions in response to a Crisis. “Crisis” means an event or development that negatively impacts the System or Marks in such a way that we determine may cause substantial harm or injury to the Marks, System, reputation or image.

SECTION 6 PERSONNEL AND SUPERVISION STANDARDS

6. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision of the Business. You must devote full-time attention to your U.S. LAWNS Business, and it at all times must be under your direct supervision (or a designated owner in the event you are a corporation, partnership, or other business entity). Your owners must be those persons who are actively involved in the Business and they must be personal guarantors.

B. Training. You must comply with all of the training requirements we prescribe for the U.S. LAWNS Business to be developed under this Agreement. You (or if Franchisee is a legal entity, one of your owners) must attend our initial training program and complete the training program to our satisfaction. We will not charge you a fee for up to three persons to attend our initial training program. You, however, are responsible for paying all costs and expenses, including hotel and transportation costs, for the people to attend our initial training program. If you would like us to train more than the three people, or if it becomes necessary to re-train a certain individual, we reserve the right to charge you a training fee. You also will be responsible for paying all costs and other daily expenses for any additional person who attends our initial training program. The training requirements may vary depending on your experience and other factors specific to

the U.S. LAWNS Business. In the event you are given notice of default and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require, as a condition of curing the default that you and your manager, at your expense, comply with the additional training requirements we prescribe. Any new manager you hire must comply with our training requirements within a reasonable time as we specify. Under no circumstances may you permit management of the U.S. LAWNS Business's operations on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

C. Ongoing Training. We may require you and other key employees of the U.S. LAWNS Business to attend ongoing training at our training facility or other location we designate (which may be remote). If you request training in addition to the initial training program identified above, we reserve the right to charge you a training fee, plus expenses. Any training provided by us to any of your workers will be limited to training or guidance regarding the delivery of approved services to clients in a manner that reflects the customer and client service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your workers. You are solely responsible for ensuring that your workers receive adequate training.

D. Staffing. You will employ a sufficient number of competent and trained employees to ensure efficient service to your customers. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from you to us. You alone are responsible for hiring, firing, training, setting hours and compensation for and supervising all employees.

E. Attendance at Meetings. You must attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings relating to new services or products, new operational procedures or programs, training, business management, sales or sales promotion, or similar topics, including any system-wide teleconferences or web-conferences. We reserve the right to charge you a fee to attend any franchise conventions, meetings, programs or other trainings we require. If you are not able to attend a meeting or convention, you must so notify us prior to the meeting and must have a substitute person, acceptable to us attend the meeting.

SECTION 7 MARKETING

7. You agree to actively promote your U.S. LAWNS Business, to abide by all of our advertising requirements and to comply with the following provisions:

A. Marketing Fund. You must pay to us a Marketing Contribution as set forth in Section 8.C. All Marketing Contributions will be placed in a Marketing

Fund that we own and manage. On behalf of our company and affiliate owned U.S. LAWNS businesses, we will pay the same Marketing Contribution as similarly situated franchised commercial U.S. LAWNS businesses. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Marketing Fund; provided, however, we will make a good faith effort to expend such fees in a manner that we determine is in the general best interests of the System. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, we are not required to spend a prorated amount on each commercial U.S. LAWNS business or in each advertising market. We have the right to make disbursements from the Marketing Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. The disbursements may include payments to us for the expense of administering the Marketing Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the advertising functions. If requested, we will provide you an annual unaudited statement of the financial condition of the Marketing Fund.

B. Local Advertising; Approved Materials. You must use your best efforts to promote and advertise your U.S. LAWNS Business and participate in any local marketing and promotional programs we establish from time to time. You must use only such marketing materials as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. We may, from time-to-time, provide sample advertising and marketing materials for your use and we reserve the right to charge you a fee for any additional copies of these advertising and marketing materials that you request. Furthermore, any promotional activities you conduct in connection with the U.S. LAWNS Business are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials and activities; provided that they are current, in good condition, in good taste and accurately depict the Marks.

C. Grand Opening Advertising. You must expend as we direct, or pay us to expend on your behalf, \$1,000 monthly in each of the first 12-months of the Business, which may begin at least 60 days prior to the opening of the Business. We will use any Grand Opening Advertising fee paid to us to conduct pre-opening marketing on your behalf to commercial property owners, managers and decision makers in your Territory. Promotion may include, but is not limited to, a mix of telephone prospecting, email nurturing campaigns and/or public relation activities. You may spend additional amounts on other pre-opening promotional activities that are arranged or approved by us. We have the right to determine how to spend the initial prospecting fee and the methods of marketing, advertising, media employed and contents, terms and conditions of the pre-opening marketing campaigns and promotional programs.

SECTION 8 FEES, REPORTING AND AUDIT RIGHTS

8. You must pay the fees described below and comply with the following provisions:

A. Initial Fees. You must pay to us an Initial Franchise Fee a in the amount set forth in the Data Sheet. The Initial Franchise Fee and the initial prospecting fee must be paid at the time this Agreement is signed. The Initial Franchise Fee and the initial prospecting fee are earned upon receipt and are nonrefundable.

No Initial Franchise Fee or initial prospecting fee is payable if you are executing this Agreement in connection with the purchase of an existing U.S. LAWNS Landscape Maintenance Business from an existing franchisee.

B. Royalty. You must pay to us in the manner specified in 8.E monthly Royalties (the “Royalties”) calculated as follows:

- If your Gross Billings in the calendar month are \$62,500 or less, you pay 6% of Gross Billings.
- If your Gross Billings in the calendar month are over \$62,500 but equal to or less than \$125,000, you pay 6% of Gross Billings up to and including \$62,500, plus 5% of the Gross Billings between \$62,500.01 and \$125,000.
- If your Gross Billings in the calendar month are over \$125,000, you pay 6% of all Gross Billings up to and including \$62,500, plus 5% of the Gross Billings between \$62,500.01 and \$125,000, plus 4% of the Gross Billings in excess of \$125,000.
- If you provide Landscape Maintenance Services to customer locations which are located outside your Territory, you pay 6% of Gross Billings for such services regardless of your Gross Billings in the calendar month.

The Royalties are due within 15 days following the end of each calendar month for the previous month.

Franchisee must pay a minimum monthly Royalty for each Territory Franchisee owns. Payment of the minimum monthly Royalty commences on the one-year anniversary of the completion of Initial Training and shall be in the following amounts:

- Months 13 to 18: \$450.00 per month;
- Months 19 to 24: \$550.00 per month; and
- Months 25 and thereafter: \$650.00 per month.

C. Marketing Contribution. You must pay to us a monthly Marketing Contribution in an amount equal to the lesser of 2% of Gross Billings or a “Marketing Cap” of \$650 per month. The Marketing Contribution is payable within 15 days of the end of each calendar month for the previous month. We reserve the right to increase the amount of the percentage you are required to pay and/or the Marketing Cap, upon 60 days’ notice, but in no event will the Marketing Contribution exceed 3% of Gross Billings and in no event will the increased Marketing Cap exceed an amount equal to 3% of Gross Billings.

D. Technology Fee. You must pay to us a monthly Technology Fee of \$299 for the use of, maintenance and support for the software and other technology we require you to use as further set forth in the Data Sheet. We may increase monthly support and maintenance fees, and/or modify the services that are provided for these fees with 60 days’ notice, although such fees will not increase by more than 50% during any 12-month period.

E. Manner of Payment. All Royalties, Marketing Contributions and Technology Fees must be paid to us within 15 days after the end of each and every calendar month based on Gross Billings during the preceding calendar month. You acknowledge and agree that this Section 8.E does not constitute our agreement to accept payments after they are due or a commitment by us to extend credit to you or to otherwise finance your operation of the Business. Further, you acknowledge and agree that your failure to pay all amounts when due will constitute grounds for termination of this Agreement, notwithstanding the provisions of this Section 8.E. You will not, on grounds of the alleged nonperformance by us of any of our obligations under this Agreement, withhold payment of any Royalties, Marketing Contributions or any other amounts due us and you will not, on such grounds, discontinue providing services to customers of the Business in accordance with this Agreement.

F. Electronic Transfer of Funds. You must sign an electronic transfer of funds (“EFT”) authorization, attached as Schedule D, to authorize and direct your bank or financial institution to allow us to initiate a transfer of funds electronically, on the 15th day of each month, directly to our account and to charge to your account all amounts due to us. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this section. If you fail to timely pay any Royalties, Marketing Contributions or other fees or payments due to us, we have the right to activate the EFT and from that point on collect all Royalties, Marketing Contributions and other amounts owing to us by means of EFT. We will give you 15 days’ notice of our intent to begin collecting by means of EFT.

G. Penalty; Late Charges; Interest. If you are delinquent in either submitting required reports or financial information, or are delinquent in paying any payments to us, we may assess a penalty equal to \$5.00 for each day that the failure to submit a required report or financial information continues with a

minimum late payment fee of \$25.00. In addition to the late payment fee, you must also pay interest on all amounts outstanding at the rate of 1.5% per month (but not to exceed the maximum legal rate of interest) imposed from the date payment was due or the charge was imposed until the entire sum and late charge is paid in full.

H. Application of Fees. Notwithstanding any designation by you, we have the right apply any payments received from you to any past due indebtedness due us or our affiliates in such amounts and in such order as we determine.

I. Financial Planning and Management. You must keep books and records and submit reports as we periodically require, including but not limited to a monthly balance sheet and monthly statement of profit and loss. You must also retain check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, payroll records, cash disbursement journals and general ledgers, all of which accurately reflect the operations and condition of your U.S. LAWNS Business operations. You must compile, keep and submit to us the books, records and reports to us on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your U.S. LAWNS Business must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for not less than 36 months. You must allow us electronic and manual access to any and all records relating to your U.S. LAWNS Business.

J. Reports and Audit. Within 15 days after the end of each month, you must submit to us a report of your Gross Billings with respect to the preceding month in the form and content as we periodically prescribe. The report must include, but not be limited to, the following information for the preceding month: (i) amount of Gross Billings and gross receipts of the U.S. LAWNS Business, and the computation of the Royalties and Marketing Contribution; (ii) copies of your most recent invoice listing and balance sheet and statement of profit and loss, including a summary of your costs for labor, rent and other material cost items; and (iii) if requested by us to verify your Gross Billings, all such books and records as we may require under our audit policies published from time to time. You also must, at your expense, submit to us within 90 days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year. We may require that the annual financial statements be reviewed by a certified public accountant. You must certify all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirement on our other franchisees.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the U.S. LAWNS Business are kept and to evaluate, copy and audit such books and

records. We also have the right to request information from your suppliers, vendors, and customers. In the event that any such evaluation or audit reveals an understatement of 3% or more of your Gross Billings, you must pay for the audit, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary for up to two years thereafter and any further audits and evaluations will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Billings at any time, or if a subsequent audit or evaluation conducted within the two-year period reveals any understatement of your Gross Billings of 3% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. In order to verify the information that you supply, we have the right to reconstruct your sales through any reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of 14 days from the date of notice of understatement or variance.

We will keep your financial books, records and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as set forth in Section 10.D.8 or where your information is grouped with similar information from other commercial U.S. LAWNS businesses to produce shared results like high-low ranges or average gross sales or expenses on a system-wide or regional basis.

SECTION 9 YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

9. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the U.S. LAWNS Business or business; and (iii) all accounts and other indebtedness of every kind incurred by you in the conduct of the U.S. LAWNS Business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

You also will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on us as the result of our receipt or accrual of the Initial Franchise Fee, the Royalties, the Marketing Contribution, or other fees that are referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In either case, you shall pay us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such

taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

B. Indemnification. You waive any and all claims against us for damages to property or injuries to persons arising in any way out of this Agreement, your servicing of properties under this Agreement or any subcontracts, or the operation of your U.S. LAWNS Business. You agree to defend at your sole expense, fully protect, indemnify and hold harmless, us, our affiliates, our parent companies, our sister companies and our owners, directors, officers, successors and assigns, as well as our customers and the owners of each and every property you service, from any and all Claims as defined in this Section. “Claims” in this Section means any and all claims, demands, damages, assessments, violations, causes of action, lawsuits, liens, and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your U.S. LAWNS Business (regardless of cause or any concurrent, superseding or contributing fault, liability or negligence of us, our affiliates, our parent companies, our sister companies, and our customers and the owners of any property you service) or any breach by you or your failure to comply with any of the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you agree to reimburse us for our costs and attorneys’ fees immediately upon our request as they are incurred. As between us and you, you are solely responsible for the safety and well-being of your employees and your customers.

It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason; however, if we incur any cost, liability, loss or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such cost, liability, loss and damage.

