



## FRANCHISE DISCLOSURE DOCUMENT

**ORKIN SYSTEMS, LLC**  
A DELAWARE LIMITED LIABILITY  
COMPANY

2170 PIEDMONT ROAD NE  
ATLANTA, GEORGIA 30324

Phone: (404) 888-2000

<http://www.orkin.com/globals/franchise.aspx>  
[orkinfranchising@orkin.com](mailto:orkinfranchising@orkin.com)

You will operate an Orkin® pest control business (“**Orkin Franchise**”). An Orkin Franchise is a business that provides professional pest control services and termite control services for residential homes and commercial and institutional buildings.

Depending on the size of the territory in which your franchise is located, the initial franchise fee will be between \$39,000 and \$100,000, which may be discounted if you elect, and we agree to, a term for your franchise agreement less than the standard terms set forth in Exhibit 7 or if you operated a pest or termite control business (other than under an Orkin franchise agreement) prior to the signing of the franchise agreement. The estimated initial investment to begin operation of an Orkin Franchise ranges from \$84,975 to \$231,200. This sum does not include the rent for the business location or other real estate costs or the costs of purchasing any existing customer contracts of our affiliate Orkin, LLC that may be in the territory assigned to you and that you are required to purchase from Orkin, LLC, which may cost in excess of \$250,000. Of your estimated initial investment, between \$39,000 and \$100,000, plus the cost of purchasing such customer contracts, is payable to us.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements closely. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENT AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

You may wish to receive your disclosure document in another format more convenient for you. To discuss the availability of disclosures in different formats, contact Kevin Cronin at 2170 Piedmont Road NE, Atlanta, Georgia 30324 and (404) 888-2000.

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

Buying a franchise is a complex investment. The information contained 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 28, 2023

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	<u>Item 19</u> 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 <u>Item 20</u> or <u>Exhibit 8</u> .
<b>How much will I need to invest?</b>	<u>Items 5 and 6</u> list fees you will be paying to the franchisor or at the franchisor’s direction. <u>Item 7</u> lists the initial investment to open. <u>Item 8</u> describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	<u>Item 21</u> or <u>Exhibit 9</u> includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	<u>Item 20</u> summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Orkin business in my area?</b>	<u>Item 12</u> and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	<u>Items 3 and 4</u> tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Orkin franchisee?</b>	<u>Item 20</u> or <u>Exhibit 8</u> lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 2.

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. Out of state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with the franchisor in Georgia than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if 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.
3. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
4. **Purchase of Inventory and Supplies.** You must purchase all or nearly all of the inventory and supplies necessary to operate your business from us, our affiliates, or from suppliers that we designate at prices that we 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 franchised business.

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

**INFORMATION FOR RESIDENTS OF THE 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:**

**(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 BEFORE THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS 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 FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.**

**(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.**

**(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.**

**(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A**

**TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:**

**(i) THE FAILURE OF THE PROPOSED FRANCHISEE 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.**

**\* \* \* \* \***

**IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.**

\* \* \* \*

**THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATIONS AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.**

\* \* \* \*

**ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:**

**DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE  
CONSUMER PROTECTION DIVISION  
ATTN: FRANCHISE SECTION  
670 LAW BUILDING  
LANSING, MICHIGAN 48913**

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**APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT 11.**



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

To simplify the language in this disclosure document, “**we**” or “**us**” means Orkin Systems, LLC, the franchisor. “**You**” or “**your**” means the person or entity who buys the franchise, including all equity owners of a corporation, general partnership, limited partnership, limited liability company, or any other type of entity.

### **Our Business**

Orkin Systems is a Delaware limited liability company that was originally incorporated as a Delaware corporation on May 4, 1994 under the name Orkin Systems, Inc. On December 31, 2015, Orkin Systems, Inc. converted into Orkin Systems, LLC, a Delaware limited liability company, by means of a statutory conversion. Orkin Systems does business under the trade name and service mark "ORKIN" in connection with the franchises offered by this disclosure document. Orkin Systems does not do business under any other name and does not have any predecessors. Orkin Systems' principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324.

Orkin Systems is a franchising company whose business is selling franchises to provide professional pest control services and termite control services for residential homes and commercial and institutional buildings and providing services to franchisees under franchise agreements. Orkin Systems began its franchise sales operation in May of 1994. As of December 31, 2022, there were 49 Orkin franchises operating in the United States and 81 operating outside the United States. We have not sold master franchises for operation in the United States and do not currently expect to do so. Orkin Systems does not operate pest control and termite control businesses for its own account.

### **Our Parent Companies**

The name of the company that owns Orkin Systems is Orkin, LLC. Orkin, LLC is a Delaware limited liability company that was originally incorporated as a Delaware corporation on January 10, 1964 under the name Orkin Exterminating Company, Inc. On June 19, 2003, Orkin, Inc. officially changed its name to Orkin, Inc. from Orkin Exterminating Company, Inc. On December 31, 2009, Orkin, Inc. converted into Orkin, LLC, a Delaware limited liability company, by means of a statutory conversion. To simplify the language in this disclosure document, "**Orkin**" means Orkin, LLC. Orkin's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. Since 1901, Orkin has provided Termite and Pest control services under the trade name and service mark "ORKIN" in the United States. As of December 31, 2022, Orkin operated 365 company owned Orkin branch locations in the United States and zero outside the United States.

The name of the company that owns Orkin is Rollins, Inc. To simplify the language in this disclosure document, "**Rollins**" means Rollins, Inc. Rollins is a Delaware corporation that was incorporated on February 24, 1948 and is listed on the NYSE. In 1964, Rollins purchased Orkin. Rollins' principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324.

### **Affiliates**

Rollins owns the following entities that provide services, or license to third parties the right to provide services, similar to those provided by Orkin franchisees:

BHPC, LLC, a wholly owned subsidiary of Orkin, is a Delaware limited liability company formed in 2022. To simplify the language in this disclosure document, "**Bug House**" means BHPC, LLC. Bug House provides pest and termite control services. Bug House's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, Bug House operated 12 branch locations in the United States.

Clark Pest Control of Stockton, Inc., a wholly owned subsidiary of Rollins, is a California corporation formed in 1965. To simplify the language in this disclosure document, "**Clark**" means Clark Pest Control of Stockton, Inc. Clark provides pest and termite control services. Clark's principal business address is 555 N. Guild Avenue, Lodi, California 95240. As of December 31, 2022, Clark operated 29 branch locations in the United States.

Crane Acquisition, Inc., a wholly owned subsidiary of Rollins, is a Delaware corporation formed in 2009. To simplify the language in this disclosure document, "**Crane**" means Crane Acquisition, Inc. Crane provides pest control services. Crane's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, Crane operated 3 branch locations in the United States.

Critter Control, Inc., a wholly owned subsidiary of Rollins, is a Michigan corporation formed in 1987. To simplify the language in this disclosure document, "**Critter Control**" means Critter Control, Inc. Critter Control is a franchisor that offers franchises which provide wildlife and pest control services. Critter Control's principal place of business is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, there were 89 Critter Control franchises operating in the United States.

Critter Control Operations, Inc., a wholly owned subsidiary of Rollins, is a Delaware corporation formed in 2016. To simplify the language in this disclosure document, "**CCO**" means Critter Control Operations, Inc. CCO provides wildlife and pest control services. CCO's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, CCO operated 34 branch locations in the United States.

FPC Holdings, LLC, a wholly owned subsidiary of Rollins, is a Utah limited liability company formed in 2023. To simplify the language in this disclosure document, "**Fox Pest Control**" means FPC Holdings, LLC. Fox Pest Control provides pest control services. Fox Pest Control's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, Fox Pest Control operated 32 branch locations in the United States.

HomeTeam Pest Defense, Inc., a wholly owned subsidiary of Rollins, is a Delaware corporation formed in 2008. To simplify the language in this disclosure document, "**HomeTeam**" means HomeTeam Pest Defense, Inc. HomeTeam provides pre-construction services for home builders and traditional pest and termite control services for existing homeowners. HomeTeam's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, HomeTeam operated 52 branch locations in the United States.

The Industrial Fumigant Company, LLC, a wholly owned subsidiary of Rollins, is an Illinois limited liability company formed in 2009. To simplify the language in this disclosure document, "**IFC**" means The Industrial Fumigant Company, LLC. IFC provides pest and termite control and commercial fumigation services. IFC's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, IFC operated 23 branch locations in the United States.

McCall Service NW, LLC, a wholly owned subsidiary of Rollins, is a Delaware limited liability company formed in 2020. To simplify the language in this disclosure document, "**McCall**" means McCall Service NW, LLC. McCall provides pest and termite control services. McCall's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, McCall operated 5 branch locations in the United States.

Missquito, Inc., a wholly owned subsidiary of Rollins, is a Delaware corporation formed in 2020. To simplify the language in this disclosure document, "**Missquito**" means Missquito, Inc. Missquito provides mosquito control services. Missquito's principal business address is 2170 Piedmont Road, NE, Atlanta, Georgia 30324. As of December 31, 2022, Missquito operated 1 branch location in the United States.

Northwest Exterminating Co., LLC, a wholly owned subsidiary of Rollins, is a Georgia limited liability company formed in 1978. To simplify the language in this disclosure document, "**Northwest**" means Northwest Exterminating Co., LLC. Northwest provides pest and termite control services. Northwest's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, Northwest operated 43 branch locations in the United States

Orkin Expansion, Inc., a wholly owned subsidiary of Orkin, is a Delaware corporation formed in 1990. To simplify the language in this disclosure document, "**OEX**" means Orkin Expansion, Inc. OEX is an intellectual property holding company which licenses to Orkin Systems the trademarks that Orkin Systems' franchisees will use in the operation of their Franchised Businesses. OEX's principal business address is 1105 N. Market St., #1106, Wilmington, DE 19801-1216.

Okolona Pest Control, Inc., a wholly owned subsidiary of Rollins, is a Kentucky corporation formed in 1979. To simplify the language in this disclosure document, "**OPC**" means Okolona Pest Control, Inc. OPC provides pest and termite control services. OPC's principal business address is 5800 Poplar Level Road, Louisville, Kentucky 40228. As of December 31, 2022, OPC operated 11 branch locations in the United States.

PermaTreat Pest Control Company, Inc., a wholly owned subsidiary of Rollins, is a Virginia corporation formed in 1967. To simplify the language in this Disclosure Document, "**PermaTreat**" means PermaTreat Pest Control Company, Inc. PermaTreat provides pest and termite control services. PermaTreat's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, PermaTreat operated 5 branch locations in the United States.

Rollins Acceptance Company, LLC, a wholly owned subsidiary of Rollins, is a Delaware limited liability company formed in 2018. Rollins Service Bureau is a related division of Rollins. To simplify the language in this disclosure document, "**RAC**" means the Rollins Acceptance Company, LLC and "**RSB**" means the Rollins Service Bureau division of Rollins. RAC provides financing to qualified customers of its affiliates and to qualified Orkin, Critter Control and Missquito franchisees. RSB provides collections services to Orkin Systems' franchisees. The principal business address of RAC and RSB is 2170 Piedmont Road NE, Atlanta, Georgia 30324.

Trutech, LLC, a wholly owned subsidiary of Rollins, is a Delaware limited liability company formed in 2010. To simplify the language in this Disclosure Document, "**Trutech**" means Trutech, LLC. Trutech provides pest and wildlife control services. Trutech's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, Trutech operated 12 branch locations in the United States.

Waltham Services, LLC, a wholly owned subsidiary of Rollins, is a Georgia limited liability company formed in 2010. To simplify the language in this disclosure document, "**Waltham**" means Waltham Services, LLC. Waltham provides pest and termite control services. Waltham's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, Waltham operated 7 branch locations in the United States.

Western Industries – North, LLC and Western Industries – South, LLC, wholly owned subsidiaries of Rollins, are Delaware limited liability companies formed in 2004. To simplify the language in this disclosure document, "**Western**" means Western Industries – North, LLC and Western Industries – South, LLC, collectively. Western provides pest and termite control and fumigation services. Western's principal business address is 2170 Piedmont Road NE, Atlanta, Georgia 30324. As of December 31, 2022, Western operated 18 branch locations in the United States.

Orkin Systems began selling franchises to provide professional Pest control and Termite control services to residential homes and commercial and institutional buildings in May of 1994. Other than Orkin Systems, Critter Control and Missquito, neither Rollins nor any of its affiliates, including those listed above, has offered or currently offers franchises in any type of business. Except for Orkin, none of the affiliates listed above operates the type of Orkin business that is described under this disclosure document. Orkin has operated this type of business since its inception in 1964.

### **The Franchise Offered and the Agreement**

We offer franchises to operate an Orkin Franchise to provide professional pest control services and termite control services for residential homes and commercial and institutional buildings. To simplify the language in this disclosure document, "**Pest**" means only those arthropods and vertebrate animals that are covered under the standard Orkin residential pest control contract and under Orkin's standard commercial monthly service program, as well as those covered under Orkin's mosquito, bedbug, carpenter ant, fire ant, fly and bird control programs. To simplify the language in this disclosure document, "**Termite**" means termite and certain other wood destroying organisms but specifically excludes molds.

As our franchisee, you will conduct business under the service mark "Orkin" and any other identifying marks, trade names, logos and symbols that we use now, or that we later develop (the "**Licensed Marks**"), and use our unique system for the establishment, development and operation of an Orkin pest control business (the "**System**").

The System includes our distinctive signage and vehicle wraps or other markings; our software and computer programs; our distinctive techniques for providing Pest and Termite control services; our advertising and marketing programs and materials; our relationships with our vendors; our methods of operating a pest control-related business; our operations and administrative systems; our training programs; our methods and techniques for inventory and cost controls, recordkeeping, and reporting; our customer service standards; and any guidelines, standards, specifications, rules, procedures, policies, methods, requirements, and directives we establish, including without limitation, our standards and specifications as to procedure, maintenance, and equipment (the "**Standards**") set out in our confidential operations manuals (the "**Manuals**") and otherwise in writing. We may change, improve, add to, and further develop the elements of the System from time to time.

The form of franchise agreement we currently offer is the franchise agreement attached as Exhibit

1 to this disclosure document (the “**Franchise Agreement**”). The various forms of agreement we have used in the past may have terms different from the current form. We reserve the right to change the form and terms of the Franchise Agreement in the future.

### **Competition**

The market for commercial, institutional and residential professional Pest control services and Termite control services is highly developed, and your competitors include existing national and local businesses, including brands owned by Rollins (other than Orkin), providing the same or similar services. The business which you operate is not seasonal, provided that the demand for certain services may increase during warmer weather.

### **Regulatory Matters**

On the federal level, the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §136 et seq., contains certain regulations for Pest control services. Many states have laws, rules and regulations which govern Pest control operations, and which may require Pest control operators to obtain a license from the appropriate state regulatory authority prior to any engagement in Pest control activities. You must also comply with all federal laws, rules and regulations applicable to business owners generally, including the Americans With Disabilities Act, wage and hour laws, occupational health and safety (OSHA), employment laws, taxes, and business licensing requirements. You should consult the laws of your jurisdiction.

### **Agents for Service of Process**

The agents for service of process for Orkin Systems are disclosed on Exhibit 3.

## **ITEM 2. BUSINESS EXPERIENCE**

President and Director of Orkin Systems: Pat Chrzanowski

Mr. Chrzanowski joined Orkin in January 2007 as a Region Manager. In June 2014, he was promoted to Division President of the Northeast Division. In December 2018, he was named Division President of the Midwest Division. In November 2022, Mr. Chrzanowski was named a Director and President of Orkin and Orkin Systems. Mr. Chrzanowski also holds similar positions with several of our affiliates named above. Mr. Chrzanowski serves in his present capacities in Atlanta, Georgia.

Vice President and Director of Orkin Systems: Jerry Gahlhoff

Mr. Gahlhoff was named Vice President and Director of Orkin Systems in August 2020 in conjunction with his promotion to President of Rollins. Mr. Gahlhoff was subsequently promoted to CEO of Rollins in January 2023. Prior to his promotion to Rollins' President, Mr. Gahlhoff served as Rollins' President of Specialty Brands from July 2016 to August 2020 and as President of HomeTeam from February 2011 to July 2016. Mr. Gahlhoff also holds similar positions with several of our affiliates named above. Mr. Gahlhoff serves in his present capacities in Atlanta, Georgia.

Treasurer and Director of Orkin Systems: Julie Bimmerman

Ms. Bimmerman was named Treasurer and Director of Orkin Systems in July 2021 in conjunction with her being named Interim Chief Financial Officer and Treasurer of Rollins. Ms. Bimmerman served as Vice President of Finance and Investor Relations for Rollins from March 2018 to July 2021 and Managing Director of Finance for Rollins from May 2016 to March 2018. Ms. Bimmerman also holds similar positions with several of our affiliates named above. Ms. Bimmerman serves in her present capacities in Atlanta, Georgia.

Division President Orkin International: Matt Turek

Mr. Turek joined Rollins in March 2008 via Rollins' acquisition of HomeTeam. Mr. Turek held several positions with HomeTeam before being promoted to Rollins' Managing Director - Australia in January 2014. Mr. Turek was promoted to Rollins' Division President – Canada, Australia, Asia in July 2017. Mr. Turek was appointed Division President - International in February 2021. Mr. Turek also holds similar positions with several of our affiliates named above. Mr. Turek serves in his present capacities in Atlanta, GA.

Director of Domestic Franchising for Orkin Systems: Kevin J. Cronin

Mr. Cronin joined Orkin Systems in September 2015 as Manager, Franchise Relations and worked in that position until January 2017 when Mr. Cronin was promoted to Director of Domestic Franchising. Prior to joining Rollins, Mr. Cronin was District Sales Manager at Pet Supplies Plus for their franchise operations in the southeast U.S. from August 2011 through September 2015. Mr. Cronin serves his present capacities in Atlanta, GA.

**ITEM 3. LITIGATION**

Virginia Settlement Order. The Virginia State Corporation Commission's Division of Securities and Retail Franchising has concluded as part of an investigation (Case No. SEC-2017-00052) that grounds exist to allege Critter Control violated the registration and disclosure provisions of the Virginia Retail Franchising Act (Section 13.1-557 et seq. of the Code of Virginia) in relation to the offer and sale of two (2) different Critter Control franchises in Virginia, in 2015 and 2017, respectively, based upon information voluntarily submitted by Critter Control to the Division of Securities and Retail Franchising as part of its franchise exemption application.

Without admitting or denying the allegations made by the Division of Securities and Retail Franchising, Critter Control entered into a Settlement Order with the Virginia State Corporation Commission, effective as of January 25, 2018, that required: (1) Critter Control to pay to the Treasurer of Virginia \$3,500 to defray the costs of investigation; (2) Critter Control to pay to the Treasurer of Virginia \$20,000 in monetary penalties; (3) Critter Control to provide a copy of the Settlement Order to the two (2) Virginia franchisees that were offered and sold franchises after Critter Control's registration had lapsed with the Division of Securities and Retail Franchising; and (4) Critter Control not to violate the Virginia Retail Franchising Act in the future.

SEC Settlement Order. In the Matter of Rollins, Inc. and Paul Edward Northen ("Northen"), U.S. Securities and Exchange Commission ("SEC"), Order Instituting Cease-And-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings and Imposing a Cease-And-Desist Order (April 14, 2022).

The SEC, Rollins, and Rollins' former CFO, Northen, settled an investigation regarding the impact of certain adjustments to accruals and reserves on reported earnings per share in the first quarter of 2016 and the second quarter of 2017. Specifically, the SEC found that Northen directed reductions to certain corporate-level accounting reserves for the purpose of enabling Rollins to publicly report earnings per share in line with research analysts' consensus estimates. In addition, the SEC found that the adjustments were improperly documented and lacked a sufficient basis, due to insufficient accounting controls and procedures, that Rollins' internal accounting controls were not designed or maintained to provide reasonable assurance that Rollins' financial statements would be presented in conformity with GAAP, that it further failed to maintain internal control over financial reporting, and that its books, records, and accounts also did not accurately and fairly reflect, in reasonable detail, Rollins' transactions and disposition of assets, which resulted in violations of certain SEC rules, as noted below. Under the terms of the settlement, Rollins neither admitted nor denied the SEC's findings. The SEC's order required the following: (1) the order required Rollins to cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-11, 13a-13, and 13a-15(a) promulgated thereunder; (2) the order required Northen to cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Sections 13(a), 13(b)(2)(A), 13(b)(2)(B) and 13(b)(5) of the Exchange Act and Rules 12b-20, 13a-11, 13a-13, 13a-15(a), and 13b2-1 promulgated thereunder; (3) the order required Rollins to pay an \$8 million civil penalty, which was fully accrued in the third and fourth quarters of 2021; and (4) the order required Northen to pay a \$100,000 civil money penalty. The individuals who were leading the accounting department at the time, including Northen, are no longer employed by Rollins and there will be no restatement of Rollins' historical financial results related to the SEC's investigation. In response to the investigation, Rollins reevaluated and strengthened its internal controls over financial reporting, and improved processes, procedures and supporting documentation, including those related to management's judgments and estimates impacting reported financial results.

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

#### **ITEM 4. BANKRUPTCY**

There are no bankruptcy actions required to be disclosed in this Item.

## ITEM 5. INITIAL FEES

The amount of the initial franchise fee (“**Initial Franchise Fee**”) will vary according to the population of the territory in which your franchise is located, the term of your Franchise Agreement and whether you already have Pest control customers in the territory.

Orkin Systems determines the population of your territory when you sign the Franchise Agreement, by using the latest U.S. census figures available for your territory at that time. Orkin Systems has designated the following five classes of territories, and has assigned the following Initial Franchise Fees for each of those territories:

<u>Territory Size</u>	<u>Territory Population</u>	<u>Initial Franchise Fee</u>
Small	Less than or equal to 145,000	\$39,000
Medium	145,001 to 205,000	\$51,000
Large	205,001 to 285,000	\$63,000
Extra Large	285,001 to 400,000	\$75,000
Premium	400,001 to 1,000,000	\$87,000
Super Premium	Greater than 1,000,000	\$100,000

If, during the term of your Franchise Agreement, you and Orkin Systems agree that you may purchase additional territory that is contiguous to your current Territory, the additional franchise fee for the added territory will be subject to the negotiation and mutual agreement of you and Orkin Systems.

The Initial Franchise Fee for a given territory may be discounted if you elect, and we agree to, a term for your Franchise Agreement that is less than the standard terms set forth in Exhibit 7. Specifically, your Initial Franchise Fee will be discounted by the same percentage that you have elected to shorten the term of your Franchise Agreement. For example, if you choose a term for your Franchise Agreement which is two-thirds of the standard term set forth in Exhibit 7 for a given territory size, then your Initial Franchise Fee will be two-thirds of the amount stated in the chart above. Other than in the case of a renewal or as negotiated with Orkin Systems if you are an existing franchisee, the term of the Franchise Agreement may not be less than seven years or longer than thirteen years.

You should also be aware that if Orkin has Pest control customers in your territory, Orkin will assign the customer contracts for such Pest control customers (except for Multi-Territorial Accounts that we designate; see Item 12) to you and you must pay, in addition to, and at the same time as, the Initial Franchise Fee, an amount derived by applying the applicable percentages set forth in Exhibit C attached to the Franchise Agreement to the annualized value of the active Pest control customer contracts that are assigned to you, as set forth in Orkin’s books and records. If Orkin has recently acquired the assets of another Orkin franchisee that previously operated in your territory, Orkin will also assign the customer contracts for the Termite customers it acquired (but not any other pre-existing Orkin Termite customers or Multi-Territorial Accounts, as defined in Item 12, that we designate) to you and you must pay, in addition to, and at the same time as,



the Initial Franchise Fee, an amount derived by applying the applicable percentages set forth in Exhibit C attached to the Franchise Agreement to the annualized value of the active Termite control customer contracts that are assigned to you, as set forth in Orkin's books and records. Orkin will also assign to you the accounts receivable of the customers in your territory for the book value; provided, however, that the book value of accounts receivable will not include any balances over 90 days old or any balances from cancelled accounts. See Item 7 for additional information.

If you currently are in the Pest control or Termite control business and you have customers in the territory you receive under the Franchise Agreement, you and we will negotiate and agree upon the amount of the credit you will receive against the Initial Franchise Fee and the purchase price of the customer contracts assigned to you by Orkin (as described in the preceding paragraph). Following the effective date of your Franchise Agreement, you will service these customers as an Orkin Systems franchisee, using the Licensed Marks, and pay to us the Royalty on your revenues from these customers and otherwise abide by all terms and conditions of the Franchise Agreement. If you continue to service these customers through the term of your Orkin Franchise, these customers may be used in the formula we use to buy back your Orkin Franchise as noted on Exhibit C of the Franchise Agreement.

If you currently are in the Pest control or Termite control business and you have customers outside of your territory, then we may, at our option, require you to assign those customer contracts to us, or to someone who we designate. If we exercise our option, you and we will negotiate and agree upon the amount of the credit you will receive toward the applicable Initial Franchise Fee and the purchase price of the customer contracts assigned to you by Orkin when we sign the Franchise Agreement.

You must pay the applicable Initial Franchise Fee when you sign the Franchise Agreement. Orkin Systems will refund the entire amount, without interest, if we do not accept and sign the Franchise Agreement within 90 days after you have delivered to us the Franchise Agreement signed by you. We will not refund the Initial Franchise Fee under any other circumstances. If you cannot pay the Initial Franchise Fee in a lump sum, Orkin Systems offers a financing arrangement for the Initial Franchise Fee through RAC for which you may qualify. The terms and conditions of a financing arrangement with RAC are discussed in Item 10.

We reserve the right to waive or reduce the Initial Franchise Fee at our sole discretion.

#### Possible Gross Up for State Tax Imposition

If your state imposes a state gross receipts or state income tax upon the fees you pay to us, you also agree to pay an additional amount to us so that the amount we receive after the deduction, payment or withholding will equal the full amount to be stated or payable to us.

#### **Discounts on Initial Fee**

We may offer additional discount(s) on the Initial Franchise Fee based upon whether you are a veteran, an employee of a franchisee, an operator of a similar business, a member of certain industry groups or for other reasons. We also give discounts to certain qualified current franchisees that acquire an additional territory. The grant of any discount and/or the amount thereof are entirely at our option. Any discount(s) granted will not typically, in the aggregate, exceed 25% of the Initial Franchise Fee. (However, the discount would likely exceed 25% of the Initial Franchise Fee, for instance, where you and we agree to a shorter term, as described

above). We reserve the right to waive or reduce the Initial Franchise Fee at our sole option.

**ITEM 6. OTHER FEES**

<b>Fee Name<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty	7% of Monthly Total Net Revenues, plus possible gross-up for state or local taxes (“ <b>Royalty</b> ”)	Payable on the last day of the month for the preceding month	“ <b>Monthly Total Net Revenues</b> ” includes the total of all revenues collected from your business in a monthly period, including fees charged for all products and services and payments received from your customers and for Multi-Territorial Accounts, Orkin Termite customers and/or amounts received from disinfection, weed control, insulation, fumigation, lawn care, animal removal, animal control, and/or any other ancillary services that you may be permitted to provide under an addendum to your Franchise Agreement, but exclusive of sales or use taxes, if any. See <u>Items 11 and 12</u> .
Advertising Contribution	2% of Monthly Total Net Revenues	Payable on the last day of the month for the prior month	You must make advertising contributions to us (the “ <b>Advertising Contribution</b> ”). We will then pay this fee to our affiliate (Orkin) to partially pay for its national television and Internet advertising programs and the Orkin Customer Care Center. See <u>Item 11</u> .
Local Advertising Obligation	1% to 2% depending on your Annual Net Revenues	Each full twelve-month period after the effective date of your Franchise Agreement	You will determine the amount of funds you spend for individual local market advertising, subject to the minimum. If you fail to make the Local Advertising Obligation, you must pay to us an amount equal to the difference between the Local Advertising Obligation and the amount actually spent for local advertising.

<b>Fee Name<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Software Sublicensing Fees	Currently, \$140 per month	Payable on the 15th day of the month for the prior month	A portion of these amounts are used to offset the license fees we pay to the licensor and to administer the licensing program.
Taxes	Our cost	On invoice	You must pay us all taxes (except our income taxes) we pay for products or services we furnish to you, or on our collection of the Initial Franchise Fee, Royalty, and Advertising Contribution from you.
Franchise Renewal	20% of the then-current Initial Franchise Fee	Before we sign renewal Franchise Agreement	Payable to us if you enter into a renewal term. You have a limited right of renewal. See <a href="#">Item 17</a> .
Transfer Fee	\$15,000. No charge if you transfer your franchise to a corporation, limited liability company or other entity which you control.	At transfer closing	You must pay Orkin Systems the transfer fee before we will grant final approval of the transfer.
Audit	Cost of audit	On invoice	Payable only if audit discloses an underpayment of Royalties of 5% or more during any month; if we audit you and find that you underpaid your Royalties by 5% or more, you must reimburse us all reasonable expenses connected to the audit, review or examination (including any reasonable accounting and attorneys' fees).
Interest	1.5% per month or maximum legal interest rate	On invoice	You must pay us or our affiliates interest on any amounts past due to us or our affiliates.

<b>Fee Name<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
EFT NSF Fee	Our out-of-pocket costs and an administrative fee	On invoice	If we draft money from your account under our electronic funds transfer (“EFT”) or draft system, and there are insufficient funds (“NSF”) to cover the draft, we will charge you the return costs charged by our bank and an administrative fee to cover our costs of addressing the nonpayment. This fee is in addition to interest on the amount due.
Late Fee for reports, financial statements or tax returns	\$50 per week	On invoice	You must pay this late fee if you fail to submit timely, complete and accurate reports, financial statements, and tax returns when due.
Approval of Alternative Suppliers, Products, Services	The greater of \$2,500 or our reasonable costs incurred in evaluating the supplier, product and/or services	On invoice	This covers the cost of testing new products or services or inspecting new suppliers you recommend.
Additional Training	Currently, up to \$1,500 per trainee per day	Before attending training	Additional training is available at your request. This amount is an average fee per person per program. Costs will vary due to program, location and the time of year that the training takes place. This fee does not include travel, accommodations or entertainment.
On-Site Training and Assistance	A reasonable fee, currently, \$50 per hour per trainer plus trainers' travel and living expenses	On invoice	At any time, you can request on-site training and assistance in addition to the training that we are required to provide; however, we have no obligation to provide on-site training or assistance.

<b>Fee Name<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Remote Training and Assistance	A reasonable fee, currently, \$50 per hour per trainer	On invoice	At any time, you can request remote (e.g., via phone, email, video conference, etc.) training and assistance in addition to the training that we are required to provide; however, we have no obligation to provide remote training or assistance.
Training Cancellation Fee	Our out-of-pocket costs	On invoice	If you fail to cancel scheduled training at least 14 days prior to such training or if you are not prepared to successfully complete training, we may charge you the cost of conducting the originally scheduled training (including any travel and living expenses incurred by us or our representatives) and may require you to pay an additional fee for rescheduled training. In addition, we may charge you the On-Site Training and Assistance Fee for any days our trainers were scheduled to be at your Orkin Franchise.
Rent	Will vary based on location and other factors; we estimate rent will range from \$700 to \$3,000 per month.	First day of every month; payable to us or an affiliate or third-party landlord	We or an affiliate may own the premises or hold the prime lease for the premises and rent or sublease the premises of your branch to you.
Indemnification	Our cost	On invoice	You indemnify us from certain losses and expenses under the Franchise Agreement.

<b>Fee Name<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Attorney's Fees	Our cost	On invoice	If we become a party to a proceeding on an agreement between us and you, and we win, or if we become a party to litigation or insolvency proceedings for your franchise, then you must pay our reasonable attorneys' fees and court costs. If we terminate the Franchise Agreement for your default, you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.
Conference/ Program Fee	A reasonable fee, which will vary by program	As incurred	We may charge you a reasonable fee for any conferences, conventions, programs, or training sessions that we conduct. We may also charge you a reasonable fee for your failure to attend the annual meeting. We expect these fees to range from \$0 to \$1,000.
De-identification Fee	Our actual costs, plus interest and an administrative fee equal to 15% of our actual costs	On invoice	Payable if we terminate the Franchise Agreement, you fail to de-identify the branch and/or any vehicles, and we make the required changes on your behalf.
Credit Card Fees	Transaction fees estimated to be from 2.5% to 5.0% of transaction amounts. Other fees may apply depending on the vendor used for credit card processing.	As incurred; payable to us	Payable if you pay your Royalty, Advertising Contribution, or other payments using a credit card.

<b>Fee Name<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Tax Assessment	Our actual expenses.	Upon demand.	Payable only if there is a sales tax, gross receipts tax, or similar tax or assessment (other than income tax) imposed against us with respect to any payments you make to us under the Franchise Agreement.

**NOTES**

**Note 1** Unless otherwise stated, we directly impose all the fees in this table, you pay them to us, and we do not refund them. We endeavor to impose these fees uniformly, but reserve the right to make variances in special circumstances.

**ITEM 7. ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount of Expenditure		Method of Payment	When Payments Are Due	To Whom Payment Will Be Made
	Low	High			
Initial Franchise Fee <sup>1</sup>	\$39,000	\$100,000	Lump sum	At signing of Franchise Agreement	Us
Customer Contracts	See Note 2	See Note 2	Lump sum	At signing of Franchise Agreement	Us
Real Estate	See Note 3	See Note 3	Lump Sum	As arranged	Lessors
Equipment, Opening Inventory <sup>4</sup>	\$10,000	\$40,000	As incurred	Before opening	Orkin Systems or Vendors
Vehicles <sup>5</sup>	\$13,000	\$100,000	As incurred	Before opening	Vendors
Storefront Signage	\$0	\$15,000	Lump sum	Before opening	Vendors
Computer Equipment and Software <sup>6</sup>	\$3,925	\$10,200	As incurred	Before opening	Vendors
Business Licenses <sup>7</sup>	\$100	\$3,000	As incurred	Before opening	Architects and Government agencies
Subtotal: Capital Investment	\$66,025	\$268,200			
Initial Training <sup>8</sup>	\$1,000	\$4,500	As incurred	Before opening	Airlines, hotels, restaurants, local transportation
Prepaid Insurance <sup>9</sup>	\$8,000	\$24,000	Lump Sum	Before opening	Insurance companies
Utility Deposits <sup>10</sup>	\$200	\$2,000	As incurred	Per lease or utility company's requirements	Utility companies; lessors
Miscellaneous Opening Costs <sup>11</sup>	\$1,000	\$20,000	As incurred	As incurred	Vendors
Additional Expenses (Three Months) <sup>12</sup>	\$8,750	\$25,000	As incurred	As incurred	Orkin Systems, Employees, Suppliers, Vendors, Governmental Authorities and Utilities
Subtotal: Opening Expenses	\$18,950	\$75,500	(excluding Customer Contracts and Real Estate)		
Total Initial Investment <sup>13</sup>	\$84,975	\$343,700			



## EXPLANATORY NOTES

The above charts are estimates of a franchisee's total initial investment in one Orkin Franchise. The charts should be read in conjunction with the following notes. Orkin Systems relied on Orkin's experience and the experience of its current and former franchisees in the Pest control and Termite control business to compile these estimates. Your estimated investment will vary based on the number of customer contracts that are assigned to you, if any, both directly in the amount of the purchase price of such customer contracts and indirectly based upon the costs you will incur in servicing those customers. These figures are estimates and Orkin Systems cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level reached during the initial period.

You should review this information, including the footnotes, carefully, conduct your own investigation and seek the help of qualified advisors before making any decision about an initial investment in an Orkin Franchise.

None of these fees or payments are refundable unless otherwise noted below

**Note 1** The Initial Franchise Fee includes access to the complete set of the Manuals that are described in Exhibit 4. The Initial Franchise Fee also includes all costs of your initial training, except for the costs of travel and living expenses that are addressed in this table. See Item 5. If you are unable to pay your Initial Franchise Fee in a lump sum, you may qualify for the financing arrangements provided by Orkin Systems through RAC to finance your Initial Franchise Fee. See Item 10. The Initial Franchise Fee may be discounted, at our option, if you elect a term for your Franchise Agreement that is less than the standard terms set forth in Exhibit 7, if you already have Pest control customers prior to the signing of the Franchise Agreement, or under other circumstances that we designate. See Item 5.

**Note 2** If Orkin has Pest control customers in your territory, Orkin will assign the customer contracts for such Pest control customers (except for Multi-Territorial Accounts that we designate; see Item 12) to you and you must pay, in addition to, and at the same time as, the Initial Franchise Fee, an amount derived by applying the applicable percentages set forth in Exhibit C attached to the Franchise Agreement to the annualized value of the active Pest control customer contracts that are assigned to you, as set forth in Orkin's books and records. If Orkin has recently acquired the assets of another Orkin franchisee that previously operated in your territory, Orkin will also assign the customer contracts for the Termite customers it acquired (but not any other pre-existing Orkin Termite customers or Multi-Territorial Accounts that we designate) to you and you must pay, in addition to, and at the same time as, the Initial Franchise Fee, an amount derived by applying the applicable percentages set forth in Exhibit C attached to the Franchise Agreement to the annualized value of the active Termite control customer contracts that are assigned to you, as set forth in Orkin's books and records. The actual amount paid for these contracts varies based upon the number of customers in your territory, and in some cases the amount paid can exceed \$250,000. Orkin will also assign to you the accounts receivable of the customers in your territory for the book value; provided, however, that the book value of accounts receivable will not include any balances over 90 days old or any balances from cancelled accounts. If you are unable to pay for these customer contracts in a lump sum, you may qualify

for the financing arrangements provided by Orkin Systems through RAC to finance the purchase of the customer contracts. See Item 10.

- Note 3** If you do not currently own or lease a facility that you can use as your principal place of business, then you must purchase or lease a facility suitable for those purposes. Such facility must be located in your territory. Orkin Systems may provide advice and recommendations concerning site selection, but will not actively participate in the selection of your site, except that if we or Orkin lease a facility inside of your territory as of the effective date of your Franchise Agreement, upon our request, you will be required to assume the lease of such facility (or sublease such facility from us or Orkin) for the remainder of the then-current term of such lease or the term of your Franchise Agreement, if shorter. If the location that you choose for your facility was previously used for the operation of a Pest control or Termite control business (other than by our franchisees or Orkin), you must deliver an environmental audit of the facility and its premises to Orkin Systems before signing a lease or purchasing such a facility. Typical locations are in light industrial parks. Franchisees to date have leased facilities that are between 800 and 2500 square feet, depending on their individual circumstances and needs, and cost between \$500 and \$3,500 per month for rent. Your rent will vary depending on factors such as size, condition and location of the leased facility and the real estate market in general. You must not operate out of your home or garage. Your location must be connected to water and sewer systems and cannot be connected to a septic tank system or be within 500 feet of a well, unless Orkin inspects and approves your location despite the location's noncompliance with these requirements. See Item 11.
- Note 4** These items are included in the required and recommended inventory package described in Exhibit 5. While we do not guarantee you can purchase these items at the above price, we believe this amount is a reasonable price at the time of this disclosure document. You must purchase equipment which meets our specifications and we require that it be purchased from the vendors listed in Exhibit 6. We anticipate any payments made to a third party vendor for equipment will not be refundable.
- Note 5** Or \$0 down, \$275-\$450 per month for lease. These cost estimates are per vehicle. All vehicle(s) are to be equipped, painted and identified with the colors and decals determined by Orkin Systems and consistent with Orkin's Brand Standard Manuals.
- Note 6** These cost estimates are based on the hardware and software needed for start-up branch administration purposes and outfitting between one and three technicians with mobile technologies. Additional route technicians will necessitate additional investment in mobile technology hardware and software and additional administration software licenses. These cost estimates also include hardware and software licenses necessary for servicing Orkin's Multi-Territorial Accounts (see Item 12).
- Note 7** Local, municipal, county and state regulations vary on the licenses and permits that you will need to operate an Orkin Franchise. You pay these fees to governmental authorities, when incurred, before opening for business. Costs for permits and license fees generally are not refundable.
- Note 8** For the initial training, you will need to arrange transportation, lodging, food, and incidental expenses for you and your designated management employees. You also must pay the salaries and benefits of your designated management employees. The

expenses you incur depend on factors such as the cost of travel, hotel accommodations, and meals, as well as employee salaries and associated costs. In addition, training expenses will vary depending on how many employees you send to training (we may require that you send a certain minimum number that we determine). These purchases are not refundable.

- Note 9** You must obtain and maintain during the term of your Franchise Agreement, at your expense, a comprehensive business insurance program, including property, commercial general liability, automobile liability, business property, umbrella, employment practices liability, and workers' compensation insurance. The types and minimum amounts of insurance coverage that we currently require are described in Item 8 and Section 13 of the Franchise Agreement, but are subject to change. This figure estimates the cost of your insurance premiums for your first year of operation based on our minimum requirements. Your cost of insurance will vary depending on your Orkin Franchise location, the claims experience of commercial businesses in your area, and your prior insurance claim experience. You should be aware that this cost may increase in the future if we exercise our right to require you to obtain insurance with higher policy limits. It is difficult for us to estimate the cost of required insurance, since the cost varies widely depending on such factors as the size and location of the Orkin Franchise premises, the gross sales actually achieved, the other types of insurance coverage included in the policy, and the value of the items insured.
- Note 10** You may need to provide deposits for utilities. The amount of these deposits and utility costs will vary depending on the location of your Orkin Franchise and the practices of the lessor and the utility companies. Security deposits may be refundable in certain situations.
- Note 11** Includes security deposits, utility costs, incorporation fee and other costs of starting up the business.
- Note 12** You will need capital to support on-going expenses, such as payroll, uniforms, supplies, initial advertising and miscellaneous expenses. These purchases are generally not refundable. This estimates the funds needed to cover your expenses during the first 3 months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. These figures are estimates based on past business experience. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors like: how closely you follow our methods and procedures; your management skill, experience, and business knowledge; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period. Unless otherwise indicated in the charts or in these notes, all of these expenses are paid to third parties.
- Note 13** We relied upon the experience of other franchisees to estimate each component of the initial investment. We do not guarantee you will spend the same amount. You should review these figures carefully with a business advisor before making any decisions to purchase an Orkin Franchise.

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

### Required Purchases

All Pest and Termite control products, chemicals, vehicles, machinery, equipment, signs, uniforms, supplies and other products you purchase in order to operate your Orkin Franchise, including those listed on Exhibit 5, must meet our Standards, which are detailed in the Manuals. We will allow you access to the Manuals to you when we sign the Franchise Agreement.

Orkin Systems also requires that you purchase, maintain and upgrade, as necessary, certain computer hardware, software and computer-related services, including but not limited to Internet service and email, which are listed in the Manuals and your Franchise Agreement. We may require you to maintain the network connections that we require, which may include using an Internet Service Provider or other communications provider that we approve or designate. You must sub-license certain required software (currently, ServSuite) from us, which is described in Item 11 below. You must purchase at least one BOSS Mobility kit, which includes a printer and other accessories (“**BOSS Mobility Kit**”) necessary to utilize the BOSS Mobility mobile application (“**BOSS Mobility**”). You must execute any software license agreements that we or the licensor of the software require and any related software maintenance agreements. We do not currently, but reserve the right to, require you to maintain support service contracts and/or maintenance service contracts from designated approved suppliers.

Orkin Systems may in the future designate a Website or Social Media management vendor, with whom you will be required to contract in order for you to establish or maintain an independent Website or Social Media presence that complies with our Standards.