C. Insurance. You must, and hereby agree to, purchase and maintain in full force and effect, at your sole expense and from a company we approve, insurance that insures both you and us, our affiliates our parent companies, our sister companies, and our customers and the owners of any property you service and any other persons or entities we designate by name. The insurance policies must include, at a minimum: (i) commercial general liability insurance covering claims for personal injuries and property damage with minimum limits of \$1,000,000 per occurrence, \$2,000,000 general aggregate, \$2,000,000 products/completed operations aggregate; (ii) employers liability insurance with minimum limits of \$1,000,000 for bodily injury caused by accident or disease, or the minimum required by state law (whichever is greater); (iii) vehicle liability for owner, leased, hired and non-owned vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage per occurrence; (iv) umbrella liability insurance with minimum limits of \$1,000,000; (v) Worker’s Compensation Insurance; (vi) any other such insurance coverages or amounts as

required by law or agreement related to the U.S. LAWNS Business; and (vii) any other insurance we may require from time to time. Additional insurance requirements are set forth in the Manual. All liability insurance policies must name us (and our affiliates, officers, directors and employees), as well as any subcontractors on the particular property, and/or our customers and/or the owners of any property you service) as additional insureds, must provide that such insurance is primary insurance with respect to the interests of all additionally named insureds, and must provide that any other insurance maintained by us or by you and/or any subcontractor is excess and not contributing insurance with the insurance required under this Agreement. The policy must contain a waiver by the insurance carrier of all subrogation rights against us. You acknowledge and agree that Regional Accounts may require additional types, limits and terms of insurance coverage.

You must deliver to us at commencement and annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this Section. The insurance certificate must show our status as an additional insured (as noted above) and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. We also may request copies of all policies. We may modify, upon written notice to you, the required minimum limits from time to time and by written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the U.S. LAWNS System, standards of liability and higher damage awards. In the event of such notification, you must immediately cause the modification of the policy, and evidence thereof, in accordance with our request. If at any time you do not procure or maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the same to you, together with a \$5.00 per day penalty for each day that such costs and expenses are not repaid to us, with a minimum \$25 late fee, plus the greater of 1.5% per month and the highest legal rate for open account business credit, from the date the expense is incurred until the date payment is received by us. We also have the right to terminate this Agreement for cause should you fail to comply with this provision.

D. Noncompete Covenants. You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term "you" as used in this Section includes, collectively and individually, all guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section.

2. You covenant that during the term of this Agreement, or during any Interim Period, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competitive Business (as defined below) other than one authorized by this Agreement or any other agreement between us and you.

3. You covenant that you will not, for a period of two years after the expiration or termination of this Agreement, or after the expiration of any Interim Period, regardless of the cause of termination, or within two years of the sale of the U.S. LAWNS Business or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competitive Business (as defined below):

- a. In the Territory;
- b. Within a 50-mile radius of the outer boundary of the Territory; or
- c. Inside the protected territory of another U.S. LAWNS business, whether franchised or owned by us or our affiliates.

For purposes of this Section 9.D, a “Competitive Business” is any business which provides Landscape Maintenance Services.

4. You agree that the length of time in subpart (3) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

SECTION 10 TRANSFER OF FRANCHISE

10. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the U.S. LAWNS Business. Consequently, neither your interest in this Agreement nor in the U.S. LAWNS Business may be transferred or assigned to or assumed by any other person or entity (the “assignee”), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 10.F, and if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in Section 10.C is paid, and the transfer conditions

described in Section 10.D are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Section 10:

1. Any 20% or more change in the ownership percentage of the franchisee entity; or
2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 10.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in Section 10.C, and satisfy the transfer conditions described in Section 10.D. In addition, you or the assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in any communication media or any form of advertising, any information relating to the sale of the U.S. LAWNS Business or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Section 10 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 10.F must be made by submission on our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other required information. The application must indicate whether you or an owner proposes to retain an interest in the property to be transferred. No interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer shall be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will provide us with the right to elect either to default and terminate this Agreement or

to collect from you and the guarantors a transfer fee equal to two times the transfer fee provided for in Section 10.C.

C. Transfer Fee. You must pay to us our then-current transfer fee, which is 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 U.S. Lawns 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, you must pay an additional transfer fee of \$2,500 for each additional Franchise Agreement. We reserve 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. The transfer fee is nonrefundable even if, for any reason, the proposed transfer does not occur.

D. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Assignee Requirements. The assignee must meet all of our then-current requirements for our U.S. LAWNS franchise program we are offering at the time of the proposed transfer and sign our then-current form of franchise agreement, modified to reflect the term remaining under this Agreement.

2. Payment of Amounts Owed. All amounts owed by you to us, or any of our affiliates or your suppliers, or upon which we or our affiliates have any contingent liability, must be paid in full.

3. Reports. You must have provided all required reports to us.

4. Non-Competition Agreement. You and your owner must execute a non-competition covenant in favor of us and the assignee, agreeing that for a period of not less than two years, commencing on the effective date of the assignment, you and your owner will not, directly or indirectly, within the Territory, solicit any person or Business Entity who is a customer of the Business at the time of the assignment, or offer, sell, or perform any Landscape Maintenance Services which are the same as or similar to those offered, sold or rendered by the U.S. LAWNS Business pursuant to this Agreement (except pursuant to other franchise agreements entered into with us) to any person or business entity which was at any time within 24 months immediately preceding the effective date of the assignment a customer of yours or of the U.S. LAWNS Landscape Maintenance Business.

5. Guarantee. In the case of an installment sale for which we have consented to you or any owner retaining an interest or other financial interest in this Agreement or the business operated thereunder, you or such

owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. General Release. You and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your U.S. LAWNS Business or the parties' business relationship, in the form we designate, releasing us and our affiliates.

7. Training. The assignee must, at your or assignee's expense, comply with our training requirements.

8. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the U.S. LAWNS Business and its operations as we deem reasonably necessary or appropriate for assignee and/or us to evaluate the U.S. LAWNS Business and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the U.S. LAWNS Business and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the U.S. LAWNS Business and proposed transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

9. Resale Assistance Fee. In the event that the assignee was introduced to you by the franchisor, its agents, or otherwise was a prospective franchisee working with franchisor's sales team or outside brokers, you will pay us a resale assistance fee ("Resale Assistance Fee"), in addition to the transfer fee, equal to the greater of (i) \$10,000; or (ii) our actual costs, including but not limited to any broker commission that may be incurred, due, or required arising from the transfer.

10. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

E. Death, Disability or Incapacity. If the event of a death, disability or incapacity of Franchisee (or, if Franchisee is a legal entity of Franchisee's principal owner) and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as the Franchisee or the principal owner of the Franchisee entity, such person or entity must apply for our consent under Section 10.B, pay the applicable transfer fee under Section 10.C, and satisfy the transfer conditions under Section 10.D, as in any other case of a proposed transfer, all within 120 days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the U.S. LAWNS Business still must be operated in accordance with the terms and conditions of this Agreement. If the

assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in Section 10.F. In the event of Franchisee's (or, if Franchisee is a legal entity of Franchisee's principal owner) death, disability or incapacity, we may elect to service Franchisee's customers ourselves or through the use of another franchisee if those customers cannot otherwise be adequately serviced as a result of such incapacity, disability or death. We or such other franchisee shall be entitled to be paid for such services in accordance with our or such other franchisee's then-current fees for such services.

F. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 10.A or any transfer described in Section 10.A, you first must offer to sell to us your interest. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. We then have 10 days from our receipt of the statement setting forth the third-party offer and other requested information to accept the offer by delivering written notice of acceptance to you. We will have an additional 45 days to complete the purchase if we elect to exercise our right of first refusal. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 10-day period, you will be free for 60 days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Section 10. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this Section 10.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement.

SECTION 11 DISPUTE RESOLUTION

11. The following provisions apply with respect to dispute resolution:

A. Mediation. Before any party may bring an action in court or against the other (except any action for declaratory and/or equitable relief and as noted in Section 11.C below), or commence an arbitration proceeding (except as noted in Section 11.C below), the parties must first meet to mediate the dispute. If you refuse to participate in mediation or do not respond to our request for mediation within 10 days after we give you written notice of our request to mediate, we may proceed to file an arbitration claim in accordance with Section 11.B or an action for declaratory and/or equitable relief as noted in Section 11.C below. The mediation will be held in person in the city in which our headquarters are located at the time of the mediation. Any such mediation shall be non-binding and shall be conducted informally between the parties for a minimum of two (2) consecutive eight (8) hour days in order to attempt to amicably resolve the dispute. If such informal dispute

resolution efforts prove to be unsuccessful, the notifying party may initiate arbitration proceedings pursuant to Section 11.B below. Each party will bear its own costs and expenses for the mediation and split the costs of the mediator.

B. Arbitration. Except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or your U.S. LAWNS Business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then the parties shall submit such class action or joined or consolidated claims, as applicable, to binding arbitration in accordance with this remaining provisions of this Section 11. The arbitration must take place in the city where our headquarters is located at the time of the dispute. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five years of significant experience in franchise law. Any issue regarding arbitrability of a claim or the enforcement of this arbitration provision will be governed by the Federal Arbitration Act and the federal common law of arbitration. A judgment may be entered upon the arbitration award by any state or federal court in the state where we maintain our headquarters or the state where your U.S. LAWNS Business is located. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. Each party will bear its own costs and expenses for the arbitration and will be responsible to pay 50% of the arbitrator's fees and costs (including arbitrator's and AAA's fees and costs); provided that the prevailing party will be entitled to reimbursement of its fees and costs under Section 11.D.

This agreement to arbitrate applies to you as well as to (1) all guarantors of your obligations under this Agreement, (2) if Franchisee is a legal entity, all owners, officers or principal owners of Franchisee, (3) all others who claim any rights or benefits based upon or relating to the franchise relationship or who make any claim or assert any defense based upon or relating to this Agreement, the relationship between the parties to this Agreement or otherwise relating or arising out of this Agreement.

C. Exceptions to Arbitration. Notwithstanding Section 11.B, the parties agree that the following claims will not be subject to mediation or arbitration:

1. any action by us for temporary, preliminary or permanent injunctive relief, specific performance, writ of attachment, or other

equitable relief necessary to enjoin any harm or threat of harm to our tangible or intangible property, including trademarks, service marks and other intellectual property, brought at any time, including, without limitation, prior to or during the pendency of any mediation or arbitration proceedings initiated hereunder. You specifically acknowledge that your breach or threatened breach of any of your obligations under this Agreement, including but not limited to Sections 2.A, 3.B, 5.H, 9D or Section 13, would cause us irreparable harm. You understand that irreparable harm is an injury for which monetary damages are not an adequate remedy. Therefore, upon any such breach or threatened breach by you, in addition to any other rights or remedies that may be available to us at law, equity or otherwise, you acknowledge that we will be entitled to equitable relief, including an injunction, restraining order or specific performance, without any requirement to prove irreparable harm. In addition, you hereby waive any right to request that a bond be issued as security (except for a nominal bond not to exceed \$100);

2. any action in ejectment or for possession of any interest in real or personal property; or

3. any action related solely to the collection of moneys owed to us or our affiliates.

D. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, or the business will be entitled to recover its reasonable attorneys' fees and costs (including arbitrator's and AAA fees and costs).

SECTION 12 DEFAULT AND TERMINATION

12. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us or any of our affiliates, conviction of you or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Marks or the U.S. LAWNS Business or any felony, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 12.B: (i) you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have 10 days to cure those defaults; (ii) your failure to cure a default within the 30-day or 10-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occur, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: any material misrepresentation or omission in your franchise application or other reports or information provided to us, your voluntary abandonment of this Agreement, the closing of the U.S. LAWNS Business by any state or local authorities for health or public safety reasons, you register any domain name containing our Marks, any unauthorized use of the Confidential Information, insolvency of you or guarantor, you or a guarantor making an assignment or entering into any similar arrangement for the benefit of creditors, conviction of you or any guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the U.S. LAWNS Business or any felony, intentionally understating or underreporting Gross Billings, Royalties or Marketing Contributions or any understatement or 3% variance on a subsequent audit within a 2-year period, any unauthorized transfer or assignment in violation of Section 10 or any default by you that is the second default of any type within any 12-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Marks, violates any health safety or sanitation law or regulation, violates any system standard as to cleanliness, health and sanitation, or if the operation of the U.S. LAWNS Business presents a health or safety hazard to the public: (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 60 days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under Section 13 of this Agreement.

SECTION 13 POST-TERM OBLIGATIONS

13. Upon the expiration or termination of this Agreement, or the expiration of any Interim Period:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Marks will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the U.S. LAWNS Business (although we will not assume any past due obligations). You must immediately comply with the post-term noncompete obligations under Section 9.D, cease all use and display of the Marks and of any proprietary material (including the Operations Manual) and of all or any portion of point-of-sale materials furnished or approved by us, assign all right, title and interest in the telephone numbers for the U.S. LAWNS Business and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Operations Manual, customer lists and ongoing contracts then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 5.H. You must promptly at your expense, remove or obliterate all U.S. LAWNS Business signage, displays or other materials in your possession that bear any of the Marks or names or material confusingly similar to the Trademarks and so alter the appearance of the U.S. LAWNS Business as to differentiate the U.S. LAWNS Business unmistakably from duly licensed commercial U.S. LAWNS businesses identified by the Trademarks. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement (or the expiration of any Interim Period), you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us

or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your U.S. LAWNS Business that are owned by you or any of your affiliates including, without limitation, the equipment, fixtures, inventory, supplies, and customer agreements (“Accounts”) of your U.S. LAWNS Business. We have the right to select the assets of the Business we desire to purchase, including, without limitation, any individual Account. The purchase price for any Account to be purchased by us shall be an amount equal to the Average Monthly Revenue (as defined below) derived by you from such Account for ordinary Landscape Maintenance Services, which were reported to us during the 12 months immediately prior to the purchase. "Average Monthly Revenue" means the monthly average of all normal revenue (excluding extras and extraordinary services) derived from the Account for ordinary Landscape Maintenance Services during such 12 month period. The purchase price for inventory and supplies to be purchased shall be the lesser of cost or market value, and the purchase price for equipment to be purchased shall be mutually agreed upon by the parties. If the parties are unable to agree on the market value of any inventory or supplies or the purchase price of any equipment, we shall have the right to appoint an independent appraiser whose decision shall be final and whose fee shall be shared equally by the parties. Notwithstanding anything to the contrary in this Agreement, we have the right to set off against and reduce the purchase price by any and all amounts owed by you to us or our affiliates

C. Claims. You and your principal owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or your U.S. LAWNS Business after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

SECTION 14 GENERAL PROVISIONS

14. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be

enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Operations Manual and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices hereto and any application form or similar document executed by you requesting us to enter into this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations we made in the Disclosure Document we furnished to you.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to U.S. Lawns, Inc., 6700 Forum Drive, Suite 150, Orlando, FL 32821, Facsimile;

2. If intended for you, addressed to you at the address set forth on the Data Sheet; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

E. References. If the franchisee is two or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement includes all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. All persons having a 5% or more ownership interest in a franchisee that is a corporation, partnership, limited liability company or

partnership or other legal entity must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes an owner must execute the form of undertaking and guarantee at the end of this Agreement.

G. Successors/Assigns. Subject to the terms of Section 10 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 11 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Florida.

2. Our Rights. Whenever this Agreement provides that we have 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. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the requirements of Section 5.E and other express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Section 12 must be brought in the state or federal district court located in the county or district encompassing our headquarters. Both

parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. Jury Waiver. ALL PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISION OF THIS AGREEMENT, AND IN CONNECTION WITH ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES FOR BREACH OF THIS AGREEMENT.

K. Waiver of Punitive Damages. YOU AND US AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED.

L. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

M. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the standards, specifications, and requirements for any franchised business or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such business, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard inventory items, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement

that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

O. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you goods, products and/or services for use in your U.S. LAWNS Business on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

P. Effective Date. We will designate the “Effective Date” of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement. However, you do not have the right to, and may not, commence operation of a U.S. LAWNS Business until we notify you that you have satisfied all of the pre-opening conditions set forth in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE: (For an Entity)

Date: _____

_____,
a _____
(Please type or print name and type of entity)

By: _____
(Signature of person signing on behalf of entity)

(Please type or print name of person
signing on behalf of entity)

Its: _____
(Please type or print title of person
signing on behalf of entity)

FRANCHISEE: (For an Individual)

Date: _____

Name: _____
(Please type or print)

Signature: _____

Witness: _____
(Please type or print)

Signature: _____

Date: _____

Name: _____
(Please type or print)

Signature: _____

US: U.S. LAWNS, INC.

Date: _____

By: _____

Its: _____

Schedule A to the Franchise Agreement

Data Sheet

1. **Franchisee:** _____

2. **Owners.** You represent and warrant to us that the following persons are the only owners of Franchisee:

Name	Home Address	Percentage of Ownership

The foregoing owners will be devoting their full time to the U.S. LAWNS Business:

3. **Territory.** As stated in Section 2 of the Franchise Agreement, and subject to the terms and conditions of the Franchise Agreement, the Territory under this Agreement is as follows: _____

4. **Initial Franchise Fee:** _____

5. **Initial Prospecting Fee:** _____

6. **Technology Fee:** As of the Effective Date, in addition to the Technology Fee, you are required to pay to (i) Quickbooks their annual fee in an amount between \$215 and \$400, and (ii) us the CRM (customer relationship management) fee in an annual amount between \$250 and \$450.

7. **Effective Date:** _____

We may amend this Data Sheet at any time to take into account new technology or related fees.

YOU: _____

WE: U.S. LAWNS, INC.

By _____
Its _____

By _____
Its _____

Schedule B to the Franchise Agreement

Conversion Addendum

This Addendum is entered into on this _____ day of _____, 20____ between U.S. Lawns, Inc. ("we" or "us") and _____ ("you").

BACKGROUND:

- A. You own and operate an existing landscape maintenance business.
- B. You desire to convert your existing business to a U.S. LAWNS Business and you and we are entering into a U.S. LAWNS Franchise Agreement ("Franchise Agreement") on this date.
- C. Because of your experience and existing client base, we have agreed to make certain modifications to the Franchise Agreement as set forth below.

AGREEMENT:

1. The parties acknowledge and agree that Schedule 1 to this Addendum sets forth the complete listing of your existing customers.
2. Section 8.B. and Section 8.E. of the Franchise Agreement are revised to provide that you will not pay any royalties on "Conversion Gross Billings" for the first 365 days of the initial term of this Agreement. Thereafter, you will pay the applicable rate specified in Section 8.B. in accordance with the terms of Section 8.E. For purposes of this Addendum, Conversion Gross Billings are Gross Billings received from existing customers under contract with you on the date the Franchise Agreement is signed as listed on Attachment 1 to this Addendum.
3. Section 8.C. of the Franchise Agreement is revised to provide that you will not pay any Marketing Contribution for the first 365 days of the initial term of this Agreement. Thereafter, you will pay the standard percentage as provided in Section 8.C.
4. In all other respects, the Franchise Agreement shall remain the same and be enforceable according to its terms and conditions.

U.S. LAWNS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE:

Title: _____
Its: _____
Date: _____

Schedule 1

List of Existing Clients

Schedule C to the Franchise Agreement

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes U.S. Lawns, Inc. or any affiliated entity (collectively, "Franchisor") to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Marketing Contribution or other amounts that become payable by the undersigned to Franchisor. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by Franchisor.

This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

Account Name

Bank Name

Street Address

Branch

City

State Zip Code

Street Address

Telephone Number

City State Zip Code

By _____

Bank Telephone Number

Its _____

Bank's Account Number

Date _____

Customer's Account Number

Schedule D to the Franchise Agreement

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

TO BE EXECUTED BY FRANCHISE OWNERS AND ANY GENERAL MANAGER WHO ATTENDS INITIAL TRAINING. IT IS NOT TO BE USED FOR ANY EMPLOYEES OTHER THAN ANY GENERAL MANAGER WHO ATTENDS INITIAL TRAINING.

NAME: _____

OWNER: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

RELATIONSHIP: _____
(Owner, Spouse, Officer, General Manager, Etc.)

I do hereby agree that during the term of my employment by, ownership participation in, association with or service to _____ ("Owner"), a franchise of U.S. Lawns, Inc. ("U.S. LAWNS"), or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, customers or prospective customers, or practices of Owner and/or U.S. LAWNS which may be communicated to me, nor shall I divert any business to competitors of Owner and/or U.S. LAWNS.

For purposes of this Agreement, "Confidential Information" means any proprietary and confidential information owned by U.S. LAWNS relating to the development or operation of U.S. LAWNS Businesses whether contained in the Operations Manual or otherwise, including, but not limited to: (1) technical information and expertise; (2) data bases of potential customers; (3) sales and marketing programs and techniques for U.S. LAWNS Businesses; (4) Customer Information (as defined below); (5) knowledge of operating systems, results and financial performance of U.S. LAWNS Businesses other than U.S. LAWNS Businesses that you own; and (6) computer systems, technology and software programs. Confidential Information does not include information which I can demonstrate came to my attention prior to disclosure thereof or which had become or becomes a part of the public domain through publication or communication by others but in no event by or through any act of mine.

I specifically understand that, without limitation, the following have been deemed to constitute confidential information of U.S. LAWNS: all services and procedures relating to landscape maintenance services and any and all landscape – related services; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and

criteria which now comprise or in the future may comprise a part of the U.S. LAWNS' system of performing landscape maintenance services; U.S. LAWNS' operating manuals and any and all Supplements and/or amendments thereto; services, techniques and systems for landscape maintenance services; customer service systems and techniques; brochures, sales kits, form contracts and/or forms; business systems; customer and prospective customer lists; records pertaining to clients or billings; computer software and processing technologies; methods of advertising and promotion; instructional materials; staff composition and organization quality assurance programs; supervision systems; recommended services; methods and techniques for cost control; record keeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; activity schedules; job descriptions; advertising, promotional and public relations materials, campaigns, guidelines and philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning U.S. LAWNS' system of performing landscape maintenance services; additions to, deletions from, and modifications and variations of the components constituting U.S. LAWNS' system of performing landscape maintenance services; or the systems and methods of operations which are now, or may in the future, be employed by U.S. LAWNS, including all standards and specifications relating thereto and the means and manner of soliciting customers for same; and, all other components, specifications, standards, requirements and duties imposed by U.S. LAWNS or its affiliates.

I will not at any time copy, duplicate, record or otherwise reproduce any of the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I will return to U.S. LAWNS or Owner (as applicable) all materials, books, records and manuals deemed to be confidential herein which are in my possession.

I agree that I have received or will receive valuable training and Confidential Information that I otherwise would not receive or have access to but for my association with the U.S. LAWNS system. I therefore agree to the following noncompetition covenants:

1. I covenant that during the term of my association/ ownership/participation, I will not, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competitive Business (as defined below) other than the U.S. LAWNS Business operated pursuant to a franchise agreement with U.S. Lawns, Inc.

2. I covenant that I will not, for a period of two years after the expiration or termination of my employment/service/association/ownership/participation, regardless of the cause of termination, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competitive Business (as defined below):

- a. In the Owner's Territory;
- b. Within a 50-mile radius of the outer boundary of the Owner's Territory; or

c. Inside the protected territory of another U.S. LAWNS business.

For purposes of this Agreement, a “Competitive Business” is any business which provides the following specific landscape maintenance and related services: (1) lawn mowing, edging, blowing, line trimming; (2) pruning, selective pruning, shearing, weeding, raking, and tree trimming of trees up to 15 feet in height; (3) fertilization; (4) lawn, shrub and tree insect and disease control, (5) pre-emergent and post-emergent weed control; (6) lawn and ornamental consultation; (7) irrigation installation, operation, inspection, consultation, repair, remedial installation and installation relating to landscape construction; (8) sales and installation of authorized landscape products and the sale and the installation of living landscape materials such as plants, trees, and flowers; (9) lawn seeding, overseeding, aerification, thatching and grading; or (10) arborist services.

3. I agree that the length of time in subpart (2) above will be tolled for any period during which I am in breach of the covenants.

It is the intention of this Agreement to prohibit not only direct competition but also forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for such competitive businesses, or any assistance or transmission of information of any kind or nature whatsoever which would be of any material assistance to a competitor. Nothing herein shall prevent me from owning for investment purposes up to an aggregate of five (5%) per cent of the capital stock for any competitive business, provided that said business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and provided that Owner does not control any such company.

It is the intention of this provision that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, parents, siblings and in-laws; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I shall immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained herein would result in immediate and irreparable injury to U.S. LAWNS and Owner for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by U.S. LAWNS or Owner (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth herein. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of said covenants not to compete was accomplished by and through my unlawful utilization of U.S. LAWNS' confidential information, know-how, methods and procedures. Further, I expressly agree that the existence of any claims I may have against U.S. LAWNS will not constitute a defense to the enforcement by U.S. LAWNS of

the covenants not to compete set forth herein. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by U.S. LAWNS in connection with the enforcement of those covenants not to compete set forth herein.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Owner and/or U.S. LAWNS is a party, the court or agency shall be empowered to revise and/or construe said covenant so as to fall within permissible legal limits and shall not by necessity invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part hereof.

Date: _____

By: _____
Signature

Printed Name

Schedule E to the Franchise Agreement

SBA ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM (Addendum) is made and entered into on by U.S. Lawns, Inc., located at 6700 Millenia Blvd., Suite 150, Orlando, Florida (Franchisor), and _____, located _____ at _____ (Franchisee).

Recitals.