Orkin Systems requires that you utilize the services provided by the Orkin Customer Care Center during the one-year period following your franchise’s opening date. The Orkin Customer Care Center handles inbound and outbound telephone and internet-based communications with current and prospective customers regarding Pest control, Termite control and other Orkin services on behalf of Orkin branch locations as well as Orkin Franchises. Many of the communications handled by the Orkin Customer Care Center are generated as a result of Orkin’s national and local marketing efforts, sales campaigns and internet promotions, as well as from the well-established awareness of the Orkin brand in the marketplace. The Orkin Customer Care Center provides call center services 18 hours a day, seven days a week, 364 days a year. After one year, you are permitted to stop utilizing the services provided by the Orkin Customer Care Center. The services provided by the Orkin Customer Care Center are at no charge to franchisees and are paid for by us out of the national advertising fund (See Items 6 and 11).

If you lease your vehicles, equipment, machinery or signs to be used in your Orkin Franchise, each lease must include a provision that gives Orkin Systems the option to assume the lease if the Franchise Agreement is terminated.

We require you to purchase and maintain specific types of insurance coverage as described in more detail in the Franchise Agreement and the Manuals from insurance companies that meet our Standards. We also specify the minimum amounts of insurance coverage you must maintain. All insurance policies must name Orkin Systems, LLC and others we designate as additional insureds. You must provide us with evidence of your insurance coverage before you begin operations at your Orkin Franchise, upon annual renewal of your insurance, or otherwise within

10 days of our demand for proof. Currently, our minimum requirements for insurance include:

(a) Workers' Compensation, including Occupational Disease, and Employer's Liability Insurance as well as such other similar insurance as may be required by the state(s) in which you operate, providing statutory limits for Workers' Compensation and minimum limits of \$500,000 for Employer's Liability.

(b) Employment Practices Liability insurance with limits not less than \$1,000,000 including third party coverage for us, including defense coverage.

(c) Exterminators Errors and Omissions Insurance coverage with limits of not less than \$1,000,000 combined single limit for bodily injury and property damage per claim.

(d) Commercial General Liability insurance coverage, written on an "occurrence form" including a cross liability and severability of interests clause, owners and contractors protective liability, Pesticide and Herbicide Applicators endorsement, Pesticide and Herbicide Applicators Limited Pollution Coverage endorsement, contractual liability, property damage, products liability, completed operations, and fire legal liability. Such insurance shall be maintained with minimum limits of \$1,000,000 each occurrence and \$2,000,000 aggregate, including Personal & Advertising Injury with minimum limits of \$1,000,000 each occurrence and \$1,000,000 aggregate. These limits can be evidenced through a combination of Commercial General Liability/Commercial Auto Liability and Umbrella Liability policy limits.

(e) Commercial Auto Liability insurance coverage including owned, hired, and non-owned vehicles with a minimum combined single limit of \$1,000,000, including coverage for in-transit pollution liability. These limits can be evidenced through a combination of Commercial General Liability/Commercial Auto Liability and Umbrella Liability policy limits.

(f) "All Risk" (Special Form) property insurance coverage for your property and property of others in your care, custody, and control.

(g) Termite Warranty Coverage for property damage in an amount reasonably adequate to satisfy claims made under warranties and guaranties issued to Termite control customers.

### **Approved Products and Suppliers**

All Pest and Termite control products, chemicals, machinery, equipment, signs, uniforms, supplies and other products and inventory must be approved by Orkin Systems or an affiliate prior to your use and must be purchased from affiliates of Orkin Systems or from a supplier that has been approved by Orkin Systems or an affiliate, unless otherwise instructed by us. See the current list of approved suppliers in [Exhibit 6](#). The list of approved suppliers is subject to change at any time. Orkin Systems requires that a supplier have adequate quality controls and the capacity to supply your needs promptly and reliably. The purpose of these standards, specifications and requirements for suppliers is to help assure uniform minimum quality standards for the services provided to your customers.

### **We or Our Affiliates as Approved Suppliers**

Except as set forth in the immediately following sentence, neither Orkin Systems, nor any of its affiliates, is a supplier of products to franchisees. You must sub-license certain required software

from us (ServSuite), which is described in [Item 11](#) below. In addition to the foregoing, we and our affiliates reserve the right to become an approved supplier or the only approved supplier for any products in the future.

### **Approval of Alternative Products and Suppliers**

If you would like to use any products or a supplier that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the supplier's facilities and test samples of the proposed products. You must pay us the greater of \$2,500.00 or the reasonable costs incurred in evaluating each supplier, product and/or service, including personnel and travel costs, whether or not the supplier, product and/or services, as applicable, is approved. We have the right to grant, deny, or revoke approval of any product or supplier based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. The products and services that we approve for you to use or offer in your Orkin Franchise may differ from those that we permit or require to be offered in other Orkin Franchises.

We may re-inspect the facilities and products of any supplier and revoke approval of the products and/or supplier if any fail to meet any of our then-current criteria. We may re-evaluate any service offered and revoke approval of such service if it fails to meet any of our then-current criteria. If you receive a notice of revocation of approval of a supplier, you must immediately cease purchasing from such supplier. If you receive a notice of revocation of approval of a product, you must cease purchasing or leasing the previously-approved product and you must dispose of your remaining inventory of the previously-approved products as we direct. If we revoke approval of a previously-approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining previously-approved inventory as we direct.

### **Payments from Required Purchases**

We and our affiliates may receive payments based on your purchases and leases, including, without limitation, from charging you for products we or our affiliates provide to you and from promotional allowances, volume discounts, and other payments made to us by suppliers, or third parties. If we, our affiliates, or third parties acting under our direction arrange for manufacturers to sell the products directly to our approved suppliers to then sell them to you, then we or our affiliates will have the right to receive payments and other consideration from the approved suppliers, and/or such third parties for these sales. We also may derive revenue from the licensing of the Licensed Marks to third-party manufacturers who in turn sell the products bearing the Licensed Marks to distributors or others, who then sell the products to our franchisees and to other third parties. We may also receive payments from leasing or subleasing, from time to time, any Orkin Franchise premises to franchisees.

We and our affiliates may use all amounts received from Suppliers or third parties, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate.

We receive revenue from the sub-license of ServSuite software to franchisees, and in the year ending December 31, 2022, we received \$69,784 of net revenue from such sub-licenses, which represents less than 1% of our annual revenue of \$10,070,843.

Orkin Systems and its affiliates, may, but are not required to, pass on to its franchisees any rebates, volume discounts or other benefits it receives based on group purchases. In the year ending December 31, 2022, Orkin Systems and its affiliates passed on a total of \$68,670 in rebates to its franchisees that purchased from Orkin and other group purchasing programs.

### **Negotiated Prices**

Periodically, Orkin Systems or its affiliates, including Orkin, may offer special group purchasing programs to franchisees for products, supplies, services, and equipment. You are not required to participate in any such programs. Orkin Systems or its affiliates sometimes receive volume discounts from suppliers when ordering in bulk.

### **Proportion of Purchases Subject to Specifications**

Currently, we estimate that your purchases made from approved suppliers will be about 60% to 80% of the total purchase and lease of products and services needed to establish the Orkin Franchise and about 85% of the total purchase and lease of products and services needed to operate an Orkin Franchise.

### **Material Benefits**

We provide you with no material benefits (like renewal or granting additional franchises) based upon your purchase of particular products or services or your use of designated or approved suppliers.

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

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

<b><u>Obligation</u></b>	<b><u>Section in Franchise Agreement</u></b>	<b><u>Item in Disclosure Document</u></b>
a. Site selection and acquisition/lease	Sections 6 <sup>1</sup> and 7	Item 7 and 11
b. Pre-opening purchases/leases	Section 6 <sup>1</sup>	Items 7 and 8
c. Site development and other pre-opening requirements	Section 6 <sup>1</sup>	Items 7 and 11
d. Initial and ongoing training	Sections 5 and 6	Items 7 and 11
e. Opening	Section 6 <sup>1</sup>	Item 11
f. Fees	Sections 2, 3, 4, 12 and 14	Items 5, 6 and 7
g. Compliance with Standards and policies/ Manuals	Sections 6 and 11	Item 11

<u>Obligation</u>	<u>Section in Franchise Agreement</u>	<u>Item in Disclosure Document</u>
h. Trademarks and proprietary information	Sections 1 and 10	Items 13 and 14
i. Restrictions on products/services offered	Section 11	Items 8 and 16
j. Warranty and customer service requirements	Section 6	Item 11
k. Territorial development and sales quotas	Sections 11 and 15 and Exhibit B	Item 12
l. Ongoing product/service purchases	Sections 5 and 6	Items 8 and 12
m. Maintenance, appearance and remodeling requirements	Section 6 <sup>1</sup>	None
n. Insurance	Section 13	Item 7
o. Advertising	Sections 4, 10 and 12	Items 6 and 11
p. Indemnification	Section 19	None
q. Owner's participation/management/ staffing	Sections 6, 8 and 11	Items 11 and 15
r. Records and reports	Sections 4, 6 and 11	None
s. Inspections and audits	Sections 6, 11 and 22	Item 6
t. Transfer	Section 14	Items 6 and 17
u. Renewal	Section 2	Items 6 and 17
v. Post-termination obligations	Section 16	Item 17
w. Non-competition covenants	Section 11	Item 17
x. Dispute resolution	Section 21	Item 17
y. Orkin Systems' acquisition of other Pest control companies	Section 9	Item 12
z. Grant of security interest	Section 11	Note 2
aa. Minimum capitalization	Section 11	Note 3
bb. Certification	Section 6	Note 4

**NOTES:**

**Note 1** Section 6.01 of the Franchise Agreement makes a general reference to the Manuals in connection with your obligations in the pre-opening and opening phases of your franchise. You must refer to the Manuals described in Exhibit 4 for those obligations.

**Note 2** Section 11.10 of the Franchise Agreement grants to Orkin Systems a security interest in all of your customer contracts, customer lists and receivables to secure your obligations under the Franchise Agreement and any financing provided by RAC. We periodically will file UCC financing statements to perfect Orkin Systems' interest in those contracts, lists and receivables.

**Note 3** Until December 31<sup>st</sup> of the second full calendar year following the start date of your franchise, you must maintain a debt/equity ratio which consists of no more than 100%. At all times during the third full calendar year of the term of your franchise, you must maintain a debt/equity ratio which consists of no more than 80%. At all times during and after the fourth full calendar year of the term of your franchise, you must maintain a debt/equity ratio which consists of no more than 60%. These amounts may be



adjusted if you purchase additional zip codes/territory and customers during the first 3 year period of your agreement.

**Note 4** You must obtain the necessary certifications from the appropriate government agencies before commencing operation of your Orkin Franchise.

## **ITEM 10. FINANCING**

### **Financing for Prospective and Current Franchisees**

RAC offers financing arrangements to prospective and current qualified franchisees in three different situations, as detailed below. Your obligation to repay the financing will be reflected by a Promissory Note (the "**Note**"). See Exhibit 10 to this disclosure document. The Note will call for monthly payments of principal, together with the then-current fixed annual interest rate, as described below. In some cases, however, your interest rate could be higher, depending on your creditworthiness. As collateral for the Note, RAC requires (a) a personal guaranty of the Note signed by your principal shareholder(s) (if you are a corporation), by your principal member(s) (if you are a limited liability company), by your principal partner(s) (if you are a partnership) or by you alone, if you are a sole proprietor and (b) a security interest in and lien on your customer contracts, customer lists and receivables. See Section 11.10 of the Franchise Agreement and Exhibit G to the Franchise Agreement. You may prepay the Note without penalty at any time during its term. See Section 1 of the Note. If you do not pay on time, RAC will impose late fees and has the right to call the loan and demand immediate payment of the full outstanding balance and obtain court costs and attorneys' fees if a collection action is necessary. See Sections 3 and 9 of the Note. In addition, if the Franchise Agreement terminates or if you sell your business, RAC can call the loan and demand immediate payment of the full outstanding balance and obtain court costs and attorneys' fees if a collection action is necessary. See Sections 3 and 9 of the Note. Orkin Systems has the right to terminate your franchise if you do not make your payments on time or if you otherwise default under the Note. See Section 15.01 of the Franchise Agreement. You waive your rights of demand, presentment for payment, notice of dishonor, protest and notice of protest. See Section 5 of the Note. At the present time, RAC has no plans or practice to discount franchisee notes to third parties that may be immune under law to any defenses to payment that you may have against RAC. RAC reserves, however, the right to discount the Note. Other than as described above, the Note does not contain any provisions that bar you from asserting a defense. Neither Orkin Systems nor any of its affiliates receive any payments for the placement of financing with RAC.

#### Initial Financing

If you qualify, the initial financing RAC offers may be used for your Initial Franchise Fee, certain start-up costs that RAC designates, and the payments that you make for customer contracts that Orkin Systems may assign to you, and not for any other purpose. See Items 5 and 7 of this disclosure document and Sections 3.01 and 3.02 of the Franchise Agreement. The Note will call for monthly payments of principal, together with the then-current fixed annual interest rate (currently, 7%); however, your interest rate could be higher, depending on your creditworthiness. If you meet RAC's credit standards, it will finance up to 85% of those costs over a five year period. RAC will charge a \$250 loan fee.

## Equity Loan

If you need to expand your franchise operations, or require additional operating funds, and if you have been operating your franchise for over 18 months, RAC may choose to loan you additional money if you meet certain criteria. Those criteria may include: satisfying RAC's credit standards, staying and being current with your existing RAC loan, staying and being current with your Royalty payments, the Orkin Franchise having satisfied its Minimum Annual Revenues during the time period you have been in business, and demonstrating that the proceeds of the loan will be used to expand your vehicle fleet, start new growth programs and advertising promotions, purchase new operating equipment, or fund existing operating expenses, or for other purposes deemed acceptable by RAC, at RAC's sole option. In addition to the above criteria, if RAC chooses to loan you additional money, you will have to submit a proposal for the use of the proceeds of such loans and show RAC and/or Orkin Systems receipts for the purchases made from the loan proceeds. Any such financing granted will be reflected by a new Note with a term of up to 60 months and will be for no more than 75% of the equity value of your franchise; provided, however, no equity loan term can extend beyond the remaining term of the Franchise Agreement. The Note will call for monthly payments of principal, together with the then-current fixed annual interest rate (currently, 8%); however, your interest rate could be higher, depending on your creditworthiness. RAC will charge a \$250 loan fee.

## Refinancing

If you have been operating your franchise for over 18 months, RAC may choose to refinance your existing loan if you meet certain criteria. Those criteria may include: satisfying RAC's credit standards, staying and being current with your existing RAC loan, staying and being current with your Royalty payments, the Orkin Franchise having satisfied its Minimum Annual Revenues during the time period you have been in business, and demonstrating that the proceeds of the loan will be used to start new growth programs and advertising promotions, purchase new operating equipment, fund existing operating expenses, or for other purposes deemed acceptable by RAC, at RAC's sole option. In addition to the above criteria, if RAC chooses to offer you a refinance loan, you will have to submit a proposal for the use of the proceeds of such loans and show RAC and/or Orkin Systems receipts for the purchases made from the loan proceeds. Any such financing will be reflected by a new Note with a term of up to 60 months and will be for no more than 75% of the equity value of your franchise; provided, however, no refinance loan term can extend beyond the remaining term of the Franchise Agreement. The Note will call for monthly payments of principal, together with the then-current fixed annual interest rate (currently, 8%); however, your interest rate could be higher, depending on your creditworthiness. RAC will charge a \$250 loan fee.

## **Customer Financing**

When you sell certain services to a customer, you may elect to allow the customer to pay for the services over time with interest. If you allow an installment payment plan, RAC may be willing to purchase the customer's installment obligation at a discount and with the payment of a merchant fee. If RAC elects to purchase the obligation and if the customer meets RAC's credit standards, the customer will pay RAC directly and RAC will assume the credit risk. However, if RAC is unable to collect any or all of the installment payments from the customers you signed over, RAC may charge the full amount of the payments that customers have failed to make to them, or a portion thereof, back to your Franchised Business, in accordance with RAC policy. If you decide that you would like to participate in RAC's program, RAC will require you to sign a Master Agreement for Assignment of Contracts in substantially the form contained in Exhibit 10. It will continue to be

your responsibility to handle any issues regarding your previous service for the customer.

Orkin Systems does not guarantee any of your notes, leases or other obligations. We may sell, assign, or discount to a third party any note, financing-related contract or other instrument you give to us.

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

Except as disclosed below, Orkin Systems is not required to provide you with any assistance.

### **Our Pre-Opening Obligations**

Before you open your business, Orkin Systems will:

**(a) Territory.** Designate your territory (Section 1.01 and Exhibit B of the Franchise Agreement).

**(b) Site Selection.** Orkin Systems does not participate in site selection for your business, except that if we or Orkin lease a facility inside of your territory as of the effective date of your Franchise Agreement, upon our request, you will assume the lease of such facility (or sublease such facility from us or Orkin) for the remainder of the then-current term of such lease or the term of your Franchise Agreement, if shorter. See "Site Selection" below in this Item.

**(c) Manuals.** Allow you access to the complete set of the Manuals that contain mandatory and suggested Standards. These Manuals are confidential and remain our property. Orkin Systems will modify these Manuals periodically, but the modification will not alter your status and rights under the Franchise Agreement (Section 5.01 of the Franchise Agreement). The Manuals may include audiotapes, videotapes, compact discs, computer software and/or information distributed electronically or accessible through Internet or extranet addresses to which you may be given access. The table of contents for each of the Manuals is in Exhibit 4.

**(d) Approved Products and Suppliers.** Provide you with a list of approved Pest and Termite control products, chemicals, machinery, equipment, signs, uniforms, supplies and other products and inventory, and approved suppliers thereof, available in connection with the operation of the Orkin Franchise. Orkin Systems and/or its affiliates also may offer to sell these items to you. Orkin Systems provides Standards for Pest and Termite control products and chemicals in the Manuals (Section 5.01 of the Franchise Agreement).

**(e) Pre-Opening Materials.** Provide you with forms and other pre-opening materials that Orkin Systems may develop for use in the operation of your Orkin Franchise (Section 5.01 of the Franchise Agreement).

**(f) Opening Assistance.** Provide you with pre-opening and opening assistance that Orkin Systems deems appropriate (Section 5.01 of the Franchise Agreement). We estimate that the typical length of time between the signing of the Franchise Agreement or the first payment of money to us and the opening of your business will be approximately 1-2 months. Factors affecting this time period include the time involved in (i) obtaining and preparing a satisfactory site, (ii) arranging financing, (iii) complying with local ordinances, licensing requirements and state certifications, (iv) completing the required core training and (v) ordering, receiving and installing

equipment, inventory, materials, vehicles and supplies.

**(g) Initial Training.** We will provide you or your designated manager with initial training. See "Training" below in this Item. (Section 5.01 of the Franchise Agreement).

### **Continuing Obligations**

Provided that you are not in default under the Franchise Agreement, during the operation of the Orkin Franchise, Orkin Systems will:

**(a) Training.** Provide you with continued business and sales training at the times and places designated by Orkin Systems (Section 5.02 of the Franchise Agreement).

**(b) Advertising.** Assist you in local advertising and marketing (Section 5.02 of the Franchise Agreement).

**(c) Support Services.** Provide you with periodic individual or group counseling in the operations of your Orkin Franchise rendered in person, by seminar, or by newsletters or bulletins (Section 5.02 of the Franchise Agreement).

**(d) Update Standards and Manuals.** Advise you on franchise operations, new techniques or operating methods disclosed by reports submitted to, or inspections made by, Orkin Systems (Section 5.02 of the Franchise Agreement); advise you with respect to improved methods of operation or business procedures developed by Orkin Systems, use of the Manuals, management materials, promotional materials, advertising formats and the Licensed Marks used in your Orkin Franchise (Section 5.02 of the Franchise Agreement).

**(e) Product Purchasing.** Assist you in the selection of chemicals, equipment, parts and supplies which you will require for the operation of the franchise, and give you the opportunity to participate in group purchasing programs for products, supplies and equipment which Orkin Systems or its affiliates may periodically use, develop, sponsor or provide (Section 5.02 of the Franchise Agreement); at its sole option, offer for sale to you, periodically, Orkin Systems-approved materials, supplies, equipment, forms, promotional materials and printed materials (Section 5.03 of the Franchise Agreement).

**(f) Approved Products and Suppliers.** Provide you with a list of Pest and Termite control products, chemicals, machinery, equipment, signs, uniforms, supplies and other products and inventory, and suppliers thereof, both as approved by Orkin Systems (Section 5.02 of the Franchise Agreement).

**(g) Customer Dispute Resolution.** Upon your request or your customer's request, use its reasonable efforts to mediate and attempt to resolve any disputes arising between you and your customers (Section 5.04 of the Franchise Agreement).

**(h) Pricing.** Advise or offer guidance concerning suggested prices you charge to your customers (Section 20 of the Franchise Agreement).

### **Our Advertising**

Orkin Systems or an outside advertising agency will provide television and Internet advertising. Orkin provides a national television and Internet advertising programs to promote Orkin services.

In addition to spending at least the minimum requirement each year on local advertising set forth below, you and each other franchisee must pay 2% of your Monthly Total Net Revenues (as disclosed on your monthly income statement delivered to Orkin Systems) to us as your Advertising Contribution (See Item 6). Orkin Systems collects franchisees' Advertising Contributions on a monthly basis and forwards those contributions to Orkin (Sections 4.02 and 12.08 of the Franchise Agreement). These monthly Advertising Contributions by franchisees help to defer some of the expenses of Orkin's national television and Internet advertising campaign, which benefits both Orkin-owned branches and Orkin Systems' franchisees.