Franchisor and Franchisee entered into a Franchise Agreement on _____ (Franchise Agreement). The Franchisee agreed among other things to operate and maintain a franchise located at _____ designated by Franchisor as Unit # (Unit). Franchisee has obtained from a lender a loan (Loan) in which funding is provided with the assistance of the United States Small Business Administration (SBA). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.
2. Notwithstanding anything to the contrary in Section 5.L of the Franchise Agreement, the franchisee shall have the discretion to set pricing for its products and services provided that, subject to applicable antitrust laws, such pricing: (1) is at or below any maximum price cap programs established by the franchisor for its franchise system; or (2) is at or above any minimum price threshold programs established by the franchisor for its franchise system; or (3) conforms to any bona fide promotional programs or national or regional accounts programs established from time to time by the franchisor for its franchise system.
3. Section 10.F of the Franchise Agreement provides that the Franchisor (or any third party assignee of the Franchisor) may elect pursuant to its Right of First Refusal to exercise said option when the Franchisee decides to sell partial interest(s) in the business. This section is hereby amended to reflect that the Franchisor (or any third party assignee of the Franchisor) will not exercise the option for any partial sale of the Franchisee's business. The Franchisor (or any third party assignee of the Franchisor) may not become a partial owner of any SBA financed franchises.
4. Notwithstanding anything to the contrary in Section 10.F of the franchise agreement, if the Franchisee or its affiliates own the real estate on which the franchised business is located, the Franchisor may only lease the real estate for the remainder of the Franchisee's term (excluding additional renewal) for fair market value.

5. If the Franchise Agreement is terminated and the Franchised Site or its contents are to be sold under Section 13.B of the Franchise Agreement and the parties are unable to agree as to a purchase price and terms, the fair market value of such premises and property shall be determined by three Appraisers chosen in the following manner. Franchisee shall select one and Franchisor shall select one, and the two appraisers so chosen shall select a third appraiser. The decision of the majority of the appraisers so chosen shall be conclusive. The cost of the third appraiser shall be shared equally by the parties.

6. Notwithstanding the language the Business Note and Security Addendum, Franchisor will agree to subordinate its interest to any lien required by the Lender/SBA under the SBA Loan Authorization.

7. This Addendum automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:

U.S. LAWNS, INC.:

By: _____

Print Name: Kenneth L. Hutcheson

Title: President

FRANCHISEE:

_____:

By: _____

Print Name: _____

Title: _____

Schedule F to the Franchise Agreement

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT
(For Franchisees with Franchise Agreements dated prior to April 18, 2018)

THIS ADDENDUM (this “Addendum”) is entered into on this day of ,
20 between U.S. Lawns, Inc. (“Franchisor”) and
 (“Franchisee”).

BACKGROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated [] (the “Prior Franchise Agreement”) pursuant to which Franchisee agreed, among other things, to operate and maintain a landscape maintenance franchise under Franchisor’s brand (“Franchised Business”).

B. Franchisor and Franchisee entered into a Franchise Agreement of even date herewith (the “Franchise Agreement”), pursuant to which, among other things, the Prior Franchise Agreement is hereby terminated and replaced with the terms and conditions of the Franchise Agreement. Capitalized terms used in this Addendum but not defined in this Addendum shall have the meanings given to such terms in the Franchise Agreement.

C. Because of Franchise’s preexisting relationship with Franchisor, Franchisor has agreed to make certain modifications to the Franchise Agreement as set forth below.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

1. **Royalties.** Notwithstanding anything in Section 8.B of the Franchise Agreement, Franchisor and Franchisee agree, subject to the conditions set forth in Section 2 of this Addendum, that Franchisee must pay Royalties to Franchisor calculated as follows:

- If your Gross Billings in the calendar month are \$41,500 or less, you pay 6% of Gross Billings.
- If your Gross Billings in the calendar month are over \$41,500 but equal to or less than \$62,500, you pay 5% of Gross Billings.
- If your Gross Billings in the calendar month are over \$62,500 but equal to or less than \$83,250, you pay 4% of Gross Billings.
- If your Gross Billings in the calendar month are over \$83,250, you pay 3% of all Gross Billings.

- If your Gross Billings in the calendar month are over \$104,166, you pay 3% of all Gross Billings up to and including \$104,166, plus 1.5% of the Gross Billings in excess of \$104,166.

2. Conditions to Adjusted Royalty Provisions. The adjusted Royalty schedule set forth in Section 1 of this Addendum shall not apply if any of the following occurs, has occurred or is occurring:

- (a) Franchisor has sent a notice of default or breach to Franchisee (with respect to obligations under the Franchise Agreement or under any other agreement between Franchisee and Franchisor or its affiliates) and such default or breach remains uncured beyond the time period for cure (if any) specified in such notice.
- (b) Franchisee is delinquent in the submission of required reports or in making payment of any amounts owed to Franchisor or its affiliates regardless of whether Franchisor has issued a notice of default for the delinquent reports or payment.

Upon the occurrence of any event listed in clauses (a) and (b) of this Section 2, the adjusted Royalty schedule set forth in Section 1 of this Addendum shall no longer apply and Franchisee must pay Royalties to Franchisor in accordance with Section 8.B of the Franchise Agreement for the remainder of the term of the Franchise Agreement.

3. Termination of Prior Franchise Agreement; Release.

(a) The parties hereby agree that the Prior Franchise Agreement is hereby terminated with no further force and effect, except that Franchisee agrees to comply with the indemnification obligations set forth in the Prior Franchise Agreement, which shall expressly survive as well as Franchisee agrees to remain responsible for any unpaid amounts still due under the Prior Franchise Agreement.

(b) Except as noted in this Section 3(b), Franchisee, for itself, its heirs, successors, assigns, affiliates, directors, officers, shareholders, and employees and any other party claiming an interest through them (collectively and individually referred to as the “Franchisee Parties”), hereby release and forever discharge Franchisor, its successors and assigns, affiliates, directors, officers and shareholders, (collectively and individually referred to as the “Franchisor 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 Prior 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 Prior Franchise Agreement or any other related agreement between the Franchisee Parties and the Franchisor Parties up through the date of this Addendum. Notwithstanding the above, this release of Claims is not a release of any claims related to the Franchise Agreement signed of even date herewith and the renewal franchise that is subject to said Franchise Agreement.

(c) The releases of Claims set forth in Section 3(b) is intended by the to be a full and unconditional general release, 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 Franchisee Parties. This release of Claims is and shall be and remain a full, complete and unconditional general release.

(d) Franchisee, for itself and its Franchisee Parties, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under 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 hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. Franchisee acknowledges 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 or releasing party 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 or released party.”

4. No Other Modifications. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect and is enforceable according to its terms and conditions.

5. Miscellaneous.

(a) Construction. The parties hereto have participated jointly in the negotiation and drafting of this Addendum. In the event an ambiguity or question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Addendum.

(b) Headings. The headings and subheadings contained in this Addendum are inserted for the convenience of the parties only and shall not affect in any way the meaning or interpretation of this Addendum.

(c) Amendment and Waiver in Writing. No provision in this Addendum can be amended, modified or waived, except by a statement in writing signed by the party against which enforcement of the amendment, modification or waiver is sought stating that the Addendum “is to be modified,” “is to be waived,” or “is to be amended.”

(d) Counterparts. This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument. This Addendum may be executed by facsimile signature, e-mailed portable document format (“PDF”) signature, or original signature. Any facsimile signature or emailed PDF signature shall be deemed an original and have

the same effect as an original.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

U.S. LAWNS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE:

Title: _____
Date: _____

*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.

Schedule F to the Franchise Agreement

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT
(For Franchisees with Franchise Agreements dated after April 18, 2018)

THIS ADDENDUM (this “Addendum”) is entered into on this day of ,
20 between U.S. Lawns, Inc. (“Franchisor”) and
 (“Franchisee”).

BACKGROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated [] (the “Prior Franchise Agreement”) pursuant to which Franchisee agreed, among other things, to operate and maintain a landscape maintenance franchise under Franchisor’s brand (“Franchised Business”).

B. Franchisor and Franchisee entered into a Franchise Agreement of even date herewith (the “Franchise Agreement”), pursuant to which, among other things, the Prior Franchise Agreement is hereby terminated and replaced with the terms and conditions of the Franchise Agreement. Capitalized terms used in this Addendum but not defined in this Addendum shall have the meanings given to such terms in the Franchise Agreement.

C. Because of Franchise’s preexisting relationship with Franchisor, Franchisor has agreed to make certain modifications to the Franchise Agreement as set forth below.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

1. Termination of Prior Franchise Agreement; Release.

(a) The parties hereby agree that the Prior Franchise Agreement is hereby terminated with no further force and effect, except that Franchisee agrees to comply with the indemnification obligations set forth in the Prior Franchise Agreement, which shall expressly survive as well as Franchisee agrees to remain responsible for any unpaid amounts still due under the Prior Franchise Agreement.

(b) Except as noted in this Section 1(b), Franchisee, for itself, its heirs, successors, assigns, affiliates, directors, officers, shareholders, and employees and any other party claiming an interest through them (collectively and individually referred to as the “Franchisee Parties”), hereby release and forever discharge Franchisor, its successors and assigns, affiliates, directors, officers and shareholders, (collectively and individually referred to as the “Franchisor 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 Prior 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 Prior Franchise Agreement or any other related agreement between the Franchisee Parties and the Franchisor Parties up through the date of this Addendum. Notwithstanding the above, this release of Claims is not a release of any claims related to the Franchise Agreement signed of even date herewith and the renewal franchise that is subject to said Franchise Agreement.

(c) The releases of Claims set forth in Section 1(b) is intended by the to be a full and unconditional general release, 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 Franchisee Parties. This release of Claims is and shall be and remain a full, complete and unconditional general release.

(d) Franchisee, for itself and its Franchisee Parties, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under 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 hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. Franchisee acknowledges 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 or releasing party 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 or released party."

2. [NOTE: Detail other terms and conditions of the renewal.]

3. No Other Modifications. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect and is enforceable according to its terms and conditions.

4. Miscellaneous.

(a) Construction. The parties hereto have participated jointly in the negotiation and drafting of this Addendum. In the event an ambiguity or question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Addendum.

(b) Headings. The headings and subheadings contained in this Addendum are inserted for the convenience of the parties only and shall not affect in any way the meaning or interpretation of this Addendum.

(c) Amendment and Waiver in Writing. No provision in this Addendum can be amended, modified or waived, except by a statement in writing signed by the party against which enforcement of the amendment, modification or waiver is sought stating that the Addendum “is to be modified,” “is to be waived,” or “is to be amended.”

(d) Counterparts. This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument. This Addendum may be executed by facsimile signature, e-mailed portable document format (“PDF”) signature, or original signature. Any facsimile signature or emailed PDF signature shall be deemed an original and have the same effect as an original.

IN WITNESS WHEREOF, the parties have executed this Renewal Addendum as of the dates written below.

U.S. LAWNS, INC.

By: _____

Title: _____

Date: _____

FRANCHISEE:

Title: _____

Date: _____

*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.

Schedule G to the Franchise Agreement

TRANSFER ADDENDUM TO FRANCHISE AGREEMENT

(For the transfer of the Franchised Business granted pursuant to Franchise Agreements dated prior to April 18, 2018)

THIS ADDENDUM (this “Addendum”) is entered into on this ____ day of _____, 20____ between U.S. Lawns, Inc. (“Franchisor”) and _____ (“Franchisee/Transferee”).

BACKGROUND:

A. Franchisor and Franchisee/Transferee’s predecessor in interest (“Transferor”) were parties to a Franchise Agreement dated [_____] (the “Prior Franchise Agreement”) pursuant to which Transferor agreed, among other things, to operate and maintain a landscape maintenance franchise under Franchisor’s brand (“Franchised Business”).

B. Franchisor and Franchisee/Transferee entered into a Franchise Agreement of even date herewith (the “Franchise Agreement”) and in connection therewith, the Prior Franchise Agreement is hereby terminated and replaced with the terms and conditions of the Franchise Agreement. Capitalized terms used in this Addendum but not defined in this Addendum shall have the meanings given to such terms in the Franchise Agreement.

C. Franchisor has agreed to make certain modifications to the Franchise Agreement as set forth below.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

1. Royalties. Notwithstanding anything in Section 8.B of the Franchise Agreement, Franchisor and Franchisee/Transferee agree, subject to the conditions set forth in Section 2 of this Addendum, that Franchisee/Transferee must pay Royalties to Franchisor calculated as follows:

- If your Gross Billings in the calendar month are \$41,500 or less, you pay 6% of Gross Billings.
- If your Gross Billings in the calendar month are over \$41,500 but equal to or less than \$62,500, you pay 5% of Gross Billings.
- If your Gross Billings in the calendar month are over \$62,500 but equal to or less than \$83,250, you pay 4% of Gross Billings.

- If your Gross Billings in the calendar month are over \$83,250, you pay 3% of all Gross Billings.
- If your Gross Billings in the calendar month are over \$104,166, you pay 3% of all Gross Billings up to and including \$104,166, plus 1.5% of the Gross Billings in excess of \$104,166.