We have the sole authority to direct all advertising programs and control the creative concepts, materials and media used, media placement, and allocation of the Advertising Contributions. Advertising Contributions may be used to meet all costs of administering, directing, preparing, placing, and paying for national, regional, or local advertising. This includes the cost of preparing and conducting television, radio, magazine, and newspaper advertising campaigns, and other public relations activities and the cost of employing advertising agencies, including fees to have print or broadcast advertising placed by an agency and all other advertising agency fees. We also may use Advertising Contributions to meet the costs of conducting other activities that are directly or indirectly designed to promote the Orkin brand, our franchisees, and/or increase sales, such as tech incentives, franchisee incentive and/or promotional programs, customized materials, guest response programs, manager/employee recognition programs, and quality assurance and safety programs. We may use Advertising Contributions to compensate us for the reasonable administrative costs and overhead we incur in activities related to advertising and promotional programs, including new product development; market research; preparing advertising and promotional materials; working with public relations firms, advertising agencies, advertising placement services, and creative talent; preparing and maintaining, and paying third parties for the preparation and maintenance Internet sites; and other activities for advertising and promotion on the internet and other public computer networks.

In 2022, Orkin spent 43% of the fund on customer acquisition, 44% on brand building, 7% on technology, 2% on creative production and talent, and 4% on other expenses. Orkin is not required to spend any specific amount or percentage with respect to advertising within a franchisee's territory. We will not use the Advertising Contributions for the solicitation of the sale of franchises.

## **Your Local Advertising**

You may develop your own local advertising materials, but Orkin Systems must approve those materials in writing and in advance. You must receive Orkin Systems' prior written approval before you issue any publicity or press release about your contract with Orkin Systems or your operation of the franchise. You must spend on local market advertising a reasonable amount you determine but not less than the following minimum amounts in each Sales Year ("**Local Advertising Obligation**"), as determined by your aggregate Monthly Total Net Revenues in each full twelve-month period after the opening date of your franchise ("**Annual Net Revenue**"):

<b>Annual Net Revenue</b>	<b>Minimum Local Advertising Obligation</b>
Less than \$300,000	1% of Annual Net Revenues
\$300,000 to \$599,999	1.5% of Annual Net Revenues
\$600,000 to \$899,999	2% of Annual Net Revenues
\$900,000 to \$1,199,999	1.5% of Annual Net Revenues
\$1.2 million or greater	1% of Annual Net Revenues

"**Sales Year**" means the twelve (12) month period commencing on the opening of your Orkin Franchise and, thereafter, each twelve (12) month period commencing on the annual anniversary of the opening of your Orkin Franchise.

You will determine the amount of funds you spend for individual local market advertising, subject to the minimum Local Advertising Obligation. Notwithstanding any of the foregoing, your Local Advertising Obligation for the first Sales Year will be \$2,500.00. Local advertising expenditures must comply with our requirements in order to count toward the Local Advertising Obligation. Local advertising includes amounts paid for Yellow Pages listing and/or advertising, if any, and may also include promotional materials purchased from Orkin or its designated provider (Sections 12.01 and 12.02 of the Franchise Agreement). If you do not spend at least the minimum Local Advertising Obligation in a given Sales Year on local advertising, you must pay to Orkin Systems the difference between the applicable minimum Local Advertising Obligation and the amount that you actually spent on local advertising.

## **Websites and Social Media**

Websites and Social Media accounts/pages are considered as "advertising" under the Franchise Agreement and are subject to our review and prior written approval before they may be used and before any content may be added or updated. To simplify the language in this disclosure document, "**Website**" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes Internet and world wide web home pages. To simplify the language in this disclosure document, "**Social Media**" means those Website and/or web and/or mobile applications that enable users to create and share content or to participate in social networking (e.g., Facebook, Twitter, Instagram, TikTok, LinkedIn, etc.). We maintain a website related to the System at [www.orkin.com](http://www.orkin.com) and we also have the right to designate a successor website. You may not establish a Website or Social Media account/page that uses the Licensed Marks, nor may you offer, promote, or sell any Termite or Pest control services or other products or services through a Website or Social Media account/page without our prior written approval. As a condition to granting any such consent, we will have the right to establish any requirement that we deem appropriate.

## **Email**

We may provide an email address to you (“**Email Address**”); if an Email Address is provided to you by us, you are required to use the Email Address solely for communications related to your Orkin Franchise. You will only use the Email Address in accordance with terms of your Franchise Agreement and the Manuals, as well as any guidelines, directives or specifications issued by us.

## **Computer System**

Orkin Systems requires that you purchase, maintain and upgrade, as necessary, the computer hardware, software and computer-related services listed in the Manuals (the “**Computer System**”). Orkin Systems has an approved supplier(s) for the Computer System listed in Exhibit 6. We may modify specifications for and components of the Computer System from time to time. We may require you to use certain devices and/or software owned or licensed by us or our affiliates in connection with the operation of your business, which devices and/or software we or our affiliate will license or sub-license to you pursuant to separate license agreements. These license agreements may contain license or other fees payable to us or our affiliate with respect to the license and use of such devices and/or software. We require you to utilize Windows 10 or a similar Windows based operating system or another operating system approved by us. We require you to utilize BOSS Mobility in connection with Multi-National Accounts; you are also required to purchase from us a BOSS Mobility Kit. You must sub-license from us ServicePro.Net’s suite of software products (“**ServSuite**”). The form of the sub-license agreement you must enter into with respect to ServSuite is attached to the Franchise Agreement as Exhibit E. We will waive the initial fees (but not the monthly fees or optional hardware or software costs) otherwise due and payable under the sub-license agreement for the ServicePro.Net software upon your purchase of a franchise. You must also purchase, and maintain a valid license for, all additional software we may require, including, without limitation, Intuit QuickBooks and Microsoft Office Suite. You must maintain a functioning email address and high-speed communications access, such as broadband or DSL. Our modifications of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease and/or license new or modified computer hardware, including hand-held devices, and/or software and to obtain additional or different service and support for the Computer System. We estimate the cost to purchase and/or obtain the Computer System to be about \$6,000 for a single computer and hand-held device, with the appropriate software and peripherals for the Computer System, and may be more if additional computers or components, including hand-held devices, are purchased. We estimate that ongoing license and support costs, as well as the cost of maintaining and upgrading the Computer System, to be \$200 to \$500 per month (for a single computer and hand-held device). You must disclose to us any passwords or codes associated with the Computer System. You must provide us with access to your Computer System in the form and manner that we may request, at your expense. We reserve the right to download sales, other data and communications from your Computer System at any time. There is no contractual limitation on our right to either access your Computer System or to receive this information. We will exclusively own all data provided by you, downloaded from your Computer System, and otherwise collected from your Computer System. We will have the right to use this data in any manner that we deem appropriate without compensation to you.

## **Site Selection**

Orkin Systems does not participate in site selection for your business, except that if we or Orkin lease a facility inside of your territory as of the effective date of your Franchise Agreement, upon

our request, you will assume the lease of such facility (or sublease such facility from us or Orkin) for the remainder of the then-current term of such lease or the term of your Franchise Agreement, if shorter. We will not allow you to operate your business out of your home or garage. Your location must be located in your territory. Your location must be connected to water and sewer systems and cannot be connected to a septic tank system or be within 500 feet of a well, unless Orkin inspects and approves your location despite the location's noncompliance with these requirements. If the location that you choose for your facility was previously used for the operation of a Pest or Termite control business (other than by us or Orkin), you must have an environmental assessment performed on that property before leasing or buying that property, and you must report the results to us before you sign a lease or purchase contract for the property (Section 7 of the Franchise Agreement). If the environmental assessment discloses adverse environmental conditions, you must select another site or incur the costs necessary to remedy the conditions to meet the requirements of applicable law before leasing or buying that property. You must have a place of business before the commencement of business. The only other restriction that Orkin Systems places on you in the site selection process is that you choose a site which will allow you to operate the business in full compliance with all federal, state and local laws. If you and Orkin Systems cannot agree on a site to locate the business because it violates any provision of applicable law or because you and Orkin Systems cannot agree on the appropriate methods to resolve any adverse environmental conditions located on the site, then Orkin Systems will terminate its relationship with you. Orkin Systems will refund any monies you have paid less the associated costs incurred by Orkin Systems in assisting you in the establishment of your franchise.

### **Call Center**

Orkin Systems requires that you utilize the services provided by the Orkin Customer Care Center during the one year period following your franchise's opening date. The Orkin Customer Care Center handles inbound and outbound telephone and internet-based communications with current and prospective customers regarding Pest control, Termite control and other Orkin services on behalf of Orkin branch locations as well as franchisees. You are permitted to continue utilizing the services provided by the Orkin Customer Care Center after the initial one year period but are not required to do so. The services provided by the Orkin Customer Care Center are at no charge to franchisees and are paid for by us out of the national advertising fund (See Items 6 and 11).

### **Manuals**

The Manuals contain mandatory and suggested specifications, standards and operating procedures. The Manuals are confidential, remain our property, and must be kept secure at all times. We will give you an opportunity to view the Manuals in the corporate office or at another agreed-upon location before you purchase a franchise, if you so request. A description of our Manuals is attached hereto as Exhibit 4. Because we provide you with electronic access to the Manuals as a series of electronic pages and modules that may vary in size and number depending on the settings of your computer, the number of "pages" in the Manuals may vary. However, if printed, the Manuals currently consist of at least 400 pages."

### **Training**

Below are the initial training ("**Initial Training**") requirements that must be completed before you open your Orkin Franchise. Self-directed and classroom training can last up to 25 days and the on-the-job training can last up to 10 days. We will administer the training program in Atlanta,



Georgia prior to the opening of your business, but reserve the right to administer the training at other locations. Currently, we mutually agree on the dates for training since we do not have a predetermined training schedule at this time. Generally, the curriculum includes general business procedures; advertising and marketing; nature of the franchised business; and effective methods and techniques for servicing customers. We reserve the right to modify the schedule, both timing and content, at any time as determined by needs of the business.

Either you and/or your designated manager(s) must participate and complete the required initial training to our satisfaction. The Initial Franchise Fee you pay under the Franchise Agreement includes the cost of the Initial Training, but you must pay the travel and living expenses for you and/or your designated manager. All “on-the-job” training occurs at certain field locations determined by Orkin Systems. All training must be completed as soon as reasonably practicable after we sign the Franchise Agreement and in all circumstances, before you open your franchise. Based upon your past experience in the Pest control and Termite control industry, you and Orkin Systems will mutually agree as to how you will allocate your training among the available classes or if any (or all) of such training can be waived. If you, or your designated manager cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement.

### **INITIAL TRAINING PROGRAM**

<b><u>Subject</u></b>	<b><u>Days of Classroom Training</u></b>	<b><u>Duration of On-the-Job Training</u></b>	<b><u>Location</u></b>
Initial Residential and Commercial Pest Control	Up to 10 days of interactive distance learning and self-directed training	Up to 5 days of on-the-job training	Atlanta, Georgia
Initial Termite Control	Up to 9 days of interactive distance learning and self-directed training	Up to 6 days of on-the-job training	Atlanta, Georgia
Initial Termite Sales	Up to 5 days of interactive distance learning and 5 days of classroom training	Up to 10 days of on-the-job training	Atlanta, Georgia
Initial Commercial Sales	Up to 5 days of interactive distance learning and 5 days of classroom training	Up to 10 days of on-the-job training	Atlanta, Georgia
Fundamentals of Management	Up to 5 days of classroom training	Not Applicable	Atlanta, Georgia
Managing a Service Organization	Up to 5 days of classroom training	Not Applicable	Atlanta, Georgia
Management Development School	Up to 7 days of classroom training	Not Applicable	Atlanta, Georgia

<u>Subject</u>	<u>Days of Classroom Training</u>	<u>Duration of On-the-Job Training</u>	<u>Location</u>
TOTAL	Up to 56 days of training	Up to 31 days of training	

To simplify the language in this disclosure document, “classroom training” means in-person training at Orkin Systems' Atlanta, Georgia headquarters or another location we designate and/or remote training presented via (a) Rollins Global Learning Network available for viewing at certain Orkin branches or through the internet via the Rollins Content Delivery Network (CDN), (b) webcast available at URLs we provide or (c) DVDs we provide. Classroom training delivered as interactive distance learning over the Rollins Global Learning Network (RGLN) is blended with self-directed training. Completion of online study guides are now a pre-requisite for Termite Sales, Commercial Sales, and Fundamentals of Management. All “on-the-job” training occurs at certain field locations determined by Orkin Systems.

All training will be conducted by Rollins-certified instructors that are experienced in the Pest and Termite control business and the specific areas of training that they are conducting. Jody Alderman is the Director of Orkin Learning and Development and is responsible for the Orkin and Orkin Systems training programs. Prior to joining Orkin in January 2016, Mr. Alderman served as owner of Resolve Commercial Cleaning from January 2015 to January 2016 and Learning Business Partner at Starbucks from August 2012 to December 2014. Mr. Alderman has a Master’s Degree in Instructional Design from Florida State University and over 22 years of experience in training. Other members of our staff and of our affiliates’ staffs may assist in training. Trainers do not specialize in any subject. Instructors will vary based on centralized and/or decentralized training format used. The instructional materials for Initial Training include various training aids including detailed PowerPoint presentations, specialized training videos, detailed vendor reference materials, and the training manuals.

Training may also be conducted by qualified Rollins employees at the Atlanta, Georgia training center. Our additional instructors will have a minimum of one (1) year in training and development or operations, or will have demonstrated successful operations and performance in connection with our system.

We are constantly updating our training program and reserve the right to extend or reduce applicable required training at our discretion. Revised Initial Training programs may include on-site training at certified training locations.

We also may periodically make available to you or your employees, additional training programs that we, in our discretion, choose to conduct. Attendance at these training programs may be mandatory. We reserve the right to charge a fee for these programs, to cover our costs of presenting the additional training programs. See Item 6. You will be responsible for all expenses that you and your trainees incur in attending training, such as the cost of travel, accommodations, meals, and employee wages and benefits.

You may request on-site or remote training at any time. We have no obligation to provide on-site or remote training and may impose a fee for on-site or remote training. See Item 6. In the event you request on-site or remote training and either cancel such training less than 14 days prior to the proposed start date, or if the trainers arrive at your location and are not prepared for such trainers to participate in such training, we may charge you the cost of conducting the originally scheduled training (including any travel and living expenses incurred by Franchisor or its

representatives) and may require Franchisee to pay an additional fee for rescheduled training. Additional training may take the form of self-paced training modules, distance learning via the Rollins Global Learning Network (RGLN), or on-site training.

We may periodically conduct a conference, convention, program, or training session. We will determine the duration, curriculum, and location of these. You and/or your designated manager(s) must attend each conference, convention, program, or training session. We may charge a fee for these sessions and you must pay all expenses. You may also be required, from time to time, to take part in additional training or updates as we designate. Additional training may take the form of self-paced training modules, distance learning via the RGLN, or on-site training.

Subject to available class space, you may take refresher courses on request. If the request is honored, we have the discretionary right to charge you \$200-\$1,500 per day per person in addition to any reasonably related out-of-pocket travel and lodging costs our personnel incur if our personnel is required to travel to accommodate your request. (Note: if you attend refresher courses at the training center in Georgia, you may still be required to pay \$200-\$1,500 per day per person and you will also be responsible for your and your employees' travel and lodging costs.) In addition, your operations may warrant our requiring you to undertake remedial training. Lastly, as a condition of renewing your Franchise Agreement, we may require you to undergo further training.

## **ITEM 12. TERRITORY**

You will receive a territory in a designated area described by Orkin Systems as follows (“**Territory**”):

<b><u>Territory</u></b>	<b><u>Territory Population</u></b>
<b>Small</b>	Less than or equal to 145,000
<b>Medium</b>	145,001 to 205,000
<b>Large</b>	205,001 to 285,000
<b>Extra Large</b>	285,001 to 400,000
<b>Premium</b>	400,001 to 1,000,000
<b>Super Premium</b>	Greater than 1,000,000

We typically delineate these territories by zip codes. You will operate your Orkin Franchise from one or more locations within your Territory, and you will notify Orkin Systems if you change the location(s) of your business. Neither Orkin Systems nor its affiliates will operate company-owned branches or grant franchises for a similar or competitive business within your Territory which use the Licensed Marks as identified in Item 13, except as described below. However, Orkin Systems and its affiliates may operate company-owned branches or grant franchises for a similar or competitive business within your Territory under a different trademark. If Orkin has Pest control customers in your Territory, Orkin will assign the customer contracts for such Pest control customers (except for Multi-Territorial Accounts that we designate; see below) to you and you must pay, in addition to, and at the same time as, the Initial Franchise Fee, an amount derived by

applying the applicable percentages set forth in Exhibit C attached to the Franchise Agreement to the annualized value of the Pest control customer contracts that are so assigned, as set forth in Orkin's books and records. If Orkin has recently acquired the assets of another Orkin franchisee that previously operated in your Territory, Orkin will also assign the customer contracts for the Termite customers it acquired (but not any other pre-existing Orkin Termite customers or Multi-Territorial Accounts that we designate) to you and you must pay, in addition to, and at the same time as, the Initial Franchise Fee, an amount derived by applying the applicable percentages set forth in Exhibit C attached to the Franchise Agreement to the annualized value of the active Termite control customer contracts that are so assigned, as set forth in Orkin's books and records. (See Items 5 and 7.)

If you currently are in the Pest control or Termite control business and you have customers in the Territory you receive under the Franchise Agreement, you and we will negotiate and agree upon the amount of the credit you will receive against the Initial Franchise Fee and the purchase price of the customer contracts assigned to you by Orkin (as described in the preceding paragraph). Following the effective date of your Franchise Agreement, you will service these customers as an Orkin Systems franchisee, using the Licensed Marks, and pay to us the Royalty from these customers and otherwise abide by all terms and conditions of the Franchise Agreement. If you continue to service these customers through the term of your franchise, these customers may be used in the formula we use to buy back your franchise as noted on Exhibit C of the Franchise Agreement.

### **Servicing Customers within Your Territory**

There are four situations in which Orkin Systems, its affiliates or its other franchisees may service customers within your Territory.

#### Multi-Territorial Accounts

Orkin Systems will designate certain "**Multi-Territorial Accounts**" within your Territory. Multi-Territorial Accounts are typically accounts of customers who have multiple locations across the country and possess either a national or regional presence in their industry and/or participate in Orkin's "Client Services Program." Orkin Systems, or a third party designated by Orkin Systems (including affiliates and other franchisees), will service these Multi-Territorial Accounts. You will not have the *right* to service these accounts; however, you will be given the option to service those Multi-Territorial Accounts for a fee negotiated with Orkin Systems (or our affiliates) in good faith as a fair and reasonable compensation, which fee will be the same as the amount paid to Orkin Systems (or our affiliates) for the same services, net of any commission and administrative charges. Orkin Systems (or its affiliates) will be responsible for the payment of any sales tax associated with servicing Multi-Territorial Accounts. Please note that the fee you receive for servicing a Multi-Territorial Account will be considered revenue for the purposes of calculating your Royalty and Advertising Contribution under the Franchise Agreement, but you will not get credit for such accounts for purposes of the buy-back formula. If you choose not to service one or more of those accounts or if Orkin Systems does not request that you service such accounts or subsequently revokes your right to service those accounts, Orkin Systems, or a third party designated by Orkin Systems (including affiliates and other franchisees), will service the customer in your Territory, and at Orkin Systems' option, all other Multi-Territorial Accounts in your Territory. Orkin Systems may designate any account as a Multi-Territorial Account in its reasonable discretion, provided that Orkin Systems must inform you of such designation.

### Corporate Acquisition

If Orkin Systems or its affiliates should acquire the stock and/or assets of a Termite and/or Pest control company, including the Pest and/or Termite control customers of such company (“**Acquired Customers**”) during the term of the Franchise Agreement, and the Acquired Customers or a portion thereof are within your Territory, Orkin Systems or its affiliates may, in its sole discretion:

1. Continue to service the Acquired Customers using the marks of the acquired company or any other marks other than the Licensed Marks (“**Option 1**”);
2. Service the Acquired Customers using the Licensed Marks for one (1) year from the date of the acquisition of the Acquired Customers, in order to transition the Acquired Customers to the Orkin® brand (“**Option 2**”), after which transition period, Orkin Systems or its affiliates may pursue Option 1, Option 3A or Option 3B;
3.
  - A. Allow you to purchase the Acquired Customers within the Territory from Orkin Systems or its affiliate at a then-agreed to price (“**Option 3A**”), as offered in writing from Orkin Systems; or
  - B. Allow you to service the Acquired Customers within the Territory as an independent contractor for Orkin Systems or its affiliate for the price negotiated by Orkin Systems or its affiliate with those Acquired Customers in good faith and to receive from Orkin Systems a fair and reasonable compensation for such services (“**Option 3B**”), as offered in writing by Orkin Systems.

If, for any reason, you fail to indicate your acceptance, in writing, of Option 3A or Option 3B within thirty (30) days of being offered one or both options, Orkin Systems or its affiliates may service such customers using the Licensed Marks.

### Customer Contracts Not Purchased

Orkin or its affiliates will service customers in your Territory if (i) Orkin has Pest control customers in your Territory when we sign the Franchise Agreement, (ii) you decide you do not want to purchase those customers, and (iii) Orkin Systems or its affiliate decides not to require you to purchase those customers at that time.

### Termite Customers

If Orkin has Termite control customers in your Territory when we sign the Franchise Agreement, Orkin Systems may require you to act as its agent in servicing those Termite control customers; in return, Orkin Systems will reimburse you for your costs directly incurred in servicing those Termite control customers (with certain limitations, as described below), plus 30% of such costs, to service those customers. For instance, your costs directly incurred in servicing those Termite control customers may include labor, mileage, chemicals and other supplies and materials used in servicing those customers but cannot include any allocation to those customers of your rent or other overhead expenses. As of the Issuance Date of this disclosure document, Orkin Systems is reimbursing its franchisees that it requires to provide this service \$24.00 per hour for labor, \$0.545 per mile for associated travel expenses, \$1.00 per gallon of chemicals used, and any other

materials and supplies used (i.e., not chemicals) used, plus 30% of that amount, to service existing Termite Customers in their territory. In addition, Orkin Systems typically pays \$32.00 (\$35.00 fee less a \$3.00 royalty) for re-inspections and bait monitoring. However, these amounts and/or the structure of reimbursement may be adjusted from time to time. Please note that the fee you receive for servicing an Orkin Termite control customer will be considered revenue under the Franchise Agreement, but you will not get credit for such accounts for purposes of the buy-back formula. Please also note that if Orkin Systems does not require you to service those Termite control customers in your Territory, Orkin Systems maintains the right to service, or give its affiliates and/or a third party the right to service, such Termite control customers in your Territory.