2. Conditions to Adjusted Royalty Provisions. The adjusted Royalty schedule set forth in Section 1 of this Addendum shall not apply if any of the following occurs, has occurred or is occurring:

- (a) Franchisor has sent a notice of default or breach to Franchisee/Transferee (with respect to obligations under the Franchise Agreement or under any other agreement between Franchisee/Transferee and Franchisor or its affiliates) and such default or breach remains uncured beyond the time period for cure (if any) specified in such notice.
- (b) Franchisee/Transferee is delinquent in the submission of required reports or in making payment of any amounts owed to Franchisor or its affiliates regardless of whether Franchisor has issued a notice of default for the delinquent reports or payment.

Upon the occurrence of any event listed in clauses (a) and (b) of this Section 2, the adjusted Royalty schedule set forth in Section 1 of this Addendum shall no longer apply and Franchisee/Transferee must pay Royalties to Franchisor in accordance with Section 8.B of the Franchise Agreement for the remainder of the term of the Franchise Agreement.

3. No Other Modifications. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect and is enforceable according to its terms and conditions.

4. Miscellaneous.

(a) Construction. The parties hereto have participated jointly in the negotiation and drafting of this Addendum. In the event an ambiguity or question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Addendum.

(b) Headings. The headings and subheadings contained in this Addendum are inserted for the convenience of the parties only and shall not affect in any way the meaning or interpretation of this Addendum.

(c) Amendment and Waiver in Writing. No provision in this Addendum can be amended, modified or waived, except by a statement in writing signed by the party against which enforcement of the amendment, modification or waiver is sought stating that the Addendum “is to be modified,” “is to be waived,” or “is to be amended.”

(d) Counterparts. This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument. This Addendum may be executed by facsimile signature, e-mailed portable document format (“PDF”) signature, or original signature. Any facsimile signature or emailed PDF signature shall be deemed an original and have the same effect as an original.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

U.S. LAWNS, INC.

By: _____

Title: _____

Date: _____

FRANCHISEE/TRANSFeree:

Title: _____

Date: _____

Schedule G to the Franchise Agreement

TRANSFER ADDENDUM TO FRANCHISE AGREEMENT

(For the transfer of the Franchised Business granted pursuant to Franchise Agreements dated after April 18, 2018)

THIS ADDENDUM (this “Addendum”) is entered into on this ____ day of _____, 20____ between U.S. Lawns, Inc. (“Franchisor”) and _____ (“Franchisee/Transferee”).

BACKGROUND:

A. Franchisor and Franchisee/Transferee’s predecessor in interest (“Transferor”) were parties to a Franchise Agreement dated [_____] (the “Prior Franchise Agreement”) pursuant to which Transferor agreed, among other things, to operate and maintain a landscape maintenance franchise under Franchisor’s brand (“Franchised Business”).

B. Franchisor and Franchisee/Transferee entered into a Franchise Agreement of even date herewith (the “Franchise Agreement”) and in connection therewith, the Prior Franchise Agreement is hereby terminated and replaced with the terms and conditions of the Franchise Agreement. Capitalized terms used in this Addendum but not defined in this Addendum shall have the meanings given to such terms in the Franchise Agreement.

C. Franchisor has agreed to make certain modifications to the Franchise Agreement as set forth below.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

1. [NOTE: Detail other terms and conditions of the transfer.]
2. No Other Modifications. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect and is enforceable according to its terms and conditions.
3. Miscellaneous.
 - (a) Construction. The parties hereto have participated jointly in the negotiation and drafting of this Addendum. In the event an ambiguity or question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Addendum.
 - (b) Headings. The headings and subheadings contained in this Addendum are

inserted for the convenience of the parties only and shall not affect in any way the meaning or interpretation of this Addendum.

(c) Amendment and Waiver in Writing. No provision in this Addendum can be amended, modified or waived, except by a statement in writing signed by the party against which enforcement of the amendment, modification or waiver is sought stating that the Addendum “is to be modified,” “is to be waived,” or “is to be amended.”

(d) Counterparts. This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument. This Addendum may be executed by facsimile signature, e-mailed portable document format (“PDF”) signature, or original signature. Any facsimile signature or emailed PDF signature shall be deemed an original and have the same effect as an original.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

U.S. LAWNS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE/TRANSFEREE:

Title: _____
Date: _____

Schedule H to the Franchise Agreement

NEW TERRITORY ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM (this “Addendum”) is entered into on this _____ day of _____, 20____ between U.S. Lawns, Inc. (“Franchisor”) and _____ (“Franchisee”).

BACKGROUND:

- A. Franchisor and Franchisee are party to a Franchise Agreement dated [_____] (the “Prior Franchise Agreement”) pursuant to which Franchisee agreed, among other things, to operate and maintain a landscape maintenance franchise under Franchisor’s brand (“Franchised Business”).
- B. Franchisor and Franchisee entered into a Franchise Agreement of even date herewith (the “Franchise Agreement”), pursuant to which, Franchisee may operate in an additional Territory. Capitalized terms used in this Addendum but not defined in this Addendum shall have the meanings given to such terms in the Franchise Agreement.
- C. Because of Franchise’s preexisting relationship with Franchisor, Franchisor has agreed to make certain modifications to the Franchise Agreement as set forth below.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

1. Release.

(a) Except as noted in this Section 1(a), Franchisee, for itself, its heirs, successors, assigns, affiliates, directors, officers, shareholders, and employees and any other party claiming an interest through them (collectively and individually referred to as the “Franchisee Parties”), hereby release and forever discharge Franchisor, its successors and assigns, affiliates, directors, officers and shareholders, (collectively and individually referred to as the “Franchisor 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 Prior 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 Prior Franchise Agreement or any other related agreement between the Franchisee Parties and the Franchisor Parties up through the date of this Addendum. Notwithstanding the above, this release of Claims is not a release of any claims related to the Franchise Agreement signed

of even date herewith and the renewal franchise that is subject to said Franchise Agreement.

(b) The releases of Claims set forth in Section 1(a) is intended by the to be a full and unconditional general release, 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 Franchisee Parties. This release of Claims is and shall be and remain a full, complete and unconditional general release.

(c) Franchisee, for itself and its Franchisee Parties, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under 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 hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. Franchisee acknowledges 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 or releasing party 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 or released party."

2. Additional Territory. [NOTE: Detail new Territory/Territories and any other terms and conditions of the addendum.]

3. No Other Modifications. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect and is enforceable according to its terms and conditions.

4. Miscellaneous.

(a) Construction. The parties hereto have participated jointly in the negotiation and drafting of this Addendum. In the event an ambiguity or question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Addendum.

(b) Headings. The headings and subheadings contained in this Addendum are inserted for the convenience of the parties only and shall not affect in any way the meaning or interpretation of this Addendum.

(c) Amendment and Waiver in Writing. No provision in this Addendum can be amended, modified or waived, except by a statement in writing signed by the party against which enforcement of the amendment, modification or waiver is sought stating that the Addendum "is to be modified," "is to be waived," or "is to be amended."

(d) Counterparts. This Addendum may be executed in one or more

counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument. This Addendum may be executed by facsimile signature, e-mailed portable document format (“PDF”) signature, or original signature. Any facsimile signature or emailed PDF signature shall be deemed an original and have the same effect as an original.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the dates written below.

U.S. LAWNS, INC.

By: _____
Title: _____
Date: _____

FRANCHISEE:

Title: _____
Date: _____

*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.

Schedule I to the Franchise Agreement

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE FRANCHISE AGREEMENT

In consideration of the execution of the 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 the Franchise Agreement, to be paid, kept and performed by the franchisee.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in Section 9.D and the arbitration and other dispute resolution provisions in Sections 11.A-D, and agree that this Personal Guarantee will 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 franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise 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 our successors and assigns.

FRANCHISEE: _____

PERSONAL GUARANTORS:

Individually _____
Print Name _____
Address _____
City _____ State _____ Zip Code _____
Telephone _____

Individually _____
Print Name _____
Address _____
City _____ State _____ Zip Code _____
Telephone _____

Schedule J to the Franchise Agreement

**ACKNOWLEDGMENT ADDENDUM TO
U.S. LAWNS FRANCHISE AGREEMENT**

IF YOU ARE A CANDIDATE LOCATED IN, OR WITH A FRANCHISED BUSINESS(ES) TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES, DO NOT COMPLETE AND DO NOT SIGN THIS ACKNOWLEDGMENT ADDENDUM: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

As you know, you and we are entering into a Franchise Agreement for the operation of a U.S. LAWNS franchise. 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 fourteen calendar days prior to signing the Franchise Agreement? Check one: Yes No. If no, please comment: _____

2. Have you studied and reviewed carefully the Disclosure Document and Franchise Agreement? Check one: Yes No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one Yes No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Except as stated in Items 5-7 or 19 of the Disclosure Document, did any employee or other person speaking on behalf of U.S. Lawns, Inc. 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: Yes No. If yes, please comment: _____

6. Except as stated in Item 19 of the Disclosure Document, did any employee or other person speaking on behalf of U.S. Lawns, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, earnings, income or profit levels at any U.S. LAWNS business, or the likelihood of success at your franchised business? Check one: Yes No. If yes, please state in detail the oral, _____

written or visual claim or representation: _____

7. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning the franchise for the U.S. LAWNS Business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding? Check one: Yes No. If no, please comment: _____

8. Do you understand that the success or failure of your U.S. LAWNS Business will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the U.S. LAWNS trademarks, interest rates, the economy, 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 open your U.S. LAWNS Business may change? Check one Yes No. If no, please comment: _____

9. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) and that an injunction is an appropriate remedy to protect the interest of the U.S. LAWNS system if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one Yes No. If no, please comment: _____

10. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise or for the purpose of protecting the U.S. LAWNS brand and Marks 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 your 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: _____

11. On the receipt pages of your Disclosure Document you identified _____

as the franchise sellers 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.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

APPROVED ON BEHALF U.S. LAWNS,
INC.

Signed _____
Print Name: _____
Date: _____

By: _____
Title: _____
Date: _____

* All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under any applicable law that prohibits releases, estoppels or waivers of liability under such law. Should one or more clauses of this Addendum be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Addendum shall be valid and in full force and effect.

EXHIBIT C

**LIST OF CURRENT AND FORMER
FRANCHISE OWNERS**

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

Current Franchisees as of 12/31/2024

ALABAMA

USL Anniston

Tony & Carmen Diaz
Jacksonville, AL 36265
Tel: 256-435-2792

USL Birmingham East

Tony & Carmen Diaz
Jacksonville, AL 36265
Tel: 256-435-2792

USL Birmingham West

Tony & Carmen Diaz
Jacksonville, AL 36265
Tel: 256-435-2792

USL Madison

James Schaffer
Madison, AL 35758
Tel: 256-772-7312

USL Mobile

Barrett & Lisa McKnight
Mobile, AL 36608
Ph: 601-392-9532

USL Montgomery East

Jason Garrard
Montgomery, AL 36109
Tel: 334-403-0917

USL Tuscaloosa

Patsy Gay
Northport, AL 35401
Tel: 205-333-1171

ARIZONA

USL Chandler

Jack Hallenbeck
Christopher Hallenbeck
Phoenix, AZ 85040
Tel: 602-768-5296

USL Phoenix Central

Jack Hallenbeck
Christopher Hallenbeck
Phoenix, AZ 85040
Tel: 602-768-5296

USL Scottsdale

Jack Hallenbeck
Christopher Hallenbeck
Phoenix, AZ 85040
Tel: 602-768-5296

ARKANSAS

USL Arkansas Northeast

Hayden Stem
Trip Crawford
Jonesboro, AR 72404
Tel: 870-530-2469

USL Arkansas Northwest

Bennett Harrell
Lowell, AR 72745
Tel: 888-862-5296

USL Hot Springs

Jason and Jennifer Blankenship
Hot Springs, AR 71913
Tel: 501-620-9935

USL Little Rock North

Jason and Jennifer Blankenship
Hot Springs, AR 71913
Tel: 501-620-9935

USL Little Rock South

Jason and Jennifer Blankenship

USL Texarkana

Dwight Mowery

Hot Springs, AR 71913
Tel: 501-620-9935

Texarkana, AR 71854
Tel: 903-306-0549

CALIFORNIA

USL Elk Grove
Owen Smith
Rancho Cordova, CA 95742
Tel: 916-837-6722

USL Roseville
Owen Smith
Rancho Cordova, CA 95742
Tel: 916-837-6722

USL Sacramento East
Owen Smith
Rancho Cordova, CA 95742
Tel: 916-837-6722

CONNECTICUT

USL Fairfield
Bruce Nwogu
Fairfield, CT 06825
Tel: 475-259-4254

USL Madison
Matthew Slowik
Bloomfield, CT 06443
Tel: 203-390-9093

FLORIDA

USL Bradenton
Michael Carlo
Sarasota, FL 34232
Tel: 941-379-0272

USL Brevard County
Brandon Silverstein
Rockledge, FL 32955
Tel: 321-636-0655

USL Citrus County
Rick & Carolyn MacMeeken
Lecanto, FL 34461
Tel: 352-628-6223

USL Clearwater
Todd Moerchen
Oldsmar, FL 34677
Tel: 813-855-9002

USL Clermont
Erik Subh
Kissimmee, FL 34744
Tel: 407-344-0279

USL Davie
Marissa Rabbat
Sunny Isles Beach, FL 33160
Tel: 305-692-8978

USL Fort Myers
Joseph Titone
Fort Myers, FL 33912
Tel: 954-288-7305

USL Haines City
Kristin Swinburne
Haines City, FL 33881
Tel: 863-421-2320

USL Jacksonville Bay Meadows
Greg Brockman
Jacksonville, FL 32259
Tel: 904-437-4858