### Other

Orkin Systems and its affiliates also have the right to sell goods and products manufactured or distributed by Orkin Systems or its affiliates, at wholesale or retail, in your Territory, including sales consummated via the internet or by mail.

Orkin Systems may operate, or give third parties the right to operate, any other business that does not provide Termite or Pest control services in your Territory. Those businesses will have the right to use the Licensed Marks both within and outside of your Territory.

### **Minimum Annual Revenue**

The continuation of your franchise is contingent upon your maintaining certain minimum Annual Net Revenues (“**Minimum Annual Revenues**”) in each Sales Year, starting with the second Sales Year. The Minimum Annual Revenues that must be achieved in the second Sales Year will be an amount equal to the Annual Net Revenues from the operation of your Orkin Franchise during the first Sales Year increased by the greater of the increase in the Consumer Price Index during such period or five percent (5%). For each Sales Year thereafter, the Minimum Annual Revenues for such Sales Year will be an amount equal to the Minimum Annual Revenues applicable to the prior Sales Year increased by the greater of the increase in the Consumer Price Index during such period or five percent (5%).

In addition to other remedies that are available to us, including terminating your Franchise Agreement, in the event you fail to achieve the Minimum Annual Revenues in any year, we shall have the right to reduce the size of your Territory. In such event you shall cease using the Licensed Marks and providing Termite and Pest control services in that portion of your Territory. You will also be required to assign and sell to us or our designee your customer contracts for Termite and/or Pest control services to be performed in the portion of the Territory in which you are no longer entitled to provide services. The purchase price for these customer contracts will be calculated in accordance with Exhibit C of your Franchise Agreement.

Other than as specified above, you do not have any rights or options to acquire additional franchises within your Territory or in contiguous territories or purchase other Pest control businesses operated outside your Territory.

You maintain rights to your Territory even though the population increases.

### ITEM 13. TRADEMARKS

The Franchise Agreement grants to you a right to use our primary existing trademarks, service marks and trade names as well as any future trademarks we develop which are part of our franchise system on the terms and conditions that we designate. By signing the Franchise Agreement you acknowledge you will not assert any ownership rights to any licensed trademarks, service marks or trade names as well as to any associated goodwill. Depending upon your location and other factors, you may not be authorized to use all of the trademarks we have registered, but you will be given the right to use our primary mark (Reg. No. 568,404) and such other marks as we designate in writing to you.

All of the trademarks noted below are registered on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”) and have been renewed at the proper time.

<u>Mark</u>	<u>Identification Number</u>	<u>Date</u>
ORKIN	568,404	December 23, 1952
ORKIN and Red Diamond Design	568,407	December 23, 1952
ORKIN MAN	3,022,711	December 6, 2005

We also have registered other Licensed Marks with the USPTO. The provisions of the Franchise Agreement apply to any and all other trademarks, service marks, and trade dress authorized and licensed for use by us to you during the term of the Franchise Agreement. We may specify the other Licensed Marks that you may use, if any, in writing from time to time. You must comply with the proper use and marking of the Licensed Marks as we indicate in the Manuals or otherwise. We update the Manuals periodically and add or delete Licensed Marks on a continuing basis. You must modify or discontinue the use of a trademark if Orkin Systems modifies or discontinues it. Any expenses related to such modification or discontinuation will be your responsibility.

OEI currently owns the Licensed Marks and licenses them to Orkin Systems. The license agreement between OEI and Orkin Systems sets forth the rights of Orkin Systems to use or license the use of the Licensed Marks. The license agreement does not significantly limit the rights of Orkin Systems to use or license the use of the Licensed Marks.

You must follow our rules when you use the Licensed Marks. You cannot use the Licensed Marks as part of your company name or with modifying words, designs or symbols, including in web addresses, domain names or URLs unless authorized to do so by Orkin Systems. You may not use the Licensed Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by Orkin Systems. You may use the Licensed Marks in advertising only in compliance with our rules and with our written approval, and you must comply with any state registration requirements.

Orkin Systems has the right to grant other franchisees the right to use the Licensed Marks, including the right to use the Licensed Marks in your Territory; however, those granted the right to use the Licensed Marks in your Territory cannot be in the Pest control and Termite control business, except in limited circumstances (see [Item 12](#)). Orkin Systems also has the right to use the Licensed Marks in connection with the sale of goods and products manufactured or distributed by Orkin Systems or its affiliates at wholesale or retail, including selling such goods and products in your Territory by any means, including via the internet or by mail.

We are not aware of any agreements, superior rights or infringing uses which could materially affect your right to use our trademarks in the state where you reside or the state where you intend to operate your Orkin Franchise. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any State or any court involving the Licensed Marks. There are no pending infringement, opposition or cancellation claims involving the Licensed Marks, nor is there any pending material litigation involving the Licensed Marks. There are no agreements currently in effect which could significantly limit our rights to use or license the Licensed Marks.

Your rights to the Licensed Marks are derived solely from your Franchise Agreement. You will only use the Licensed Marks to identify your Orkin Franchise except as we authorize. You have no right to apply for registration of any Proprietary Mark. In using the Licensed Marks, you must strictly follow our standards, specifications, requirements, and instructions. You may not use any Mark or any words or designations similar to the Licensed Marks (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, search engine keyword, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing. When your Franchise Agreement expires or terminates, all rights to use the Licensed Marks will revert to us automatically without payment to you and you will keep no rights in the Licensed Marks. You may not take any action to question or contest our rights or interest in the Licensed Marks and the goodwill related to the Licensed Marks.

You must notify Orkin Systems promptly when you learn of an infringement of or challenge to our trademark. We will take the action we think appropriate. Upon our request and at our expense, you must assist us in taking any necessary actions. You may not settle or compromise any of these claims without our written consent. We have the right to control, defend and settle any claim at our sole expense, using our own counsel. If we defend or prosecute any litigation involving the Licensed Marks, you must do everything necessary, in the opinion of our attorneys, to help us proceed in that litigation. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Licensed Marks in violation of the Franchise Agreement.

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

You do not receive the right to use an item covered by a federally registered patent or copyright, but you can use the proprietary information in the Manuals subject to the terms of the Manuals and your Franchise Agreement. The Manuals contain a number of technical processes and other standards used with the Pest control and Termite control business, and we claim proprietary rights in those processes. We claim copyrights on the Manuals (including any supplements) and the information contained therein is proprietary. You may also use the advertising brochures and visual aids purchased by you periodically from Orkin Systems or its affiliates, and we claim a copyright for those materials and the information is proprietary. You must comply with the proper use and marking of the copyrighted materials as we indicate in the Manuals or otherwise.

There are no agreements currently in effect that significantly limit your right to use any of our copyrights. Also, there are no currently-effective determinations of the USPTO, Copyright Office (Library of Congress) or any court involving any of our copyrights discussed above. We are unaware of any infringing uses of or superior prior rights to any of our copyrights that could materially affect your use of them in the state in which your Orkin Franchise will be located.



Your obligations and ours to protect your rights to use our copyrights are the same as the obligations for Licensed Marks described in Item 13.

All of Orkin Systems' processes, services and products, proprietary formulations, technology and know-how, and the operation of an Orkin Franchise and the System are derived from information disclosed to you by Orkin Systems, and this information is proprietary and the confidential and trade secret property of Orkin Systems.

All customer lists, rate cards, sales and promotional information, financial information, training materials and videos, whether created by you or Orkin Systems, are the confidential and trade secret property of Orkin Systems or its affiliates.

Orkin Systems requires that you must (i) fully and strictly follow all security procedures required by us for maintaining the secrecy of the proprietary information and confidential and trade secret property of Orkin Systems, (ii) disclose this information and property to your employees only to the extent necessary to market your products and services and to operate your Orkin Franchise, (iii) not use this information or property in any other business or in any unauthorized manner, and (iv) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of this information and property during and after the term of the Franchise Agreement.

You may never, during the term of the Franchise Agreement, any renewal term of the Franchise Agreement, or after the Franchise Agreement expires or is terminated, reveal any of our proprietary and/or confidential information or trade secrets to another person or use it for any other person or business. You may not copy any of our proprietary and/or confidential information or trade secrets or give it to a third party except as we authorize. These restrictions must be followed even before you open your Orkin Franchise, since you will receive valuable information and training about the System and the operation of the Orkin Franchise before you begin operations.

You will require that all persons employed in your Orkin Franchise having access to proprietary and/or confidential information and trade secrets are aware of the confidentiality restrictions set forth in the Franchise Agreement and similarly bind them not to disclose the proprietary and/or confidential information or trade secrets by an agreement at least as restrictive as the terms of the Franchise Agreement.

All ideas, concepts, techniques, or materials relating to an Orkin Franchise or the System or derivations or modifications of the intellectual property or any other element of the System (collectively, "**Innovations**"), whether or not protectable intellectual property and whether created by or for you or your owners, employees, or contractors, 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 Innovation does not qualify as a work made-for-hire for us, you must assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Orkin Franchise or otherwise without our prior approval.

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

You, and each individual who owns a 30% or greater interest in your franchise, must devote their full time, energy and best efforts to the management and operation of the Orkin Franchise and to compliance with the Franchise Agreement. You must conform to the non-competition and non-solicitation covenants described in Item 17. You must conform to the covenants of confidentiality of trade secrets and business information and the preservation of accounting records for the franchise.

The Orkin Franchise must be directly supervised "on-premises" by either you or a manager who has successfully completed Orkin Systems' training program. The manager need not have an ownership interest in a corporate or limited liability company franchisee. Orkin Systems requires that you have each of your officers, directors and managers, personnel performing managerial or supervisory functions and service technicians to sign a written agreement that includes confidentiality and non-solicitation covenants of the type and scope described in Item 17.

If you are a corporation, limited liability company or other entity, one or more of your principal executive officers, directors and shareholders (or other equity holders) that we designate must sign a personal guaranty of your obligations under the Franchise Agreement.

## **ITEM 16. RESTRICTIONS ON SERVICES OFFERED BY THE FRANCHISEE**

Orkin Systems prohibits you from selling, or offering to sell, services or products that do not meet Orkin Systems' Standards of quality and performance. You must (i) sell, or offer to sell, only the approved services and products, (ii) not deviate from our Standards for serving or selling those services and products, and (iii) discontinue selling and offering to sell any services or products that we disapprove in writing. Orkin Systems reserves the right to change the types of approved services and products at any time and in any way, but it will notify you of these changes in writing prior to implementing the changes. You must not use your place of business for any purpose other than the operation of the franchise (see Item 8).

You cannot offer to provide disinfection, weed control, insulation, fumigation, lawn care, wildlife control, snow removal, and/or any other ancillary services to any customers during the term of the Franchise Agreement, unless you agree to enter into and comply with an amendment to the Franchise Agreement that sets forth specific requirements to provide such services to your customers. The amendment to the Franchise Agreement may include requirements for specialized training, increased insurance and the obtaining of special licenses and permits for the provision of such services, as applicable, and will specify that your rights to perform such services are not exclusive in your Territory.

Other than as described in Item 12, you may not solicit or service customers outside of your Territory.

If Orkin Systems requires you to act as its agent in servicing existing Orkin Termite control customers in your Territory (See Item 12), Orkin Systems reserves the right to require you to obtain Orkin Systems' prior approval before applying any retreatments for those customers. Orkin Systems has specific procedures you must follow for re-inspections, bait monitoring and re-

treatments of Orkin's Termite control customers.

You may not offer or provide a repair warranty Termite contract for any residence that does not meet the criteria set forth in the Manuals or in a notice or bulletin from Orkin Systems.

You may not use the Licensed Marks to sell any products or provide any services other than Termite or Pest control services.

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

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

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
a. Length of the term of the franchise	Section 2.01	The minimum term is 7 years; the maximum term is 13 years <sup>1</sup> .
b. Renewal or extension of the term	Section 2.03	If Orkin Systems or its affiliate decides not to exercise its option to purchase your assets at the end of the term, you may renew your franchise for one additional 5 year term under the conditions summarized in c., below.
c. Requirements for you to renew or extend	Section 2.03	If Orkin Systems or its affiliate decides not to exercise its option to purchase your assets at the end of the term, you can renew for one 5 year term if you: satisfy all obligations to Orkin Systems, are not subject to any litigation or other proceedings affecting your business, complete any retraining required, sign a release of all claims against us, pay a fee, and sign a new Franchise Agreement.
d. Termination by you	None	N/A
e. Termination by Orkin Systems without cause	None	N/A
f. Termination by Orkin Systems with cause	Section 15	Orkin Systems can terminate only if you default under the Franchise Agreement or any other agreement between you and Orkin Systems or any of its affiliates.
g. "Cause" defined-curable defaults	Section 15.02	You have 30 days to cure: nonpayment of fees, failure to file reports, failure to maintain the Standards of Orkin Systems, failure to obtain Orkin Systems' required consents, or any default not listed in <u>Section 15.01</u> of the Franchise Agreement.

<b><u>Provision</u></b>	<b><u>Section in Franchise Agreement</u></b>	<b><u>Summary</u></b>
h. "Cause" defined-defaults which cannot be cured	Section 15.01	Non-curable defaults: conviction of felony, disclosure of confidential information, failure to promptly transfer after death, failure to comply with certain covenants in <u>Sections 10, 11 or 14</u> of the Franchise Agreement, insolvency, bankruptcy, ceasing business, dissolution, liquidation, material distortion of information provided to Orkin Systems, 3 or more defaults under the Franchise Agreement, operation of business creates health/safety hazard, or failure to meet Minimum Annual Revenue in any year <sup>2</sup> .
i. Your obligations on termination/non-renewal	Section 16	Obligations include ceasing to perform any services described in the Franchise Agreement, payment of all amounts owed, complete de-identification, discontinued use of all Licensed Marks and all use of the name "Orkin", return of all Manuals (also see r., below) and assignment to Orkin Systems of telephone numbers, yellow page ads/listings, URLs, domain names, web addresses, and social media accounts/pages; also see r., below.
j. Assignment of contract by Orkin Systems	Section 14.01	No restrictions on Orkin Systems' right to assign.
k. "Transfer" by you-defined	Section 14.02	Includes the transfer of any interest in your corporation, limited liability company or partnership, transfer of the Franchise Agreement or any franchise assets to a third party, and a transfer through will, intestate succession, and by operation of law.
l. Orkin Systems' approval of transfer by you	Section 14.02	You must receive Orkin Systems' approval of all transfers. Orkin Systems will not unreasonably withhold its approval, subject to the conditions listed below.
m. Conditions for Orkin Systems' approval of transfer	Section 14.02	All of your obligations to us have been satisfied, you have signed a release of all claims against us, new franchisee qualifies, new Franchise Agreement for the remaining term is signed, training completed, capitalization requirements met, payment of fee, interview completed, signed receipt for the current disclosure document, all of your books and records transferred to new franchisee.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
n. Orkin Systems' right of first refusal	Section 14.05	If a third party makes an offer to purchase any part of the franchise from you, you shall notify us about the terms of the offer and we shall have the right to purchase that part of the franchise from you on the same terms offered by the third party.
o. Orkin Systems' option to purchase your business	Section 2.02	Orkin Systems or an affiliate can purchase your business upon the termination or expiration of the Franchise Agreement for a purchase price that it will calculate using <u>Exhibit C</u> of the Franchise Agreement. NOTE: Orkin's option to purchase your business shall not constitute a representation that you will recoup your initial investment.
p. Your death or disability	Section 14.06	Franchise must be assigned by estate to approved buyer in a reasonable time.
q. Non-competition covenants during the term of the franchise	Section 11.02	No competing business located anywhere and no diversion of customers within your Territory to a competitor.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.02	For 2 years: No competing business located in the Territory or within a ten mile radius and no diversion of customers within your Territory to a competitor.
s. Modification of the agreement	Section 21.04	No modifications without consent of you and Orkin Systems, but the Manuals and computer requirements are subject to change by Orkin Systems.
t. Integration/merger clause	Section 21.04	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration	Section 21.14	Except for certain claims, disputes must be resolved by arbitration in the metropolitan area in which Orkin Systems' principal place of business is then located, currently Atlanta, Georgia.
v. Choice of law	Section 21.07	Georgia law applies
w. Compliance with Orkin Standards	Section 22	You agree to operate your business in accordance with Orkin Standards, to submit to Termite Compliance Inspections and to reimburse Orkin Systems for correcting any of your violations of Orkin Standards.

Provision	Section in Franchise Agreement	Summary
x. Reduction in Your Territory	Section 11.07	If you fail to satisfy the Minimum Annual Revenue, we have the right to reduce the size of your Territory, in addition to our other remedies.

**NOTES:**

**Note 1** The term of the Franchise Agreement varies according to the size of your Territory and your Beginning Monthly Total Net Revenues. **“Beginning Monthly Total Net Revenues”** means the average annualized value of all Pest control contracts of Orkin in your Territory that were sold to you in connection with the purchase of your Orkin Franchise (which expressly excludes any Multi-Territorial Accounts we designate), if any, together with the average annualized value of all Pest control contracts that you or any affiliate of yours had in the Territory in the event that you or such affiliate operated a Pest control business in such designated Territory prior to the effective date of your Franchise Agreement. Exhibit 7 to this disclosure document is a chart showing the guidelines to be used to determine the term of the Franchise Agreement. You and Orkin Systems may agree to a term less than that set forth in Exhibit 7, which will result in a lower Initial Franchise Fee. See Item 5.

**Note 2** Termination of your Orkin Franchise upon your bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C.A. Sec. 101 et seq.).

**Note 3** Applicable state law may require additional disclosures related to the information in this disclosure document. These additional disclosures appear in Exhibit 11 attached to this disclosure document.

**ITEM 18. PUBLIC FIGURES**

Orkin Systems does not use any public figure to promote its franchises.

**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 from an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representation about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future

income, you should report it to the franchisor's management by contacting Kevin Cronin at 2170 Piedmont Road NE, Atlanta, Georgia 30324 and (404) 888-2000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For years 2020 to 2022**

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
Franchised	2020	143	141	-2
	2021	141	144	+3
	2022	144	130	-14
Company-Owned*	2020	354	355	+1
	2021	355	357	+2
	2022	357	365	+8
Total Outlets	2020	497	496	-1
	2021	496	501	+5
	2022	501	495	-6

\* These Company-Owned Outlets are owned by Orkin, not Orkin Systems, which does not own any Company-Owned Outlets.

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)  
For years 2020 to 2022**

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
All States	2020	0
	2021	0
	2022	0

**Table No. 3  
Status of Franchised Outlets  
For years 2020 to 2022**

<u>Col. 1 State</u>	<u>Col. 2 Year</u>	<u>Col. 3 Outlets at the Start of the Year</u>	<u>Col. 4 Outlets Opened</u>	<u>Col. 5 Terminations</u>	<u>Col. 6 Non- Renewals</u>	<u>Col. 7 Purchased by Orkin*</u>	<u>Col. 8 Ceased Operating (Other)</u>	<u>Col. 9 Outlets at the End of the Year</u>
AL	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	1	0	3
AR	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
AZ	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
CA	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
FL	2020	3	0	0	0	1	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	1	0	1
GA	2020	7	1	0	0	1	0	7
	2021	7	0	0	0	0	0	7
	2022	7	1	0	0	0	0	8
ID	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
IN	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
KS	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
KY	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4



<u>Col. 1 State</u>	<u>Col. 2 Year</u>	<u>Col. 3 Outlets at the Start of the Year</u>	<u>Col. 4 Outlets Opened</u>	<u>Col. 5 Terminations</u>	<u>Col. 6 Non- Renewals</u>	<u>Col. 7 Purchased by Orkin*</u>	<u>Col. 8 Ceased Operating (Other)</u>	<u>Col. 9 Outlets at the End of the Year</u>
MD	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
MO	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
MS	2020	3 <sup>#</sup>	0	0	0	0	0	3 <sup>#</sup>
	2021	3 <sup>#</sup>	0	0	0	0	0	3 <sup>#</sup>
	2022	3 <sup>#</sup>	0	0	0	0	0	3 <sup>#</sup>
ND	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NY	2020	1 <sup>!</sup>	0	0	0	0	0	1 <sup>!</sup>
	2021	1 <sup>!</sup>	1 <sup>!</sup>	1 <sup>!</sup>	0	0	0	1 <sup>!</sup>
	2022	1 <sup>!</sup>	0	0	0	0	0	1 <sup>!</sup>
OH	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
PA	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
TX	2020	9 <sup>+</sup>	0	0	0	1	0	8 <sup>+</sup>
	2021	8 <sup>+</sup>	0	0	0	0	0	8 <sup>+</sup>
	2022	8 <sup>+</sup>	1	1	0	0	0	8 <sup>+</sup>
VA	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	1	0	1

<u>Col. 1 State</u>	<u>Col. 2 Year</u>	<u>Col. 3 Outlets at the Start of the Year</u>	<u>Col. 4 Outlets Opened</u>	<u>Col. 5 Terminations</u>	<u>Col. 6 Non- Renewals</u>	<u>Col. 7 Purchased by Orkin*</u>	<u>Col. 8 Ceased Operating (Other)</u>	<u>Col. 9 Outlets at the End of the Year</u>
WV	2020	1 <sup>\$</sup>	0	0	0	0	0	1 <sup>\$</sup>
	2021	1 <sup>\$</sup>	0	0	0	0	0	1 <sup>\$</sup>
	2022	1 <sup>\$</sup>	0	0	0	0	0	1 <sup>\$</sup>
WY	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Other**	2020	93	14	15	0	0	0	92
	2021	92	5	2	0	0	0	95
	2022	95	4	18	0	0	0	81
<b>Total</b>	<b>2020</b>	<b>143</b>	<b>16</b>	<b>15</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>141</b>
	<b>2021</b>	<b>141</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>144</b>
	<b>2022</b>	<b>144</b>	<b>8</b>	<b>19</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>130</b>

\* Orkin Systems does not repurchase any franchises. All franchise repurchases are performed by Orkin.

\*\* Includes current or former franchises located outside of the United States that are not subject to the FTC's or any state's disclosure requirements.

# Includes a franchise where the franchisee's Territory includes portions of Mississippi and Louisiana.

! Includes a franchise where the franchisee's Territory includes portions of New York and Pennsylvania.

+ Includes a franchise where the franchisee's Territory includes portions of Texas and Arkansas.

\$ Includes a franchise where the franchisee's Territory includes portions of West Virginia and Ohio.

**Table No. 4  
Status of Company-Owned Outlets\*  
For years 2020 to 2022**

<u>State</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired by Franchisor**</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at the End of the Year</u>
AL	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
AR	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
AZ	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
CA	2020	35	3	0	0	0	38
	2021	38	3	0	0	0	41
	2022	41	3	0	0	0	44
CO	2020	8	0	0	0	0	8
	2021	8	0	0	0	0	8
	2022	8	0	0	0	0	8
CT	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
DE	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
FL	2020	34	0	1	3	0	32
	2021	32	0	0	1	0	31
	2022	31	1	0	0	0	32
GA	2020	17	0	1	1	0	17
	2021	17	0	0	1	0	16
	2022	16	0	0	1	0	15
HI	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2

<u>State</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired by Franchisor**</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at the End of the Year</u>
IA	2020	6	0	0	1	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
IL	2020	21	0	0	0	0	21
	2021	21	0	0	0	0	21
	2022	21	0	0	0	0	21
IN	2020	9	0	0	0	0	9
	2021	9	0	0	0	0	9
	2022	9	0	0	0	0	9
KS	2020	5	0	0	0	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
KY	2020	4	0	0	1	0	3
	2021	3	0	0	0	0	4
	2022	4	0	0	0	0	4
LA	2020	11	0	0	0	0	11
	2021	11	0	0	0	0	11
	2022	11	0	0	1	0	10
MA	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
MD	2020	12	0	0	1	0	11
	2021	11	0	0	0	0	11
	2022	11	1	0	0	0	12
ME	2020	2	1	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
MI	2020	10	1	0	0	0	11
	2021	11	0	0	0	0	11
	2022	11	1	0	0	0	12
MN	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	1	0	0	0	3

<u>State</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired by Franchisor**</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at the End of the Year</u>
MO	2020	5	0	0	0	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
MS	2020	5	0	0	0	0	5
	2021	5	0	0	1	0	4
	2022	4	0	0	1	0	3
MT	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
NC	2020	16	0	0	0	0	16
	2021	16	0	0	0	0	16
	2022	16	0	0	0	0	16
NE	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
NH	2020	1	1	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
NJ	2020	5	0	0	1	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
NM	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
NV	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
NY	2020	11	0	0	0	0	11
	2021	11	0	1	0	1	11
	2022	11	2	0	0	0	13
OH	2020	14	0	0	2	0	12
	2021	12	0	0	0	0	12
	2022	12	1	0	0	0	13

<u>State</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired by Franchisor**</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at the End of the Year</u>
OK	2020	4	4	0	0	0	8
	2021	8	0	0	0	0	8
	2022	8	0	0	0	0	8
OR	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
PA	2020	6	1	0	0	0	7
	2021	7	0	0	0	0	7
	2022	7	0	0	0	0	7
SC	2020	9	0	0	0	0	9
	2021	9	0	0	0	0	9
	2022	9	0	0	0	0	9
SD	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
TN	2020	12	0	0	0	0	12
	2021	12	0	0	0	0	12
	2022	12	0	0	0	0	12
TX	2020	27	0	1	3	0	25
	2021	27	0	0	0	0	27
	2022	27	2	0	0	0	29
UT	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
VA	2020	15	1	0	0	0	16
	2021	16	0	0	0	0	16
	2022	16	0	0	0	0	16
VT	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

<u>State</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired by Franchisor**</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at the End of the Year</u>
WA	2020	4	0	0	0	0	4
	2021	4	1	0	0	0	5
	2022	5	0	0	0	0	5
WI	2020	7	0	0	0	0	7
	2021	7	0	0	0	0	7
	2022	7	0	0	1	0	6
WV	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
<b>Total</b>	<b>2020</b>	<b>352</b>	<b>13</b>	<b>3</b>	<b>13</b>	<b>0</b>	<b>355</b>
	<b>2021</b>	<b>355</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>357</b>
	<b>2022</b>	<b>357</b>	<b>12</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>365</b>

\* These are all owned by Orkin, not Orkin Systems. See note to Table 1 above.

\*\* Orkin Systems does not repurchase any franchises. All repurchases are performed by Orkin.

% Reacquired branch merged with an existing Orkin branch.

**Table No. 5**  
**Projected Openings as of December 31, 2022 for Year Ending December 31, 2023**

	Franchise Agreements Signed But Orkin Franchises Not Open	Projected New Orkin Franchises In Next Fiscal Year	Projected New Company-Owned Orkin Locations In Next Fiscal Year
Arizona	0	0	0
California	0	1	0
Florida	0	0	0
Kansas	0	0	0
Kentucky	0	0	1
Maryland	0	1	1
Michigan	0	1	0
New York	0	1	2
Ohio	0	0	1
Texas	0	0	1
Wisconsin	0	0	1
Wyoming	0	0	0
International	0	4	0
<b>Total</b>	0	8	7

Current Orkin Systems franchisees are listed in [Exhibit 8-A](#). Any Orkin Systems franchisees who had an agreement terminated, cancelled, not renewed or otherwise voluntarily ceased to do business under a Franchise Agreement during our last fiscal year are listed on [Exhibit 8-B](#).

**Confidentiality Clauses**

As a standard practice, when we enter into a Termination and Release Agreement with a former franchisee, we require the former franchisee to agree to maintain all information that the former franchisee has about us confidential. We have entered into these Termination and Release Agreements (including the confidentiality clause) within the past 3 years.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. 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.

**Franchisor Sponsored Franchisee Organizations**

Currently, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document. We may form a franchise advisory council (FAC) in the future to discuss potential improvements and issues related to the Orkin franchise system. The FAC will be sponsored by us but will not be a decision-making entity.



## **ITEM 21. FINANCIAL STATEMENTS**

Rollins' audited consolidated statements of financial position as of December 31, 2022 and December 31, 2021 are included in Exhibit 9-A. Rollins' audited consolidated statements of income, comprehensive earnings, stockholders' equity, and cash flows for the fiscal years ending December 31, 2022, December 31, 2021, and December 31, 2020 are included in Exhibit 9-A. Rollins' interim unaudited balance sheet and interim unaudited statements of income, comprehensive earnings, stockholders' equity, and cash flows for the quarter ended March 31, 2023 are also included in Exhibit 9-A. THESE INTERIM FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM. Rollins has signed a guaranty in which Rollins absolutely and unconditionally guarantees to assume the obligations of Orkin Systems to you under the Franchise Agreement, a copy of which guarantee is attached as Exhibit 9-B.

## **ITEM 22. CONTRACTS**

The following contracts and related documents are attached to this Disclosure Document:

- Exhibit 1 Orkin Franchise Agreement and Related Agreements:
  - Exhibit D Assignment of Contracts
  - Exhibit E ServicePro.Net Sub-License Agreement
  - Exhibit F-1 Guaranty and Non-Compete Agreement
  - Exhibit H Covenant of Compliance with Orkin Standards
  - Exhibit I State Amendment to Orkin Franchise Agreement (if applicable)
  - Exhibit J Telephone Service Transfer Request
  
- Exhibit 10 Other Agreements
  - Promissory Note
  - Master Agreement for Assignment of Contracts

## **ITEM 23. RECEIPTS**

Two copies of an acknowledgement of your receipt of this disclosure document are attached as Exhibit 12. One acknowledgment must be signed, dated and delivered to us. The other acknowledgment should be retained for your records.

**EXHIBIT 1**  
**FORM OF FRANCHISE AGREEMENT**



**ORKIN FRANCHISE AGREEMENT**

**ORKIN SYSTEMS, LLC  
A DELAWARE LIMITED LIABILITY COMPANY  
WITH ITS PRINCIPAL OFFICE AT:  
2170 PIEDMONT ROAD, N.E.  
ATLANTA, GEORGIA 30324**

**AND**

**[FRANCHISEE ENTITY]  
A [STATE] [ENTITY TYPE]  
WITH ITS PRINCIPAL OFFICE AT:  
[ADDRESS]**

**[EFFECTIVE DATE]**

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## SCHEDULES AND EXHIBITS

Schedule 1	-	Index of Defined Terms
Exhibit A	-	Licensed Marks
Exhibit B	-	Territory
Exhibit C	-	Purchase Price Calculation
Exhibit D	-	Form of Assignment of Contract
Exhibit E	-	Sub-License Agreement
Exhibit F-1	-	Guaranty and Non-Compete Agreement
Exhibit F-2	-	Ownership Structure
Exhibit G	-	Form of UCC-1 Financing Statement
Exhibit H	-	Covenant of Compliance with Orkin Standards
Exhibit I	-	State-Specific Amendments to Orkin Franchise Agreement
Exhibit J	-	Telephone Service Transfer Request



## ORKIN FRANCHISE AGREEMENT

**THIS ORKIN FRANCHISE AGREEMENT** (this "Agreement") is made and entered into in Atlanta, Georgia, by and between:

**ORKIN SYSTEMS, LLC  
A DELAWARE LIMITED LIABILITY COMPANY  
WITH ITS PRINCIPAL OFFICE AT:  
2170 PIEDMONT ROAD, N.E.  
ATLANTA, GEORGIA 30324  
(Franchisor)**

**AND**

**[FRANCHISEE ENTITY]  
A [STATE] [ENTITY TYPE]  
WITH ITS PRINCIPAL OFFICE AT:  
[ADDRESS]**

**(Franchisee)**

**WHEREAS**, Franchisor and its Affiliate, Orkin, LLC, a Delaware limited liability company ("Orkin"), as the result of the expenditure of time, skill, effort and money, have developed a program, method and system for Termite and Pest control services (the "Orkin System"), the distinguishing characteristics of which include, without limitation, special equipment and operating processes, standards and specifications for products, equipment and processes, and methods and techniques for inventory and cost controls, administration, record keeping and reporting, sales, promotional activities, and advertising;

**WHEREAS**, an Affiliate of Franchisor is the owner of all right, title and interest in the trade names, service marks, and trademarks listed on Exhibit A attached hereto and described in Section 10 (Licensed Marks; Improvements) hereof (the "Licensed Marks"), and Franchisor has the right to license to third parties the right to use the Licensed Marks as part of the Orkin System;

**WHEREAS**, the parties acknowledge and agree that all of the foregoing matters are Trade Secrets of Franchisor and that Franchisor has valuable property rights in and to such Trade Secrets, in and to the name Orkin®, and in and to such other trade names, service marks, trademarks and trade symbols, emblems, signs and slogans as Franchisor uses or will use in connection with the Orkin System (all of such Trade Secrets and property rights being collectively referred to as the "Licensed Rights");

**WHEREAS**, Franchisee desires to operate a franchise under the Orkin System as an independent contractor, as well as to receive the training and other assistance provided by Franchisor in connection therewith;

**WHEREAS**, Franchisee acknowledges that Franchisor's high and uniform standards of quality and service are of great importance to Franchisor, Franchisee, and the other franchisees of the Orkin System, and the necessity of performing its services in conformity with Franchisor's standards and specifications for the Orkin System; and

**WHEREAS**, an index of the location of the definition of defined terms used in this Agreement is set forth on Schedule 1 attached hereto.

**NOW THEREFORE**, in consideration of the undertakings of each party and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisor and Franchisee agree as follows:

## **1. GRANT OF LICENSE**

1.01 Grant of License. Subject to the terms and conditions of this Agreement, as of the Effective Date, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, a limited right, franchise and license to operate a Termite and Pest control business utilizing the Orkin System, the Licensed Rights and the Licensed Marks (collectively, the "Franchised Business"), as the Franchised Business may be modified, improved, and further developed by Franchisor from time to time, solely within the geographical area specified in Exhibit B attached hereto (the "Territory"). Franchisee understands and agrees that it shall at all times operate the Franchised Business as an independent Entity licensed by Franchisor and nothing in this Agreement shall be construed so as to create a partnership, joint venture, agency, or fiduciary relationship between Franchisee and Franchisor and/or any of its Affiliates. As used herein:

(a) "Affiliate" means, with respect to any person or Entity, any person or Entity directly or indirectly controlling, controlled by or under common control with such person or Entity;

(b) "Entity" means a corporation, partnership, sole proprietorship, company, firm, limited liability company, joint venture, trust, business association, organization, joint stock company, unincorporated organization, union, group acting in concert, governmental entity, or other entity;

(c) "Owner" means all persons or Entities holding a direct or indirect, disclosed or undisclosed, legal or beneficial ownership, property or voting right in an Entity (including, without limitation, the right to receive all or part of the profits or losses of such Entity);

(d) "Pest" means only those arthropods and vertebrate animals that are covered under the standard Orkin residential recurring pest control contract and under Orkin's standard commercial monthly service program, as well as those covered under Orkin's mosquito, bedbug, carpenter ant, fire ant, fly and bird control programs; and

(e) "Termite" means termites and certain other wood destroying organisms more specifically set forth in the Manuals but specifically excluding molds.

1.02 Affiliated Businesses; Operations Outside and Inside Territory. Franchisee acknowledges and agrees that (a) Franchisor and/or its Affiliates may operate, or grant third parties the right to operate, any other business that does not provide Termite or Pest control services (collectively, the "Affiliated Businesses"), under the Licensed Marks within the Territory and outside the Territory; (b) Franchisor and/or its Affiliates may operate, or grant franchisees and other third parties the right to operate, any other business that does provide Termite or Pest control services

within the Territory and outside the Territory so long as they do not operate under the Licensed Marks or use the Licensed Marks in their title; and (c) Franchisor and/or its Affiliates may operate, or grant franchisees and other third parties the right to operate, Termite and Pest control businesses utilizing the Licensed Marks and the Orkin System outside the Territory and, upon the expiration or termination of this Agreement for any reason, within the Territory. Notwithstanding the foregoing, Franchisee acknowledges that, pursuant to Section 6.09 (Multi-Territorial Accounts), Section 6.12 (Existing Termite Customers; Retreatment), Section 9 (Corporate Acquisitions), and Section 11.08 (Restrictions on Goods and Services Provided by Franchisee), Franchisor, its Affiliates, or other franchisees of the Orkin System (and, in certain circumstances, third party contractors) may operate a Termite and Pest control business in the Territory using the Licensed Marks and the Orkin System. Under no other circumstances shall Franchisor or its Affiliates or its other franchisees be permitted to operate a Termite and Pest control business in the Territory using the Licensed Marks and the Orkin System during the Term of this Agreement. Nothing herein shall prohibit Franchisor and/or its Affiliates from offering for sale to customers within the Territory any Orkin-approved products, goods or materials utilized in Pest and/or Termite control, including, without limitation, via Internet and/or online sales.

1.03 Changes to Orkin System. Due to changes in competitive circumstances, changes in the needs of customers, or future technological innovations, Franchisor reserves the right, in its sole discretion, to modify the Orkin System in order to best serve the interests of the Orkin System. Accordingly, Franchisee agrees that Franchisor may from time to time change the components of the Orkin System, including, but not limited to, (a) altering the programs, services, methods, standards, forms, policies, and procedures of the Orkin System; (b) adding to, deleting from, or modifying the programs or services which Franchisee's Franchised Business is authorized to offer; and (c) modifying or replacing the Licensed Marks. Subject to the provisions of this Agreement, Franchisee agrees to accept and comply with all such changes; provided, however, that such changes, when viewed in light of the benefits they are expected to generate, do not materially and unreasonably increase Franchisee's obligations or cost of performance hereunder.

## **2. TERM; FRANCHISOR'S PURCHASE OPTION**

2.01 Term. Unless earlier terminated pursuant to the provisions of this Agreement, extended pursuant to Section 2.02, or renewed pursuant to Section 2.03, the term (the "Term") of the license granted under this Agreement shall be for [YEARS] ([#]) years, shall begin on [EFFECTIVE DATE] (the "Effective Date") and shall terminate on [EXPIRATION DATE], at 11:59 p.m., Atlanta, Georgia time (the "Expiration Date").

2.02 Franchisor's Option to Purchase Assets of Franchisee. Subject to the terms and conditions of this Agreement and Exhibit C attached hereto, Franchisee hereby grants Franchisor an option to purchase any or all of the tangible and intangible assets used or useful in the operation of the Franchised Business, upon the expiration or termination of this Agreement for any reason (the "Purchase Option"). For the purposes of this Section 2.02 and Exhibit C attached hereto, Franchisor shall mean Franchisor or its designated Affiliate. To exercise such option, Franchisor shall provide written notice (the "Purchase Notice") to Franchisee at least six (6) months prior to the Expiration Date or within sixty (60) days before or after the termination of this Agreement if this Agreement is terminated other than by the expiration of the Term (the "Purchase Notice Date"). The purchase price for such assets (the "Purchase Price") shall be determined pursuant to Exhibit C attached hereto and shall be provided to Franchisee as soon as reasonably practicable following the Purchase Notice Date. Franchisor shall be entitled (i) to receive a credit or reduction in the payment of the Purchase Price to the extent that Franchisee has not paid any amounts due under this Agreement or under any promissory note issued by Franchisee to

Franchisor or any of its Affiliates and (ii) to hold back a percentage of the Purchase Price necessary to secure certain payments due under the purchase contract. If Franchisor requires information from Franchisee to calculate the Purchase Price, or to determine whether it will purchase Franchisee's assets, Franchisor shall send a written request for such information to Franchisee prior to the Purchase Notice Date (the "Information Request"). Franchisee must respond to the Information Request within ten (10) days of receipt of such Information Request. In the event an Information Request is sent to Franchisee, the time period for Franchisor to give the Purchase Notice shall be the later to occur of the Purchase Notice Date, or ten (10) business days after the date on which Franchisor receives the information sought by the Information Request.

(a) The closing of the purchase (the "Closing") shall occur on the Expiration Date (if the termination occurred as a result of the expiration of the Term) or on a date set by Franchisor, no later than ninety (90) days after Franchisee receives the Purchase Notice (if the termination occurred earlier than the Expiration Date). Franchisor, in its discretion, shall have the right to extend the Closing by up to five (5) business days (the "Extension") in the event that the Purchase Option is being exercised as a result of the expiration of the Term. Pursuant to the Extension, the Expiration Date of the Agreement set forth in Section 2.01 shall be extended by the number of days of the Extension, and the terms of this Agreement shall remain in effect for the duration of the Extension.

(b) The purchase contract shall include Franchisor's calculation of the final Purchase Price in accordance with Exhibit C attached hereto and standard representations, warranties, covenants and indemnities from Franchisee, and if Franchisee is an Entity, its Owner(s), as to the assets being purchased, including without limitation warranties of good title, absence of liens, good working condition, compliance with laws, absence of defaults under contracts, absence of litigation, and tax compliance, and shall require that Franchisee, its Owner(s), and its Owners' spouses, if any, enter into a standard non-competition agreement with Franchisor and the purchaser, if other than Franchisor.

2.03 Franchisee's Limited Renewal Option. In the event Franchisor, or its designated Affiliate, elects not to exercise its option under Section 2.02 to purchase the assets of Franchisee upon the expiration of the Term, Franchisee may renew this Agreement for one (1) additional five (5) year term (to commence on the Expiration Date) by giving written notice to Franchisor at least ninety (90) days prior to the Expiration Date (the "Renewal Notice"). Such renewal right shall be subject to the following conditions:

(a) At the time of the Renewal Notice and through the Expiration Date, Franchisee is not in breach or default of any provision of this Agreement, any amendment hereof, or any other agreement or promissory note between Franchisee and Franchisor or its Affiliates; has not received written notice by Franchisor three (3) or more times during the Term of its failure to comply with any provision of such agreements, irrespective of whether such non-compliance may have been subsequently cured; and is not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon Franchisee or its business.

(b) All monetary obligations owed by Franchisee to Franchisor and its Affiliates have been satisfied in full prior to the Expiration Date.

(c) Franchisee shall agree to attend, at Franchisee's expense (including, but not limited to, the expense of transportation, meals, and lodging), any retraining program Franchisor may prescribe.



(d) Franchisee and its Owner(s) shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, officers, directors, shareholders and employees, in their corporate and individual capacities, arising from this Agreement, the Franchised Business and/or Federal, state and local laws, rules and regulations.

(e) Franchisee pays Franchisor a renewal fee equal to twenty percent (20%) of the then-current initial franchise fee for the Territory.

(f) Franchisee executes Franchisor's then-current form of franchise agreement, except that (i) the term of the new agreement shall be for a period of five (5) years, (ii) Franchisor will have an option to purchase Franchisee's assets at the end of the 5-year term upon the same terms and conditions as set forth in Section 2.02, and (iii) Franchisee shall have no option to renew the agreement at the end of the 5-year renewal term. Such agreement shall supersede any existing franchise agreement and may have monthly royalty fees, advertising fees, and other obligations that are materially different from this Agreement.

(g) This Agreement shall not be subject to any renewal or extension beyond the limited renewal option granted in this Section 2.03.

2.04 Holdover Term. If applicable law requires that Franchisor give notice to Franchisee prior to the expiration of the initial term or any renewal term, the terms of this Agreement will, if necessary, remain in effect on a month-to-month basis until the notice required by applicable law has been given.