USL Jacksonville West
Andy Matykiewicz
Orange Park, FL 32073
Tel: 904-264-2020

USL Kissimmee
Erik Subh
Kissimmee, FL 34744
Tel: 407-344-0279

USL Lakeland
Eric Jayne
Lakeland, FL 33811
Tel: 863-648-4880

USL Lake Nona

Erik Subh
Kissimmee, FL 34744
Tel: 407-344-0279

USL Leesburg

Ignacio Medir
Winter Garden, FL 34787
Tel: 352-455-3348

USL Miami Dade West

Marissa Rabbat
Sunny Isles Beach, FL 33160
Tel: 305-692-8978

USL Miami North

Larry Rabbat
Sunny Isles Beach, FL 33160
Tel: 305-692-8978

USL Miramar

Marissa Rabbat
Sunny Isles Beach, FL 33160
Tel: 305-692-8978

USL Naples

Joseph Titone
Fort Myers, FL 33912
Tel: 954-288-7305

USL Orlando

Erik Subh
Kissimmee, FL 34744
Tel: 407-344-0279

USL Panama City

Richard Maddox & William
Cantrell
Lynn Haven, FL 32444
Tel: 850-832-4264

USL Pasco County

David Gray
Hudson, FL 34667
Tel: 727-697-3896

USL Plant City

Eric Jayne
Lakeland, FL 33811
Tel: 863-648-4880

USL Port Charlotte

Gene Barnes
Punta Gorda, FL 33982
Tel: 941-833-9251

USL Sanford

Joseph Kapcsandi
Orange City, FL 32763
Tel: 973-860-8750

USL Sarasota

Michael Carlo
Sarasota, FL 34232
Tel: 941-379-0272

USL St. Augustine

Andy Matykiewicz
Orange Park, FL 32073
Tel: 904-264-2020

USL St. Petersburg

Todd Moerchen
Oldsmar, FL 34677
Tel: 813-855-9002

USL Tampa

Todd Moerchen
Oldsmar, FL 34677
Tel: 813-855-9002

USL Volusia County East

Joseph Kapcsandi
Orange City, FL 32763
Tel: 973-860-8750

USL Windermere

Erik Subh
Kissimmee, FL 34744
Tel: 407-344-0279

USL Winter Garden

Erik Subh
Kissimmee, FL 34744
Tel: 407-344-0279

USL Winter Park

Erik Subh
Kissimmee, FL 34744
Tel: 407-344-0279

GEORGIA

USL Atlanta Northwest

Michelle Doss & Brad McAlpine
Marietta, GA 30068
Tel: 770-833-2535

USL Augusta

Roger Boyer
Augusta, GA 30901
Tel: 803-622-7783

USL Hartwell

Randy Tallent
Hartwell, GA 30643
Tel: 706-436-3620

USL Lawrenceville

David & Michael Johnson
Snellville, GA 30078
Tel: 678-404-5823

USL Macon***USL St. Simons Island******USL Valdosta******USL Warner Robins***

Steve & Teana Ferguson
Taylor Pate
Macon, GA 31216
Tel: 478-293-3021

Steve Mendez
St. Simons Island, GA 31522
Tel: 912-268-4110

James & Barbara Avery
Moultrie, GA 31788
Tel: 229-891-8987

Steve & Teana Ferguson
Taylor Pate
Macon, GA 31216
Tel: 478-293-3021

IDAHO

USL Boise
Jeremy Vincent
Nampa, ID 83651
Tel: 208-463-4317

USL Eastern ID
Scott De Jong
Twin Falls, ID 83301
Tel: 208-934-6438

USL Twin Falls
Scott De Jong
Twin Falls, ID 83301
Tel: 208-934-6438

ILLINOIS

USL Aurora
Christopher Johnston
St Charles, IL 60174
Tel: 630-443-4191

USL Southern Illinois
Dean & Rachel Albright
Energy, IL 62933
Tel: 618-942-7355

INDIANA

USL Greenfield
Jason Bell
Fairland, IN 46126
Tel: 317-474-1663

USL Greenwood
Kelsy Wells
Terre Haute, IN 47803
Tel: 812-605-1422

USL Indianapolis NW
Kelsy Wells
Terre Haute, IN 47803
Tel: 812-605-1422

USL Lafayette
Scott & Tamara Taylor
Lafayette, IN 47909
Tel: 765-427-3954

USL New Albany
Jerry Kincaid
New Albany, IN 47150
Tel: 812-738-4531

USL Plainfield
Kelsy Wells
Terre Haute, IN 47803
Tel: 812-605-1422

USL South Bend
Troy & Carrie Parmelee
South Bend, IN 46628
Tel: 574-654-4584

USL Terre Haute
William & Kelsy Wells
Terre Haute, IN 47803
Tel: 812-605-8030

KANSAS

USL Overland Park
Shawn Shelton

Pleasant Hill, MO 64080

Tel: 816-591-2340

KENTUCKY

USL Florence

Ryan Kirkham
Camp Dennison, OH 45111
Tel: 513-239-3939

USL Louisville East

Adam & Karey Neville
Louisville, KY 40228
Tel: 502-962-7681

USL Louisville West

Adam & Karey Neville
Louisville, KY 40228
Tel: 502-962-7681

USL Owensboro

Travis Castlen
Owensboro, KY 42303
Tel: 270-683-7003

LOUISIANA

USL Alexandria

Justin Adcock & Josh Hargon
Alexandria, LA 71301
Tel: 318-422-8770

USL Baton Rouge

Jamie Carruth & Alex Carruth
Baton Rouge, LA 70808
Tel: 225-921-1638

USL Bossier City

Scotty & Tina Floyd
Shreveport, LA 71105
Tel: 318-626-5555

USL Lafayette

Justin Adcock & Josh Hargon
Alexandria, LA 71301
Tel: 318-422-8770

USL Lake Charles

Justin Adcock & Josh Hargon
Lake Charles, LA 70616
Tel: 318-792-7354

USL Monroe

David Head
Monroe, LA 71201
Tel: 318-388-8488

USL New Orleans

Justin Adcock & Josh Hargon
Alexandria, LA 71301
Tel: 318-422-8770

USL North Shore

Happy Lindeen
Jefferson, LA 70121
Tel: 504-833-5004

USL Shreveport

Scotty & Tina Floyd
Shreveport, LA 71105
Tel: 318-626-5555

MARYLAND

USL Annapolis

Aramis Rodriguez & Ruth Pena
Cockeysville, MD 21030
Tel: 410-960-8126

USL Chillum

Eric Bell
Brandywine, MD 20613
Tel: 301-653-0275

USL Frederick

Chris Seaborne & Tim Harrell
Hagerstown, MD 21740
Tel: 301-416-8180

USL Gaithersburg

Terry Starcher
Gaithersburg, MD 20877
Tel: 703-862-1944

USL Rockville

Terry Starcher
Gaithersburg, MD 20877
Tel: 703-862-1944

MASSACHUSETTS

USL Boston

Joshua & Georgia Rivers
Stoughton, MA 02072
Tel: 781-344-7400

MICHIGAN

USL Livonia

Ron & Carol Howe
Southgate, MI 48195
Tel: 734-285-3444

USL St. Clair Shores

Christopher Lavelly
Macomb, MI 48042
Tel: 586-566-9800

MISSISSIPPI

USL Biloxi

Bernie Donlin
Long Beach, MS 39560
Tel: 228-868-0425

USL Hattiesburg

Justin Holifield
Laurel, MS 39443
Tel: 601-606-0029

USL Jackson

David Pursell
Ridgeland, MS 39157
Tel: 601-856-8928

USL McComb

Doug & Linda Easley
Brookhaven, MS 39601
Tel: 601-835-1164

USL Meridian

Billy & Sherri Comfort
Paul Comfort
Kosciusko, MS 39090
Tel: 662-289-1300

USL Mississippi Northeast

Mike & Angela Kirk
New Albany, MS 38652
Tel: 662-534-7447

USL Natchez

Matthew Moore
Natchez MS 39120
Tel: 601-660-2820

USL Starkville

Will & Stephanie Arnett
Starkville, MS 39759
Tel: 662-769-7397

USL Vicksburg

Matthew Moore

Vicksburg, MS 39180
Tel: 601-634-1500

MISSOURI

<i>USL Franklin County</i>	<i>USL Kansas City</i>	<i>USL Kansas City North</i>	<i>USL The Ozarks</i>
Jason Demyen St. Clair, MO 63077 Tel: 636-358-8981	Derrick Stirling Raymore, MO 64083 Tel: 816-965-5296	Derrick Stirling Raymore, MO 64083 Tel: 816-965-5296	Matt & Stacey Kindell Nixa, MO 65714 Tel: 417-374-7070

NEVADA

<i>USL Henderson</i>	<i>USL Las Vegas</i>
Taylor & Emee Kelley Las Vegas, NV 89148 Tel: 702-703-1676	Taylor & Emee Kelley Las Vegas, NV 89148 Tel: 702-703-1676

NEW HAMPSHIRE

<i>USL Nashua</i>
Stan MacDonald Bedford, NH 03110 Tel: 603-714-2130

NEW JERSEY

<i>USL Bordentown</i>	<i>USL Monmouth County</i>	<i>USL Ocean County</i>	<i>USL Sewell</i>
Wanda Magana Bordentown, NJ 08505 Tel: 609-222-2357	Travis Abel Jackson, NJ 08527 Tel: 732-737-1800	Paul Findlow Toms River, NJ 08753 Tel: 732-341-2032	Ryan Hannon West Deptford, NJ 08096 Tel: 856-745-6384

NEW YORK

<i>USL Nassau County</i>
Sergio & Daniel Arauz

Christian Cardona
Levittown, NY 11756
Tel: 516-520-0585

NORTH CAROLINA

USL Asheville
Robin & Donna Smith
Mills River, NC 28759
Tel: 828-890-8154

USL Charlotte South
Brandon & Sherri Shively
Concord, NC 28025
Tel: 704-525-4299

USL Kannapolis
Brandon & Sherri Shively
Concord, NC 28025
Tel: 704-525-4299

USL Statesville
Brandon & Sherri Shively
Concord, NC 28025
Tel: 704-525-4299

USL Cary
Rob TeCarr
Raleigh, NC 27615
Tel: 916-876-1683

USL Greensboro
Michael Swearingen
Kernersville, NC 27284
Tel: 336-345-9804

USL New Bern
Braxton Atwell
Swansboro, NC 28584
Tel: 910-483-4005

USL Wilmington
Michael Esposito
Wilmington, NC 28409
Tel: 910-395-4779

USL Chapel Hill
Rob TeCarr
Raleigh, NC 27615
Tel: 916-876-1683

USL Greenville
Braxton Atwell
Swansboro, NC 28584
Tel: 910-483-4005

USL Raleigh
Rob TeCarr
Raleigh, NC 27615
Tel: 916-876-1683

USL Winston-Salem
Michael Swearingen
Kernersville, NC 27284
Tel: 336-345-9804

USL Charlotte North
Brandon & Sherri Shively
Concord, NC 28025
Tel: 704-525-4299

USL Jacksonville
Braxton Atwell
Swansboro, NC 28584
Tel: 910-483-4005

USL Reidsville
Todd Ore
Reidsville, NC 27320
Tel: 336-520-5730

OHIO

USL Cincinnati East
Ryan Kirkham
Camp Dennison, OH 45111
Tel: 513-239-3939

USL Dayton

USL Cincinnati SE
Ryan Kirkham
Camp Dennison, OH 45111
Tel: 513-239-3939

USL Toledo

USL Cleveland East
Damon & Erica DeAndrade
Chardon, OH 44024
Tel: 440-286-1444

USL Columbus North
Ryan Kirkham
Powell, OH, 43065
Tel: 614-634-8182

Shawn Bone
Fairborn, OH 45324
Tel: 937-767-2015

Tom Curdes
Holland, OH 43528
Tel: 419-841-4705

OKLAHOMA

USL Lawton
Brian Honeyager
Lawton, OK 73507
Tel: 580-917-0463

USL Oklahoma City North
Lane & Janine Roathe
Oklahoma City, OK 73170
Tel: 405-912-0897

USL Oklahoma City South
Lane & Janine Roathe
Oklahoma City, OK 73170
Tel: 405-912-0897