### **3. INITIAL FRANCHISE FEE**

3.01 Initial Franchise Fee. The initial franchise fee payable to Franchisor by Franchisee hereunder shall be **[\$FEE]** (the "Initial Franchise Fee"), which shall be due and payable upon execution of this Agreement by Franchisee. Upon the execution of this Agreement by Franchisor, the Initial Franchise Fee shall be deemed fully earned and non-refundable.

#### 3.02 Assigned Customer Contracts; Accounts Receivable.

(a) Orkin may have Pest control customers in the Territory at the time of the execution of this Agreement. On the Effective Date, Franchisor shall cause Orkin to assign the contracts then in effect for any such Pest control customers (other than Multi-Territorial Accounts) to Franchisee ("Assigned Customer Contracts"), such assignment to be effective as of the [Opening/Effective] Date. In consideration of such assignment and upon execution of this Agreement by all parties, Franchisee shall pay to Orkin **[\$AMOUNT]**, which represents the purchase price of the Assigned Customer Contracts and is the aggregate amount derived by applying the applicable percentages set forth in Exhibit C attached hereto to the annualized value of the active customer contracts that are so assigned, as set forth in Orkin's books and records. The assignment shall be in the form of Exhibit D attached hereto.

(b) In the event Orkin acquired the business of a former franchisee of Franchisor that operated a Franchised Business in all or part of the Territory within thirty (30) days prior to the Effective Date, Orkin may have certain Termite control customers in the Territory that were previously sold and serviced by such franchisee (the "Acquired Termite Control Customers"). On the Effective Date, Franchisor shall cause Orkin to assign the contracts for the Acquired Termite Control Customers to Franchisee, such assignment to be effective as of the [Opening/Effective]

Date. In consideration of such assignment and upon execution of this Agreement by all parties, Franchisee shall pay to Orkin **[\$AMOUNT]**, which represents the purchase price of the customer contracts for the Acquired Termite Control Customers and is the aggregate amount derived by applying the applicable percentages set forth in Exhibit C attached hereto to the annualized value of the active customer contracts that are so assigned, as set forth in Orkin's books and records. The assignment shall be in the form of Exhibit D attached hereto. If Orkin has any other Termite control customers in the Territory, the customer contracts for such Termite control customers will not be assigned to Franchisee and the provisions set forth in Section 6.12 (Existing Termite Customers; Retreatment) shall govern the servicing of those customers (other than Multi-Territorial Accounts).

(c) Orkin may have certain customer accounts receivable in the Territory at the time of the execution of this Agreement which are associated with the Assigned Customer Contracts and/or Acquired Termite Control Customers. On the Effective Date, Franchisor shall cause Orkin to assign such accounts receivable to Franchisee (the "Acquired Receivables"), such assignment to be effective as of the Effective Date. In consideration of such assignment and upon execution of this Agreement by all parties, Franchisee shall pay to Orkin **[\$AMOUNT]**, which represents the purchase price of the Acquired Receivables as calculated in accordance with Exhibit C attached hereto. The assignment shall be in the form of Exhibit D attached hereto. For the avoidance of doubt, Franchisee shall pay to Franchisor the Royalty Fee (as defined below) on any monies collected on the Acquired Receivables.

**3.03 Existing Franchisee Customers.** If Franchisee or its Affiliate was the owner of a Termite or Pest control business prior to the execution of this Agreement (other than pursuant to a separate franchise agreement with Franchisor), the following provisions shall apply:

(a) On the Effective Date and at all times during the Term, Franchisee shall service all of its or its Affiliate's existing customers located in the Territory (the "Rebranded Customers") as part of the Franchised Business using the Licensed Marks and in full compliance with the terms and conditions of this Agreement. Without limiting the foregoing, Franchisee shall pay to Franchisor Royalty Fees, Advertising Fees and all other fees set forth herein with respect to the Rebranded Customers. In consideration of the foregoing in this Section 3.03(a), Franchisor and Franchisee have agreed that Franchisee shall receive a credit against the amounts payable thereby pursuant to Sections 3.01 and 3.02 above in the amount of **[\$AMOUNT]**. Except as set forth in Section 3.03(b) below, Franchisee shall not be entitled to any further reduction in the fees payable hereunder with respect to the Pest and/or Termite control business it operated prior to the execution of this Agreement.

(b) On the Effective Date, Franchisee shall assign to Franchisor or its designee (including but not limited to other franchisees of the Orkin System) any customer contracts then in effect for Franchisee's or its Affiliate's existing customers located outside of the Territory that are identified by Franchisor. In consideration of the foregoing in this Section 3.03(b), Franchisor and Franchisee have agreed that Franchisee shall receive a credit against the amounts payable thereby pursuant to Sections 3.01 and 3.02 above in the amount of **[\$AMOUNT]**. Franchisee shall be entitled to continue to service all existing customers located outside the Territory whose contracts Franchisor or its designee has elected not to acquire (but no other contracts outside the Territory, i.e., contracts acquired by Franchisor or designee, new contracts, contracts for other services, etc.) by using the Licensed Marks, in which case all terms and conditions of this Agreement shall apply, provided that such existing customers are not located in the territory of another franchisee of Franchisor or in the territory of an Orkin company-branch location. Any assignment under this Section 3.03(b) shall be in the form of Exhibit D attached hereto.

#### **4. CONTINUING FEES**

At all times after the Effective Date of this Agreement, Franchisee shall pay Franchisor the following continuing fees:

4.01 Royalty Fee. During the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly royalty fee (the "Royalty Fee") in an amount equal to seven percent (7%) of Franchisee's Monthly Total Net Revenues. "Monthly Total Net Revenues" is defined as the total of all revenues collected by Franchisee and/or collected with respect to the Franchised Business in a monthly period, including but not limited to fees charged for all products and services and expressly including all amounts received for servicing Multi-Territorial Accounts, Orkin Termite customers and/or amounts received from any disinfection, weed control, insulation, fumigation, lawn care, wildlife/animal removal, wildlife/animal control or any other ancillary services that Franchisee is permitted by Franchisor to provide under an addendum or amendment to this Agreement, in addition to Franchisee's customers, but in all cases exclusive of sales or use taxes, if any.

4.02 Advertising Fees. During the Term of this Agreement, Franchisee shall pay to Franchisor continuing monthly advertising fees in an amount equal to two percent (2%) of Franchisee's Monthly Total Net Revenues (the "Advertising Fee").

4.03 Monthly Statements; Payment of Fees. All monthly payments required by this Section 4 shall be paid by Franchisee to Franchisor by the last day of each month for the preceding calendar month; Franchisee shall also submit a monthly income statement, prepared on a form prescribed by Franchisor, by email to [orkinfranchisesupport@rollins.com](mailto:orkinfranchisesupport@rollins.com) by the fifteenth (15<sup>th</sup>) day of each month for the preceding calendar month. Any statement or payment not actually received by Franchisor on or before such date shall be deemed overdue; Franchisee shall incur a fee in the amount of \$50.00 for each week any such statement remains overdue. Upon Franchisor's written notice to Franchisee, Franchisee agrees to execute such forms and written authorizations as are required to establish electronic funds transfers to pay the fees due hereunder and to maintain sufficient funds in its bank accounts to pay the amounts due hereunder. Such forms and written authorizations shall give Franchisor the right to initiate debit entries and/or credit correction entries with respect to the amounts owed hereunder. If Franchisee fails to report to Franchisor the amount of Franchisee's Monthly Total Net Revenues as and when required hereunder, Franchisor may make electronic funds transfers from Franchisee's accounts for the fees due hereunder based upon a reasonable estimate of the amounts owed. If Franchisor drafts money from Franchisee's account under Franchisor's electronic funds transfer or draft system, and there are insufficient funds to cover the draft, Franchisor will charge Franchisee the return costs charged by Franchisor's bank and an administrative fee to cover Franchisor's costs of addressing the nonpayment. This fee is in addition to interest on the amount due.

4.04 Late Payment Fee. Franchisee shall pay interest on the amount of monthly fees due hereunder at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less, for each month or portion thereof any amount due hereunder is not paid when due. This charge shall accrue whether or not Franchisor exercises its right to terminate this Agreement pursuant to Section 15 (Default and Termination). Franchisor has the right, at Franchisor's option, to appoint an agent to collect the fees and receive such income statements or to assign the right to receive payment of such fees and to receive such income statements to a third party.

4.05 Application of Funds. All payments by Franchisee pursuant to this Agreement shall be applied in such order and for such obligations as Franchisor may designate from time to time. Franchisee agrees that it may not designate the order for application of any payments different from that designated by Franchisor and that Franchisor may accept fee payments which are accompanied with allocation instructions from Franchisee without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed. This provision may be waived only by written agreement signed by Franchisor, which written agreement must be separate from the check or other document constituting payment.

4.06 No Right of Set-Off. Franchisee agrees not to set off or withhold payment of any monthly or other amounts due to Franchisor or its Affiliates, due to the nonperformance or alleged nonperformance by Franchisor of any of its obligations hereunder.

4.07 Gross Up for State Tax Imposition. If the state in which the Territory is located imposes a state gross receipts or state income tax upon the fees Franchisee pays to Franchisor, Franchisee agrees to pay an additional amount to Franchisor so that the amount received by Franchisor after the deduction, payment, or withholding will equal the full amount payable to Franchisor.

## **5. FRANCHISOR'S OPERATING ASSISTANCE**

5.01 Assistance Prior to Commencement of Business. Prior to the commencement of Franchisee's providing services under the Orkin System (the "Opening Date"), Franchisor shall provide Franchisee with the following:

(a) One set of the current "Manuals" (as described in Section 11.03 (Manuals)), as the same may be amended from time to time by Franchisor.

(b) Up to twenty-five (25) days of self-directed and classroom and up to ten (10) days of on-the-job training in the operation of the Franchised Business for either Franchisee or its designated manager (including, but not limited to, management, financial, production, sales (including field sales) and promotional training, and operations training). On-the-job training shall be conducted during normal business hours by Franchisor or its designee at a site to be designated by Franchisor; provided, however, Franchisee shall be responsible for all of its and its employees' travel expenses, other costs, and living expenses incurred during and in connection with such training. In the event Franchisee or its designated manager has past experience in the Pest control and/or Termite control industry, Franchisor and Franchisee may mutually agree as to the allocation of the thirty-five (35) days of training in the operation of the Franchised Business or if any of such training can be waived. In the alternative, Franchisor may terminate this Agreement if Franchisee conclusively demonstrates he or she is unable to satisfactorily complete the training process prior to the scheduled opening of business operations. If Franchisee fails to cancel scheduled training at least fourteen (14) days prior to such training, or if Franchisee is not prepared to successfully complete training, Franchisor may charge Franchisee the cost of conducting the originally scheduled training (including any travel and living expenses incurred by Franchisor or its representatives) and may require Franchisee to pay an additional fee for rescheduled training.

(c) Such pre-opening or opening advice by Franchisor in the initial operation of the Franchised Business as Franchisor may, in its sole discretion, deem appropriate.

(d) Such information as Franchisor may have concerning possible sources of signs, equipment, fixtures, furnishings, improvements, and other products and services available in connection with the operation of an Orkin System franchise.

(e) Such forms and other pre-opening materials for use in the operation of the Franchised Business as Franchisor may develop from time to time.

5.02 Assistance During Term of Agreement. Franchisor shall continue its efforts to maintain standards of quality, appearance, and service for Orkin System franchises, the public image and reputation of the Orkin System, and the demand for the products and services provided thereunder, and to that end Franchisor may provide Franchisee with such of the following, as Franchisor, in its sole discretion, deems necessary and appropriate in order to maintain the quality and value of the Licensed Rights:

(a) Continuing business and sales training for such periods and at such locations and in such forms or media as Franchisor may designate;

(b) Periodic advice in local advertising and marketing;

(c) Advice concerning franchise operations, new techniques, or operating methods disclosed by reports submitted to or inspections made by Franchisor;

(d) Advice and guidance with respect to new and improved methods of operation or business procedures developed by Franchisor and use of the Manuals, promotional materials, advertising formats, and the Licensed Marks;

(e) Assistance in the selection of chemicals, equipment, materials, and supplies which Franchisee (or its Affiliates) will use in the Franchised Business, and the opportunity to participate in group purchasing programs for products, supplies, and equipment which Franchisor (or its Affiliates) may, from time to time, endeavor to use, develop, sponsor, or provide, upon such terms and conditions as may be determined by Franchisor; and

(f) A list of suppliers of Pest control products, equipment and supplies approved by Franchisor.

5.03 Sale of Products. Franchisor (or its Affiliates) shall offer for sale to Franchisee such Franchisor-approved chemicals, materials, supplies, equipment, forms, promotional materials, and printed materials as Franchisor, in its sole discretion, may from time to time desire to offer for sale to Franchisee; provided, however, Franchisee shall have no obligation to purchase such products, services, or materials from Franchisor (or its Affiliates), and Franchisor (and its Affiliates) may discontinue providing any such products or materials by giving Franchisee thirty (30) days written notice. So long as Franchisee is not in default hereunder, Franchisor shall use reasonable efforts to cause all orders placed by Franchisee to be filled as promptly as reasonably possible; provided, however, Franchisor will not be liable for loss or damage due to delay in delivery resulting from any cause beyond its reasonable control.

5.04 Resolution of Disputes with Customers. Upon request by either Franchisee or a customer of Franchisee, Franchisor may, at its option, use its reasonable efforts (without accepting any liability therefor) to mediate and attempt to resolve any disputes arising between Franchisee and Franchisee's customers.

5.05 Customer Care Center. During the Term of this Agreement, Franchisee shall have the right, but not the obligation, to utilize the services provided by the Orkin Customer Care Center in connection with the operation of the Franchised Business, which services include handling certain inbound and outbound telephone and internet-based communications with current and prospective customers regarding Pest control, Termite control, and other Orkin services on behalf of Franchisee. Notwithstanding the foregoing, Franchisee shall be required to utilize such services during the one (1) year period commencing on the Opening Date. The services provided by the Orkin Customer Care Center shall be provided to Franchisee free of charge.

5.06 No Other Required Services. There shall be no other additional services required to be provided by Franchisor to Franchisee except as expressly set out in this Agreement.

5.07 No Obligation to Provide Services if Franchisee is in Default. Notwithstanding any other provision in this Agreement, for so long as Franchisee is in default under any of the terms and conditions of this Agreement, Franchisor shall not be obligated to provide any of the services required to be provided to Franchisee hereunder, and Franchisor's failure to provide such services shall not be deemed to be a breach or an event of default hereunder.

## **6. FRANCHISEE'S DUTIES AND OBLIGATIONS**

6.01 Franchisee's Obligations upon Execution of Agreement; Certification. Franchisee shall fulfill all pre-opening requirements as are set forth in the Manuals and commence full operation of the Franchised Business within three (3) months of the Effective Date of this Agreement, unless Franchisor consents in advance in writing to an extension of this date. Franchisee agrees that, prior to the Opening Date, it will obtain all necessary Federal, state and local certifications, permits, and authorizations necessary to conduct a Termite or Pest control business in the Territory and deliver to Franchisor copies of the forms of customer contracts, employee restrictive covenant agreements, business cards and stationery which Franchisee proposes to use in connection with its operation of the Franchised Business. Franchisee will also deliver to Franchisor copies of all such contracts, business cards and stationery promptly after any revisions thereto by Franchisee.

6.02 Training. As soon as reasonably practicable following the Effective Date, Franchisee, or a designated manager approved by Franchisor, shall attend and complete, to Franchisor's satisfaction, the training described in Section 5.01(b) (Assistance Prior to Commencement of Business) and shall pass a written test or tests prepared by Franchisor to assure Franchisor that Franchisee (or its designated manager) has been trained and has adequate knowledge to enable Franchisee to conform to the standards of the Orkin System and the rights granted and obligations assumed hereunder. In the event any such designated manager is replaced by another officer or manager, Franchisee agrees to have the replacement officer or manager attend and complete Franchisor's training, at Franchisee's cost and expense, as soon as reasonably practicable (but in no event later than three (3) months) following such replacement. Franchisee, its managers, and/or other key employees shall attend and complete, to Franchisor's satisfaction and at Franchisee's cost, such other training programs as Franchisor may require in the Manuals or otherwise in writing. In addition, all incidental expenses incurred in connection with any training, including, without limitation, the cost of travel, room, board, and wages for any individuals being trained, shall be borne by Franchisee. Franchisee may request that Franchisor provide remote or on-site training or consultation (the "Remote or On-Site Training"). Franchisor may agree to provide Remote or On-Site Training but will not be obligated to do so. Franchisor may also, in its sole discretion, require that Franchisee attend Remote or On-Site Training at any time, including in the days or weeks before and/or after the Opening Date and/or if Franchisee fails to comply

with the Orkin System and the standards set forth in the Manuals. Franchisor may charge Franchisee a reasonable fee for Remote or On-Site Training, which may include a daily or hourly fee for each of Franchisor's trainers and reimbursement for their travel and living expenses (including airfare, car expenses, lodging, meals, etc.) during such Remote or On-Site Training. Franchisor may, from time to time, conduct conferences, conventions, programs, webinars, teleconferences, or training sessions on matters related to the Orkin System. Franchisee and other personnel Franchisor designates must attend each meeting, program, or session that Franchisor requires. Franchisor may charge Franchisee a reasonable fee to attend any such meeting, program, or session. If Franchisee fails to cancel any scheduled training at least 14 days prior to such training or if Franchisee is not prepared to successfully complete training, Franchisor may charge Franchisee the cost of conducting the originally scheduled training (including any travel and living expenses incurred by Franchisor or its representatives) and may require Franchisee to pay an additional fee for rescheduled training.

6.03 Continuing Duties and Obligations of Franchisee. During the Term of this Agreement, Franchisee agrees:

(a) To operate the Franchised Business in conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing to ensure that the highest degree of quality and service is uniformly maintained.

(b) To sell or offer for sale only Pest and/or Termite control services that meet Franchisor's uniform standards of quality and performance as provided in the Manuals or otherwise in writing by Franchisor.

(c) To comply with all requirements of the Manuals with respect to the treatments for powder post beetles, including, without limitation, the requirement that all powder post beetle treatments must be visually supervised or inspected by the majority Owner or a certified manager of Franchisee.

(d) To comply with all Federal, state, and local laws and regulations, including without limitation, all privacy and cyber security laws and regulations, all pesticide laws and regulations, the Federal Insecticide, Fungicide, and Rodenticide Act, and the Occupational Safety and Health Act, all at Franchisee's sole cost and expense.

(e) To maintain in sufficient supply, and use at all times, only such chemicals, materials, supplies, equipment, uniforms, and printed materials as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by using nonconforming items.

(f) To purchase all chemicals, equipment, supplies, and other products and materials utilized in the operation of the Franchised Business from either (i) Franchisor or its Affiliates, or (ii) from suppliers who have been approved by Franchisor. Prior to using any equipment, supplies, or other products and materials not previously approved by Franchisor, Franchisee agrees to submit to Franchisor a written request for approval and provide Franchisor with any information requested. Franchisee agrees to pay Franchisor for the reasonable costs incurred in evaluating each supplier, product, and/or service, whether or not the supplier, product, and/or services, as applicable, is ultimately approved. Franchisor has the right to grant, deny, or revoke approval of any product or supplier based solely on Franchisor's judgment. Franchisor will notify Franchisee in writing of its decision as soon as practicable following Franchisor's evaluation. If Franchisee does not receive Franchisor approval within ninety (90) days after submitting all of the information

that Franchisor requests, Franchisor's failure to respond will be deemed a disapproval of the request. The products and services that Franchisor approves for Franchisee to offer in Franchisee's Franchised Business may differ from those that Franchisor permits or requires to be offered in other franchisees' Franchised Businesses.

(g) To, upon receipt of a notice of revocation of approval, immediately cease:

(i) purchasing or leasing a formerly-approved product and dispose of remaining inventory of the formerly-approved products as Franchisor directs. If Franchisor revokes approval of a previously-approved product that Franchisee has been selling to customers, Franchisee may continue to sell the product only from existing inventory for up to thirty (30) days following Franchisor's revocation of approval. Franchisor has the right to shorten this period if, in its sole discretion, the continued sale of the product would prove detrimental to Franchisor's reputation. After the 30-day period, or such shorter period that Franchisor may designate, Franchisee must dispose of remaining formerly-approved inventory as Franchisor directs.

(ii) offering a formerly-approved service.

(iii) purchasing from a formerly-approved supplier.

(h) To provide and maintain, at its expense, a location(s) inside the Territory from which it shall operate. To the extent Franchisor or its Affiliate leases a facility inside of the Territory as of the Effective Date, upon the request of Franchisor, Franchisee agrees to assume the lease of such facility (or sublease such facility from Franchisor or such Affiliate) for the remainder of the then-current term of such lease or the Term of this Agreement, if shorter.

(i) To install furniture, fixtures, and equipment as may be necessary and proper for the operation of the Franchised Business, in conformity with the Manuals or as otherwise specified in writing by Franchisor, and to keep Franchisee's facilities, offices, and signage in a thoroughly clean, neat, and safe condition.

(j) To permit Franchisor or its agents, at any reasonable time, without advance notification to enter Franchisee's business premises for the purpose of conducting inspections and audits and to photocopy and remove from the premises copies of business records, bank account records, and samples of any inventory items without payment therefor, and in the case of samples, in amounts reasonably necessary for testing by Franchisor or an independent, certified laboratory to determine whether such samples meet Franchisor's then-current standards and specifications. Franchisor has the right to gain access to Franchisee's Computer System (as defined herein) via licensed software. Franchisor also has the right to photograph or video record Franchisee's property or premises and may interview Franchisee's customers and employees. Upon reasonable notice, Franchisor has the right to accompany Franchisee's employees to observe actual work in the field.

(k) To use its best efforts to refer (in writing) inquiries, leads, and potential customers who reside or are located outside of the Territory to other franchisees of the Orkin System or to Orkin company-branch locations.

(l) To attend, or have a principal Owner attend, Franchisor's annual meeting of franchisees and pay any amounts charged by Franchisor with respect to Franchisee's or its principal Owner's attendance thereat.