USL Tulsa North
Tim & Shelley Stauffer
Tulsa, OK 74132
Tel: 918-851-8285

OREGON

USL Medford
Brandon Corcoran
Central Point, OH 97502
Tel: 541-664-7348

PENNSYLVANIA

USL Chester County
Philip & Luke Zaccarelli
Royersford, PA 19468
Tel: 267-797-6076

USL Lancaster
Rich Garner
Downington, PA 19335
Tel: 215-316-9857

USL Philadelphia
Stephen Loomis
Conshohocken, PA 19428
Tel: 215-692-2523

USL York
Alex Cistone
Hanover, PA 17331
Tel: 717-637-7979

SOUTH CAROLINA

USL Anderson
Stephen Patton
Greenville, SC 29607
Tel: 202-427-6753

USL Charleston
Tait Coates
North Charleston, SC 29418
Tel: 843-760-0770

USL Columbia
Steven Keys
Columbia, SC 29209
Tel: 803-251-4333

USL Greenville
Stephen Patton
Greenville, SC 29607
Tel: 202-427-6753

USL Hilton Head
Martin Schuppert
Hilton Head, SC 29928

USL Lexington
Steven Keys
Columbia, SC 29209

USL Myrtle Beach
Bryan Smith
Myrtle Beach, SC 29588

USL Rock Hill
Brandon & Sherri Shively
Charlotte, NC 28217

Tel: 843-342-9211

Tel: 803-822-2600

Tel: 843-650-8875

Tel: 704-525-4299

USL Spartanburg

Stephen Patton
Greenville, SC 29607
Tel: 202-427-6753

TENNESSEE

USL Chattanooga East

Bryan Holbrook
Cleveland, TN 37312
Tel: 423-473-0065

USL Clarksville

Ronnie Moore & Philip
Hagewood
Clarksville, TN 37041
Tel: 931-648-1196

USL Gallatin

Jason Wix
Lafayette, TN 37083
Tel: 615-633-7209

USL Jackson

Bryan Wilcox
Jackson, TN 38305
Tel: 731-267-8142

USL Knoxville

Jacob Arms
Knoxville, TN 37922
Tel: 423-737-6556

USL Memphis East

Drew Eaton
Memphis, TN 38117
Tel: 901-827-7601

USL Memphis North

Drew Eaton
Memphis, TN 38117
Tel: 901-827-7601

USL Murfreesboro

Eric Knaub
Murfreesboro, TN 37128
Tel: 615-610-6125

USL Pigeon Forge

Jacob Arms
Knoxville, TN 37922
Tel: 423-737-6556

USL Tri-Cities

Matt Freeman
Bristol, TN 37620
Tel: 423-989-7717

TEXAS

USL Austin West

Tim Burgess
Georgetown, TX 78626
Tel: 512-574-1815

USL Beaumont

Byron Jacquette
Beaumont, TX 77707
Tel: 409-347-8156

USL Cedar Park

Hector Granados
Leander, TX 78641
Tel: 512-947-2847

USL College Station

Jaime Caballero & Irene Mendoza
Waller, TX 77484
Tel: 713-447-8899

USL Dallas

Garrett Vick

USL Fort Worth

Garrett Vick

USL Grapevine

Garrett Vick

USL Harlingen

Carlos & Susana

Grand Prairie, TX 75052
Tel: 817-491-3200

USL Houston East
Byron Jacquette
Beaumont, TX 77707
Tel: 409-347-8156

USL McAllen
Pedro Ordóñez
McAllen, TX 78504
Tel: 956-310-2305

USL Plano
Michael Brown
Plano, TX 75025
Tel: 850-464-0069

USL San Antonio West
Scott & Jean Olech
San Antonio, TX 78253
Tel: 210-626-8013

Grand Prairie, TX 75052
Tel: 817-491-3200

USL Houston North
Paul Shouse
Houston, TX 77066
Tel: 281-866-8004

USL Montgomery County
Paul Shouse
Houston, TX 77066
Tel: 281-866-8004

USL Round Rock
Tim Burgess
Georgetown, TX 78626
Tel: 512-574-1815

USL Sherman
Justin Adcock
Whitesboro, TX 76278
Tel: 601-502-4670

Grand Prairie, TX 75052
Tel: 817-491-3200

USL Houston West
Paul Shouse
Houston, TX 77066
Tel: 281-866-8004

USL New Braunfels
Michael Greer
New Braunfels, TX 78132
Tel: 210-784-8783

USL San Antonio North
Sergio Ramirez & Orangel
Yanez
San Antonio, TX 78248
Tel: 210-324-4862

USL Temple
Clayton Ellis
Belton, TX 76513
Tel: 254-346-1046

Mercedes, TX 78570
Tel: 334-494-5775

USL Lubbock
Elizabeth & Alfredo Villegas
Lubbock, TX 79423
Tel: 806-702-4106

USL Pearland
Thomas R. Lewis, Thomas C.
Lewis
Ricardo T. Lewis
Manvel, TX 77578
Tel: 713-823-8537

USL San Antonio South
Sergio Ramirez & Orangel Yanez
San Antonio, TX 78248
Tel: 210-324-4862

USL Waco
Chris Kelly
Waco, TX 76710
Tel: 254-251-3099

UTAH

USL Ogden
Jeremy Vincent
Farr West, UT 84404
Tel: 208-880-3235

USL Salt Lake City
Jeremy Vincent
Nampa, ID 83651
Tel: 208-463-4317

USL Utah County
Jeremy Vincent
Nampa, ID 83651
Tel: 208-463-4317

VIRGINIA

USL Alexandria

Daniel Rivera
Woodbridge, VA 22193
Tel: 703-498-7544

USL Arlington

Zach Bini
Alexandria, VA 22314
Tel: 703-215-7336

USL Ashburn

Jeff Dajani
Dulles, VA 20166
Tel: 703-421-1313

USL Charlottesville

Christopher Hoodless
Afton, VA 22920
Tel: 540-836-6349

USL Dulles

Jeff Dajani
Ashburn, VA 20147
Tel: 703-421-1313

USL Fredericksburg

Anthony Jackson
Frederickburg, VA 22406
Tel: 540-847-8599

USL Gloucester

Chris Filipkowski
Manquin, VA 23106
Tel: 804-955-9790

USL Hampton Roads

Stephen & Teana Ferguson
Newport News, VA 23605
Tel: 757-224-6675

USL Lynchburg

Terry Myles
Roanoke, VA 24013
Tel: 540-589-5862

USL Manassas

Elias Bonilla
Centreville, VA 20121
Tel: 703-659-0100

USL Richmond North

Chris Filipkowski
Manquin, VA 23106
Tel: 804-955-9790

USL Richmond South

Chris Filipkowski
Manquin, VA 23106
Tel: 804-955-9790

USL Roanoke

Terry Myles
Roanoke, VA 24013
Tel: 540-589-5862

USL Winchester

Timothy Harrell
Christopher Seaborne
Clear Brook, VA 22624
Tel: 301-416-8180

WEST VIRGINIA***USL Morgantown***

Justin Wood
Fairmont, WV 26554
Tel: 681-443-0263

WISCONSIN

USL Waukesha

Jeffrey Lynch

Waukesha, WI 53186

Tel: 262-544-4504

Franchisees Signed But Not Open at December 31, 2024

FLORIDA

USL Destin

Richard Maddox
Lynn Haven, FL 32444
Tel: 850-832-4264

USL Homestead

Roberto "Bob"
Nespereira
Miami, FL 33133
Tel: 305-450-7373

USL Miami South

Roberto "Bob"
Nespereira
Miami, FL 33133
Tel: 305-450-7373

KENTUCKY

Bowling Green

Jason Wix
Lafayette, TN 37083
Tel: 615-633-7209

MARYLAND

USL Waldorf

Eric Bell
Brandywine, MD 20613
Tel: 301-653-0275

NEW JERSEY

USL Vineland

Ryan Hannon
West Deptford, NJ 08096
Tel: 856-745-6384

NEW YORK

USL Westchester

Kaz Barrett & Chanika
Campbell
Mount Kisco, NY 10549
Tel: 914-635-2967

NORTH CAROLINA

USL Wilson

William and Brittany Lingle
Zebulon, NC 27597
Ph: 918-812-3263

PENNSYLVANIA

USL Harrisburg

Rich Garner

Downingtown, PA 19335
Tel: 215-316-9857

TENNESSEE

Franklin
Geoffrey Lysaught
Nashville, TN 37205
Tel: 323-775-7999

Nashville North
Jason Wix
Lafayette, TN 37083
Tel: 615-633-7209

Nashville South
Geoffrey Lysaught
Nashville, TN 37205
Tel: 323-775-7999

Transfers Fiscal Year Ended December 31, 2024

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

ALABAMA

USL Birmingham East

James Schaffer
8390 Segers Road
Madison, AL 35758
Tel: 256-772-7312

USL Birmingham West

James Schaffer
8390 Segers Road
Madison, AL 35758
Tel: 256-772-7312

GEORGIA

USL Macon

Greg & Kelly Israel
950 GA Highway 247 South
Kathleen, GA 31407
Tel: 478-397-5380

USL Warner Robins

Greg & Kelly Israel
950 GA Highway 247
South
Kathleen, GA 31407
Tel: 478-397-5380

KANSAS

USL Overland Park

Derrick Stirling
702 Keen Street, Suite B
Pleasant Hill, MO 64080
Tel: 501-803-4447

LOUISIANA

USL Lafayette

Brad Ratcliff
1052 Roberts Street
Jena, LA 71342
Tel: 318-245-2777

NORTH CAROLINA

USL Greenville

Bill Freelove
2210 May Street
Greenville, NC 27834
Tel: 252-439-5296

SOUTH CAROLINA

USL Anderson

USL Greenville

USL Spartanburg

John Kenney
233 Bruce Farms Road
Simpsonville, SC 29618
Tel: 864-979-0718

John Kenney
233 Bruce Farms Road
Simpsonville, SC 29618
Tel: 864-979-0718

John Kenney
233 Bruce Farms
Road
Simpsonville, SC
29618
Tel: 864-979-0718

TEXAS

USL San Antonio North
Ezequiel Escobedo & Heather
Guerrero
295 Shannon Ridge Drive
Floresville, TX 78114
Tel: 830-391-3008

Franchisees Who Left the System Fiscal Year Ended December 31, 2024

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

COLORADO

USL Colorado Springs

Jeff & Marlene Weinzierl
211 Crystal Hills
Boulevard
Manitou Springs, CO
80829
Tel: 719-685-2448

Reason: Abandonment

USL Fort Collins

Stephen & Elizabeth
Carman
1281 E Magnolia St, D368
Fort Collins, CO 80524
Tel: 970-227-9373

Reason: Mutual
Termination

USL Parker

Jeff Weinzierl
211 Crystal Hills
Boulevard
Manitou Springs, CO
80829
Tel: 719-685-2448

Reason: Abandonment

FLORIDA

USL Palm Beach

Eric Masse
Delray Beach FL 33446
Tel: 561-495-7784

Reason: Abandonment

USL Palm Beach North

Eric Masse
Delray Beach FL 33446
Tel: 561-495-7784

Reason: Abandonment

USL Palm Beach South

Eric Masse
Delray Beach FL 33446
Tel: 561-495-7784

Reason: Abandonment

GEORGIA

USL Alpharetta

Tim Miles
16245 Hopewell Road
Alpharetta, GA 30004
Tel: 404-456-1937

Reason: Abandonment

USL Atlanta West

Dewitt Parker
Palmetto, GA 30268
Tel: 770-306-4766

Reason: Non-Renewal

USL Gainesville

Tim Miles
16245 Hopewell Road
Alpharetta, GA 30004
Tel: 404-456-1937

Reason: Abandonment

USL Hinesville

Walter Rogers
7047 Highway 169
Glennville, GA 30427
Tel: 912-270-1693

Reason:
Abandonment

USL Savannah

Walter Rogers
7047 Highway 169
Glennville, GA 30427
Tel: 912-270-1693

Reason: Abandonment

MICHIGAN

USL Ann Arbor

Tommy Kilbride
2827 Stein Court
Ann Arbor, MI 48105
Tel: 248-897-0377

USL Pontiac

Tommy Kilbride
2827 Stein Court
Ann Arbor, MI 48105
Tel: 248-897-0377

Reason: Abandonment

Reason: Abandonment

TEXAS

USL Abilene

Alvaro Castro
108 Roger Circle
Denver City, TX 79323
Tel: 325-450-9168

Reason: Mutual
Termination

EXHIBIT D

LIST OF STATE ADMINISTRATORS/AGENTS

FOR SERVICE OF PROCESS

**LIST OF STATE ADMINISTRATORS,
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<u>CALIFORNIA</u>	Department of Financial Protection & Innovation 2101 Arena Boulevard Sacramento, CA 95834 (866) 275-2677	Financial Protection & Innovation Commissioner 2101 Arena Boulevard Sacramento, CA 95834
<u>HAWAII</u>	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722	Hawaii Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813
<u>ILLINOIS</u>	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
<u>INDIANA</u>	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 West Washington Street Indianapolis, IN 46204
<u>MARYLAND</u>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
<u>MICHIGAN</u>	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, MI 48913
<u>MINNESOTA</u>	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 296-1600	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101
<u>NEW YORK</u>	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005-1495 (212) 416-8222	Secretary of State of New York One Commerce Plaza 99 Washington Ave., 6 th Floor Albany, NY 12231-0001

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<u>NORTH DAKOTA</u>	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5 th Floor Bismarck, ND 58505-0510 (701) 328-2910	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5 th Floor Bismarck, ND 58505-0510
<u>RHODE ISLAND</u>	Division of Securities Department of Business Registration 1511 Pontiac Avenue John O. Pastore Center, Building 69-1 Cranston, RI 02920	Director of Department of Business Registration 1511 Pontiac Avenue John O. Pastore Center, Building 69-1 Cranston, RI 02920
<u>SOUTH DAKOTA</u>	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501-3185
<u>VIRGINIA</u>	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, First Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, First Floor Richmond, VA 23219
<u>WASHINGTON</u>	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 (360) 902-8700	Administrator of Securities Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501
<u>WISCONSIN</u>	Commission of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Wisconsin Commissioner of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT E

STATE ADDENDA

RIDER TO STATE ADDENDUM
TO THE U.S. LAWNS® FRANCHISE DISCLOSURE DOCUMENT AND U.S. LAWNS
FRANCHISE AGREEMENT FOR THE FOLLOWING STATES ONLY: CALIFORNIA,
HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK,
NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON,
WISCONSIN

This Rider to State Addendum to U.S. Lawns® Franchise Disclosure Document (“FDD”) and U.S. Lawns Franchise Agreement is entered into by and between U.S. Lawns, Inc., a Florida corporation with an address of 6700 Forum Drive, Suite 150, Orlando, Florida 32821 (“we” or “us”) and _____ (“you”).

A. This Rider is being signed because you are a resident of one of the states listed in the heading of this Rider (the “Applicable Franchise Registration State”) or a non-resident who is acquiring franchise rights permitting the location of one or more U.S. Lawns® business in the Applicable Franchise Registration State.

B. We and you have contemporaneously herewith entered into a Franchise Agreement (the “Agreement”) and wish to amend the Agreement as provided herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. The following language is hereby added to the end of the FDD or the Agreement:

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

2. Except as provided in this Rider, the Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

IN WITNESS WHEREOF parties have executed this _____ day of _____, 20____.

We:

U.S. Lawns, Inc.
a Florida corporation

You:

By: _____

Its: _____

ADDITIONAL DISCLOSURES TO THE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

In California the highest interest rate permitted by law is 10%.

SPOUSAL RISK FACTOR – Spousal liability: Your spouse will be liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

The Franchise Agreement and Item 5 of the Disclosure Document are amended as follows: "The Department of Financial Protection and Innovation requires 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."

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec101 et seq.).

The franchise agreement contains a covenant not to compete which extends beyond termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur at Orlando, Florida with the costs being borne by you. 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 FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the

Commissioner of the Department of Financial Protection and Innovation.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS 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).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfp.ca.gov.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection

with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF ILLINOIS

The Franchise Agreement and the Disclosure Document are hereby amended to the effect that in the State of Illinois, Illinois law, jurisdiction, and venue shall apply.

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure act or any other law of Illinois is void.

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

Franchisor

Date

Franchisee

Date

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF INDIANA

We must comply with Indiana Code (23-2-2.7-1(4) and (23-2-2.7-2(6) which set limitations on third party suppliers.

You may not be required to indemnify us for liability when caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF MARYLAND
(Franchise Disclosure Document and Franchise Agreement)

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

The Page “**Special Risks to Consider About This Franchise**” of the Disclosure Document is amended as follows:

Guarantee Performance by the Transferee. The Franchisor has the right to require the Franchisee to guarantee performance by the transferee as a condition of the Franchisor’s approval of a transfer of this franchise to a third party.

The Franchise Agreement and Items 5 and 7 of the Disclosure Document are amended as follows:

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.

Item 15 of the Disclosure Document is amended as follows:

A franchisee’s spouse is not required to sign a personal guarantee unless the spouse has an ownership interest in the franchise.

The Franchise Agreement and Item 17 of the Disclosure Document are amended as follows:

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

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

The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11U.S.C. Section 101 et seq.)

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.

You may bring an action in Maryland for claims arising under the Maryland Franchise

Registration and Disclosure Law.

The Franchisor has the right to require the Franchisee to guarantee performance by the transferee as a condition of the Franchisor's approval of a transfer of this franchise to a third party.

FRANCHISOR:
U.S. LAWNS, INC.

Franchise Owner:

Date

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF MINNESOTA

1. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.
3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Additionally, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
8. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDITIONAL DISCLOSURES 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective

order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. 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.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. 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.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF THE STATE OF NORTH DAKOTA

This addendum to the Franchise Agreement is agreed to this _____ day of _____, between _____ (Franchisor) and _____, (Franchisee) to amend and revise said Franchise Agreement as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (SECTION 51-19- 09, N.D.C.C.):

- (1) Restrictive Covenants: Franchise offering circulars which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to the statute. Therefore, Item 17(r) of the Disclosure Document and Section 10 of the Franchise Agreement are amended to state that Covenants not to compete such as those mentioned herein are generally considered unenforceable in the State of North Dakota.
- (2) Site of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business. Item 17(u) of the Disclosure Document and Section 11 of the Franchise Agreement are amended to provide the site of arbitration or mediation be agreeable to all parties.
- (3) Restrictions on Forum: Regarding North Dakota franchisees to consent to jurisdiction of courts outside of North Dakota. Item 17(v) of the Disclosure Document and the Franchise Agreement are amended to state that franchisees are not required to consent to jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties. Therefore, Item 17(i) of the Disclosure Document and Section 13 of the Franchise Agreement are amended to delete the provision requiring the franchisee to consent to termination or liquidated damages.
- (5) Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota. Item 17(w) of the Disclosure Document and the Franchise Agreement are therefore amended to delete the provision requiring governance by the state of Florida.
- (6) Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury. Therefore, the Franchise Agreement and the Disclosure Document are amended to delete any provisions requiring the franchisee to consent to a waiver of trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages. Therefore, Section 23 of the Franchise Agreement is amended to delete the requirement that the franchisee consent to a waiver of exemplary and punitive damages.

(8) Requirement to sign a general release upon renewal of Agreement. Therefore, Item 17(c) of the Disclosure Document and Section 10.D.6 of the Franchise Agreement are amended to delete the provision requiring the franchisee to sign a general release upon renewal of the Agreement.

Section 13.C of the Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.

Section 11.D of the Franchise Agreement is amended to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

In witness thereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20 ____.

(NAME OF FRANCHISOR)

BY: _____
Authorized Officer, Franchisor

FRANCHISEE: _____

BY: _____

ITS: _____

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. The general release referenced in Sections 4(B) and 10(D)(6) of the Franchise Agreement, the Renewal Addenda enclosed as Schedule G to the Franchise Agreement, the New Territory Addendum enclosed as Schedule I to the Franchise Agreement do not apply to claims arising under the Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.
 20. The franchisee’s obligations to waive, indemnify, defend, reimburse, and hold harmless referenced in Section 9(B) of the Franchise Agreement do not extend to liabilities caused by the indemnified parties’ negligence, willful misconduct, strict liability, or fraud. The franchisee is also not required to waive, indemnify, hold harmless, and reimburse the indemnified parties if the franchisee is determined to be an employee, or if the Franchisor is determined to be a joint employer, due to the franchisee’s compliance with the Franchisor’s system standards.
 21. Section 10(E) of the Franchise Agreement is modified to provide for 180 days to effect the transfer upon the franchisee’s death, disability, or incapacity.
 22. In accordance with RCW 19.100.180(2)(g) and RCW 19.100.190(3), the following phrase in Section 11(B) of the Franchise Agreement does not apply to claims by Washington franchisees arising under the Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder: “assess punitive or exemplary damages.”
 23. In accordance with RCW 19.100.180(2)(g) and RCW 19.100.190(3), Section 13(C) of the Franchise Agreement does not apply.
 24. The Washington Addendum applies notwithstanding Section 14(B) and (D) of the Franchise Agreement.
 25. In accordance with RCW 19.100.180(1), RCW 19.100.180(2)(g), and RCW 19.100.220(2), Section 14(H) of the Franchise Agreement does not apply.
 26. In accordance with RCW 19.100.180(2)(g) and RCW 19.100.190(3), Section 14(K) of the Franchise Agreement does not apply to claims by Washington franchisees arising under the Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.
 27. Section 14(M) of the Franchise Agreement does not apply to any duties, obligations, or liabilities imposed on the Franchisor or its affiliates under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.
 28. Section 14(O) of the Franchise Agreement is revised to state that it does not waive franchisee protections under RCW 19.100.180(2)(d).

29. RCW 19.100.180(2)(d) states it is a violation of the Washington Franchise Investment Protection Act for any person to “sell, rent, or offer to sell to a franchisee any product or service for more than a fair and reasonable price.”
30. The following phrase in the Personal Guarantee and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement enclosed as Schedule J to the Franchise Agreement does not apply: “the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement.”
31. Schedule K to the Franchise Agreement does not apply in Washington.

The undersigned parties do hereby acknowledge receipt of this addendum.

Dated this ____ day of _____, 20__.

FRANCHISOR:
U.S. LAWNS, INC.

Prospective Franchisee:

EXHIBIT F

TABLE OF CONTENTS OF OPERATIONS MANUAL

U.S. LAWNS

OPERATIONS MANUAL

TABLE OF CONTENTS

(Tab Labels)

- 1. Introduction (1 Page)**
- 2. About Your Franchise (1 Page)**
- 3. Management Policy (6 Pages)**
- 4. Summary of Franchisee Obligations (2 Pages)**
- 5. Summary of Franchisor Services (1 Page)**
- 6. U.S. Lawns Concept (2 Pages)**
- 7. The Organization (2 Pages)**
- 8. Our Image (4 Pages)**
- 9. Landscape Maintenance Industry (3 Pages)**
- 10. Consumer Guide to Landscape Maintenance (11 Pages)**
- 11. Field Operations (10 Pages)**
- 12. Hiring Techniques (8 Pages)**
- 13. Horticulture Practices Manual (20 Pages)**
- 14. QuickBooks (9 Pages)**
- 15. Risk Management (8 Pages)**

EXHIBIT G

SAMPLE RELEASE

SAMPLE
RELEASE OF CLAIMS

For and in consideration of the Agreements and covenants described below, U.S. Lawns, Inc. ("Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

- A. Franchisor and Franchisee entered into a U.S. Lawns 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.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **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.

5. 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. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. Governing Law and Jurisdiction. This Agreement will be construed and enforced in accordance with the law of the state of _____.

11. **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.

[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.]

Dated: _____

U.S. LAWNS, INC.

By _____

Its _____

Dated: _____

FRANCHISEE: _____

By _____

EXHIBIT H

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	Pending Registration
Hawaii	Pending Registration
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 I

RECEIPT PAGES

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 U.S. Lawns, Inc. offers you a franchise, U.S. Lawns, Inc. must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, we must provide this Disclosure Document to you at your first personal meeting or at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Iowa or Michigan law, if applicable, we must provide this Disclosure Document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If U.S. Lawns, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is: David Wells, U.S. Lawns, Inc., 6700 Forum Drive, Suite 150, Orlando, Florida 32821, telephone (407) 246-1630 and _____

Issuance Date: April 1, 2025.

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document with effective date of April 1, 2025 (see state effective dates on State Cover page) that included the following Exhibits:

- A. Financial Statements
- B. Franchise Agreement (including Schedules, Personal Guarantee and Acknowledgement Addendum)
- C. List of Current and Former Franchisees
- D. List of State Administrators and Agents for Service of Process
- E. State Addenda
- F. Table of Contents of Operations Manual
- G. Sample Release
- H. State Effective Dates
- I. Receipts

Date	Signature	Printed Name
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Date	Signature	Printed Name
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Please sign this copy of the receipt, date your signature, and return it to Pam Dolan, U.S. Lawns, Inc., 6700 Forum Drive, Suite 150, Orlando, Florida 32821.

Prospective Franchisee's Copy

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 U.S. Lawns, Inc. offers you a franchise, U.S. Lawns, Inc. must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, we must provide this Disclosure Document to you at your first personal meeting or at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Iowa or Michigan law, if applicable, we must provide this Disclosure Document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If U.S. Lawns, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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- H. State Effective Dates
- I. Receipts

Date	Signature	Printed Name
------	-----------	--------------

Date	Signature	Printed Name
------	-----------	--------------

Please sign this copy of the receipt, date your signature, and return it to Pam Dolan, U.S. Lawns, Inc., 6700 Forum Drive, Suite 150, Orlando, Florida 32821.

Franchisor's Copy