(m) Not to do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with Franchisor's Licensed Marks or the Orkin System.

6.04 Franchisee's Employees. During the Term of this Agreement, Franchisee agrees as follows:

(a) Franchisee has no authority to employ or engage persons on behalf of Franchisor, and NO EMPLOYEES, INDEPENDENT CONTRACTORS, OR AGENTS OF FRANCHISEE SHALL BE DEEMED TO BE EMPLOYEES, INDEPENDENT CONTRACTORS, OR AGENTS OF FRANCHISOR, EACH OF WHICH SHALL AT ALL TIMES REMAIN FRANCHISEE'S EMPLOYEES, INDEPENDENT CONTRACTORS, OR AGENTS, AS APPLICABLE. FRANCHISEE HAS SOLE AND EXCLUSIVE CONTROL OVER ITS LABOR AND EMPLOYEE RELATIONS POLICIES, AND ITS POLICIES RELATING TO WAGES, HOURS, AND WORKING CONDITIONS OF ITS EMPLOYEES. FRANCHISEE HAS THE SOLE AND EXCLUSIVE RIGHT TO HIRE, TRANSFER, SUSPEND, LAY OFF, RECALL, PROMOTE, ASSIGN, DISCIPLINE, AND DISCHARGE ITS EMPLOYEES AND TO RESPOND TO EMPLOYEE GRIEVANCES.

(b) All sales and services franchised under this Agreement shall be performed solely by Franchisee, Franchisee's Owner(s), and/or Franchisee's employees. Franchisee, Franchisee's Owner(s), and all employees of Franchisee, while engaged in performance of all the services or sales activities provided herein, shall wear uniforms conforming in color, design, and markings to such specifications as Franchisor may designate in the Manuals, or otherwise in writing. Franchisee and all employees of Franchisee shall at all times during such performance present a neat and clean appearance and render competent and courteous service to customers of Franchisee.

(c) Franchisee is solely responsible for all salaries and other compensation of its employees and will make all necessary salary deductions and withholdings from its employees' salaries and other compensation, and is solely responsible for the payment of any and all contributions, taxes and assessments, and all other requirements of the Federal Social Security Administration, Federal and state unemployment compensation laws, Federal, state, and local withholding of income tax laws on all salary and other compensation of its employees, and any other laws affecting the income or withholdings of employees' wages.

(d) Franchisee will comply (and will cause its employees to comply) with all other Federal, state or local laws, ordinances, rules, or regulations regarding its employees, including, but not limited to, Federal or state laws or regulations regarding minimum compensation, overtime and equal opportunities for employment, the Federal Civil Rights Acts, Age Discrimination in Employment Act, the Federal Fair Labor Standards Act, the Americans With Disabilities Act and the Family Leave Act.

(e) Prior to hiring and/or employing any individual and if permitted by applicable law, Franchisor recommends that Franchisee administer drug screening tests to each of Franchisee's employees and prospective employees and require that each such individual pass such tests as a condition to his or her hiring and/or continued employment. Franchisor further recommends that, if permitted by applicable law, Franchisee will obtain a Motor Vehicle Report pertaining to such individual and ensure that in the most recent thirty-six (36) month period, such individual has not incurred three (3) or more "at fault" accidents or moving violations, has not had his or her license suspended, and has not been convicted of driving while intoxicated and/or under the influence of drugs. Franchisee will perform adequate character reference and background checks prior to hiring.

(f) Franchisee will maintain employment records and files with respect to each employee sufficient to evidence Franchisee's compliance with the requirements of this Agreement that pertain to Franchisee's employees, including, without limitation, Section 6.02 (Training), Section 6.04 (Franchisee's Employees), and Section 11.02(e) (Non-Competition and Non-Solicitation).

6.05 Franchisee's Customers. During the Term of this Agreement, Franchisee agrees as follows:

(a) All of the services performed by Franchisee shall be of a high standard of workmanship and quality. Franchisee shall at all times offer a "money back guarantee" to its customers on a basis which is substantially equivalent to the "money back guarantee" which is described in the Manuals or in a written notice or bulletin from Franchisor. Franchisee shall at all times maintain a general policy of satisfaction of customers and, in addition to its obligations under the "money back guarantee," shall adjust for all complaints of and controversies with customers arising out of the operation of the Franchised Business. In any case in which an adjustment is unsatisfactory to the customer, Franchisor shall have the right, after discussing the customer complaint with Franchisee, to make such further adjustment, at Franchisee's expense, as Franchisor may deem necessary under the circumstances, but not exceeding the amount of all charges paid by the customer, and any adjustment made by Franchisor shall be conclusive and binding upon Franchisee. Franchisee shall use its best efforts to respond to each customer complaint within twenty-four (24) hours after receipt of such complaint from the customer or from Franchisor (if the customer complains first to Franchisor). If Franchisee fails to respond to a complaint within such twenty-four (24) hour period, Franchisor may intervene and address and/or resolve such complaint (without incurring liability); if Franchisor incurs costs and/or expenses in addressing and/or resolving the complaint, Franchisor may charge back to Franchisee the full amount of such costs and expenses.

(b) Franchisee shall maintain files pertaining to customer complaints and their adjustment and make such files available to Franchisor on request.

(c) Franchisee shall furnish to Franchisor (electronically, in a form prescribed by Franchisor), on January 1 and July 1 of each year during the Term of this Agreement, a complete list of all existing customers and those who canceled during the prior six (6) month period (including such customer's name, address and telephone number).

(d) If provided by a customer, Franchisee shall be responsible for all keys to the customer's premises and shall observe all security systems and precautions necessary or required at the customer's premises. Franchisee shall obtain a signed "Permission to Enter" card from all such customers and shall keep such cards on file in its offices. If services are discontinued for any reason or if this Agreement is terminated for any reason, Franchisee shall return all keys and security codes and cards immediately to applicable customers.

(e) Franchisee shall not knowingly provide services to a customer who is located, or who resides, outside of the Territory, without the prior written authorization of Franchisor or the Orkin branch manager responsible for the area in which such services are to be provided. If it is discovered through notice from Franchisor or otherwise that Franchisee is servicing a customer who is located outside of the Territory without such authorization, Franchisee shall, within five (5) business days of such discovery, (i) transfer such customer's account and agreement (for no consideration) to either another franchisee of Franchisor or to a branch operated by an Affiliate of Franchisor, as designated by Franchisor, and (ii) pay to the party to which such customer's

account and agreement is transferred an amount equal to thirty percent (30%) of the aggregate amount of gross revenue received by Franchisee for servicing such account at any time from and after the Effective Date. Except as set forth in Section 6.09 (Multi-Territorial Accounts), Section 6.12 (Existing Termite Customers; Retreatment), Section 9 (Corporate Acquisitions) and Section 11.08 (Restrictions on Goods and Services Provided by Franchisee) herein, Franchisor shall not knowingly provide services to a customer who is located, or who resides, inside of the Territory, without the prior written authorization of Franchisee. Without limiting Section 21.13 (Limitation of Liability), if it is discovered through notice from Franchisee or otherwise that Franchisor, an Affiliate or another of Franchisor's franchisee(s) is servicing a customer who is located inside of the Territory using the Licensed Marks and the Orkin System, during the Term, without authorization, Franchisor shall, within five (5) business days of such discovery, use commercially reasonable efforts to (i) cause a cessation in service to such customer, (ii) transfer, or cause to be transferred, such customer's account and agreement (for no consideration) to Franchisee, and (iii) pay, or cause to be paid, to Franchisee an amount equal to thirty percent (30%) of the aggregate amount of gross revenue received by the servicing party for servicing such account at any time from and after the [Opening/Effective] Date. Notwithstanding anything to the contrary set forth herein, the remedy set forth in the prior sentence shall be Franchisee's sole and exclusive remedy in the event of a violation as described in this Section 6.05.

6.06 Computing and Technology. During the Term of this Agreement, Franchisee agrees as follows:

(a) Franchisee, entirely at its own expense, shall purchase and/or lease, maintain, and update, as necessary, to Orkin minimum standards, all computer systems and hardware, including, without limitation, hand-held devices, software, and communications capabilities required by Franchisor, as provided to Franchisee in writing or set forth in the Manuals (collectively, the "Computer System"). Franchisor may require Franchisee to use certain devices and/or software owned or licensed by Franchisor or its Affiliates in connection with the operation of the Franchised Business (including providing services to Multi-Territorial Accounts), which devices and/or software Franchisor or such Affiliate will license or sub-license to Franchisee pursuant to separate license agreements. Such license agreements may contain license or other fees payable to Franchisor or any such Affiliate with respect to the license and use of such devices and/or software. Without limiting the foregoing, Franchisee shall purchase, maintain a valid license for, and utilize Windows 10 or a similar Windows based operating system or such other operating system as required by Franchisor from time to time, sub-license from Franchisor (by executing the form of the sub-license agreement attached hereto as Exhibit E) and utilize ServicePro.Net's suite of software products, utilize Franchisor's BOSS Mobility mobile application ("BOSS Mobility") in connection with Multi-Territorial Accounts, and purchase, maintain a valid license for, and utilize all other software required by Franchisor, which may include Intuit QuickBooks and Microsoft Office Suite.

(b) Franchisee, entirely at its own expense, shall establish, maintain and update, as necessary, to Orkin minimum standards, high-speed communications access, such as cable or DSL, with a reputable service provider and, to the extent an email address is not provided to you by Franchisor, a functioning email address from which Franchisee can send and receive franchise-related information.

(c) Franchisee, entirely at its own expense, shall make any and all other computing and technological improvements, upgrades, modifications, and replacements required by Franchisor, including with respect to the Computer System, as determined from time to time by Franchisor in its sole discretion. Franchisee shall not install any software, other than authorized

upgrades, or make any hardware modifications to the Computer System that hamper or interfere with the operation of the Computer System in the manner Franchisor requires.

(d) Franchisee shall provide Franchisor with access to the Computer System in such form and manner as Franchisor may request, at Franchisee's sole cost and expense. Franchisee shall disclose to Franchisor any passwords or codes associated with the Computer System. Franchisor reserves the right to download sales, other data, and communications from the Computer System at any time, without limitation. Franchisor shall exclusively own all customer and financial data provided by Franchisee, downloaded from the Computer System, and otherwise collected from the Computer System. Franchisor shall have the right to use such data in any manner that it deems appropriate, without compensation to Franchisee.

6.07 Vehicles and Equipment. During the Term of this Agreement, Franchisee agrees as follows:

(a) Franchisee, entirely at its own expense, shall obtain all vehicles, tools, and equipment as may be necessary and proper for the operation of the Franchised Business pursuant to this Agreement and the Manuals, and shall maintain such equipment in good working order and repair.

(b) Franchisee shall keep all of Franchisee's vehicles bearing the Licensed Marks and/or Franchisor's colors and identifying marks (the "Marked Vehicle") in a clean and well-maintained condition at all times. At no time shall Franchisee utilize a vehicle that is more than five (5) years old or has mileage exceeding 150,000 miles. Franchisee shall cause all body damage to its vehicles to be repaired within thirty (30) days of the date of damage.

(c) When any of Franchisee's Marked Vehicles are no longer used in connection with the Franchised Business, Franchisee shall promptly have all Licensed Marks and/or other of Franchisor's colors and identifying marks removed. Franchisee shall not sell or otherwise use or dispose of such vehicles until such identifiers have been removed.

(d) The Marked Vehicles and any other vehicles used in the Franchised Business shall be the property of Franchisee for all purposes. Franchisee shall be solely responsible for registration and licensing of such vehicles and for the payment of all taxes and assessments thereon. Franchisor shall have no responsibility for any expense in connection with the purchase, maintenance, or use of such vehicles, such expenses being the sole responsibility of Franchisee. Franchisor shall not be obligated to purchase any of such vehicles from Franchisee upon termination of this Agreement or otherwise.

(e) Franchisee agrees to use in the operation of the Franchised Business only those brands or types of machinery, equipment, and signs as are in compliance with Franchisor's specifications and standards for design, appearance, function, performance, and serviceability and to purchase all such items only from suppliers which have been approved by Franchisor. Franchisee further agrees to place or display in or on any vehicles, machinery, and equipment only such signs, logos, and display materials that have been approved in writing by Franchisor.

(f) In the event Franchisee elects to lease its vehicles, equipment, machinery, or signs, such items may be leased only from leasing companies designated or approved by Franchisor and each and every lease shall provide for the optional assumption of any such lease by Franchisor, or its nominee, from Franchisee in the event of expiration or termination of this

Agreement for any reason whatsoever. Franchisee agrees to execute such documents as are required to effectuate the purposes and intent of this subparagraph.

6.08 No Authority to Bind Franchisor. Under no circumstances will Franchisee make any purchases or incur any obligation or expense of any kind in the name of Franchisor. Prior to making any purchase involving the Franchised Business, Franchisee shall inform the vendor of the item or service being purchased that Franchisor is not responsible for any obligations incurred as a result of such purchase. Franchisee shall promptly pay all such obligations of Franchisee including those for labor and material. Franchisee will allow no lien to attach to a customer's property for failure to pay such sums. Upon request by Franchisor, Franchisee shall furnish Franchisor with the names of all parties from whom Franchisee purchases or purchased merchandise or services, as well as the names of all other parties with whom Franchisee may have any business or contractual relations in connection with the conduct of its business under this Agreement.

6.09 Multi-Territorial Accounts. Franchisor (and its Affiliates) shall have the exclusive right to provide service to Franchisor's (and Franchisor's Affiliates') international, national, regional, or otherwise multi-territorial accounts located in the Territory and/or participate in Orkin's "Client Services Program" and are located in the Territory (collectively, the "Multi-Territorial Accounts", as identified in writing from time to time by Franchisor) during the Term of this Agreement by either (i) servicing the account itself (or by its designated Affiliate) using the Licensed Marks and the Orkin System or (ii) contracting with a third party (including but not limited to another franchisee of the Orkin System) to service the account. In such event, the third party servicing the account may use the Licensed Marks and the Orkin System, notwithstanding anything to the contrary herein. Franchisee shall not have any right to service any Multi-Territorial Account in the Territory; provided, however, upon request by Franchisor, Franchisee agrees to provide the Multi-Territorial Accounts with timely and effective service for the fee negotiated and agreed between the customer and Franchisor (or its Affiliates) in good faith as a fair and reasonable compensation. Such fee will be the same as the amount paid to Franchisor (or its Affiliates) for the same services as rendered by Franchisor's (or its Affiliates') branches to such customer, net of any commission and administrative charges (including those associated with the failure to use Franchisor's designated method of capture and transfer of Multi-Territorial Account data). Franchisor (or its Affiliates) shall be responsible for the payment of any sales tax associated with servicing Multi-Territorial Accounts. Franchisee agrees to make reasonable efforts to submit billing and service confirmation documents for Multi-Territorial Accounts (collectively, "Service Confirmation Documents") to Franchisor within three (3) business days of servicing any such account. Unless otherwise directed by Franchisor, Franchisee must submit Service Confirmation Documents to Franchisor by 12:00:01 PM Eastern Standard Time on the second business day of the month following the month within which any such account is serviced via BOSS Mobility; provided, however, if Franchisee is unable to submit Service Confirmation Documents via Boss Mobility, Service Confirmation Documents may be submitted to Franchisor via U.S. Mail to 2170 Piedmont Road N.E., Atlanta, Georgia 30324, or by email to [csfranchise@rollins.com](mailto:csfranchise@rollins.com). Franchisor agrees to reimburse Franchisee by electronic funds transfer no later than the twentieth (20<sup>th</sup>) day of the month following the month within which the applicable Service Confirmation Documents were submitted (or if such day falls on a weekend or holiday, the next business day). Any failure by Franchisee to submit Service Confirmation Documents by the due date set forth above may jeopardize the availability or timing of Franchisee's reimbursement. In the event that Franchisee fails to service any such Multi-Territorial Accounts upon request by Franchisor and in accordance with the terms of this Agreement, the Manuals, and the applicable Multi-Territorial Account agreement, if any, Franchisor may, at its option and in addition to other remedies set forth in this Agreement, (a) terminate Franchisee's limited right to service any or all Multi-Territorial Accounts

and (b) thereafter provide service to such Multi-Territorial Accounts via one of the methods set forth above. Franchisee shall ensure that the insurance coverage Franchisee is required to maintain pursuant to Section 13 (Insurance) below will cover Franchisee's provision of services to Multi-Territorial Accounts as contemplated by this Section 6.09 and that the insurance providers agree (a) to waive their rights of subrogation against and not pursue Franchisor or its Affiliates with respect to any insured claims related thereto and (b) not to pursue recovery from Franchisor's or its Affiliates' insurers for such claims.

6.10 Right to Use Franchisee's Name. Both before and after the expiration or termination of this Agreement, Franchisee agrees to give Franchisor and those acting under Franchisor's authority the right to reasonably and fairly use Franchisee's name, photograph or biographical material (including the names, photographs, or biographical materials regarding Franchisee's Owner(s)) in any publication, circular or advertisement related to the business of Franchisor or Franchisee, in any place, for an unlimited period, without compensation.

6.11 Existing Pest and/or Termite Control Operators. If Franchisee or one or more of its Affiliates or Owners is operating or managing an existing Pest and/or Termite control business as of the Effective Date of this Agreement (an "Existing Business"), Franchisee, on its behalf and on behalf of its Affiliates and Owner(s), makes the following representations:

(a) There is no pending or, to Franchisee's knowledge, threatened litigation, proceeding, or investigation against or affecting the Existing Business.

(b) The Existing Business has been managed and operated in material compliance with all Federal, state, and local laws, regulations, and ordinances, and the Existing Business has not received a notice from any governmental authority which asserts or alleges a violation of law.

(c) All information given to Franchisor by Franchisee with respect to Franchisee's prior revenues, profits, expenses, and number of customers is true and correct.

(d) All of the Pest and/or Termite control operations which are owned, operated, or managed by Franchisee and its Affiliates and Owner(s) are within the Territory and will be subject to this Agreement, subject to Section 3.03(b).

6.12 Existing Termite Customers; Retreatment. If Orkin has Termite control customers in the Territory as of the Effective Date (other than Multi-Territorial Accounts and Acquired Termite Control Customers), Franchisor shall have the option to require Franchisee to act as Orkin's independent contractor to perform Termite control reinspection, retreatment, and related services, which may include, without limitation, preparation of Wood Destroying Insect Inspection Reports, for said customers in accordance with the policies set forth in the Manuals. In consideration for Franchisee providing Termite control reinspection services to such customers, Franchisor, on behalf of Orkin, shall pay to Franchisee an amount equal to thirty-two dollars (\$32.00) (a \$35.00 service fee less a \$3.00 royalty) for each such reinspection performed unless otherwise provided in a written notice from Franchisor to Franchisee. In consideration for Franchisee providing Termite control retreatment and other services to such customers, Franchisor, on behalf of Orkin, shall reimburse Franchisee for its costs incurred in connection with its provision of such retreatment services (with certain limitations, as described below), plus thirty percent (30%) of such costs. Unless otherwise provided in a written notice from Franchisor to Franchisee, Franchisee "costs" to be reimbursed for retreatment services pursuant to this Section 6.12 shall be twenty-four dollars (\$24.00) per hour for labor, fifty-seven and one half cents (\$0.575) per mile for associated travel expenses, one dollar (\$1.00) per gallon of chemicals used, and the actual

costs to Franchisee for other supplies and materials (i.e., not chemicals) used in servicing said customers; provided, however, that the costs of such supplies and materials shall in no event exceed the prices at which Franchisee could purchase the same or substantially similar chemicals, supplies, or other materials from Franchisor's Affiliates as of the date of the performance of such retreatment services by Franchisee hereunder. In addition, such "costs" shall not include any amounts for bonuses, tips, or other forms of incentive or other compensation, or any allocation of Franchisee's rent or other overhead expenses. These amounts and/or the structure of reimbursement may be adjusted from time to time. The amounts Franchisee receives from Franchisor pursuant to this Section 6.12 shall be included in Franchisee's Monthly Total Net Revenues. Franchisor hereby reserves the right to require Franchisee to obtain Franchisor's prior approval before Franchisee applies any Termite retreatment to the residences or commercial establishments of the Termite control customers described in this Section 6.12; to elect such right, Franchisor shall give three (3) days' written notice to Franchisee. Notwithstanding anything herein to the contrary, if Franchisor chooses not to require Franchisee to act as Orkin's independent contractor for the services described in this Section 6.12, Orkin or an independent contractor hired by Orkin or Franchisor shall provide such services for said customers using the Licensed Marks.

6.13 Compliance with Electronic Payment Standards. Franchisee must abide by: (a) the Payment Card Industry Data Security Standards ("PCIDSS") enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); (b) the Fair and Accurate Credit Transactions Act ("FACTA"); and (c) all other standards, laws, rules, regulations, or any equivalent thereof applicable to electronic payments that may be published from time to time by payment card companies and applicable to electronic payments ("Electronic Payment Requirements"). If Franchisee or Franchisor are required by one of the credit card companies or another third party (including any governmental body) to provide evidence of compliance with PCIDSS, FACTA, or applicable Electronic Payment Requirements, Franchisor may require Franchisee to provide, or make available, to Franchisor copies of an audit, scanning results, or related documentation relating to such compliance. If Franchisee suspects or knows of a security breach, Franchisee must immediately give Franchisor notice of such security breach and promptly identify and remediate the source of any compromise or security breach. Franchisee assumes all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Franchised Business.

## **7. ENVIRONMENTAL AUDIT; ENVIRONMENTAL COMPLIANCE**

7.01 Environmental Audit. Prior to executing any lease or real estate contract for the operation of the Franchised Business at a location which has previously been used for a Pest or Termite control business or other industrial use (other than in the case of the assumption of the lease for or sublease of such location from Franchisor or its Affiliate pursuant to Section 6.03(h)), Franchisee shall conduct, through independent, reputable, and licensed environmental experts, an environmental site assessment (the "Audit") of any property Franchisee intends to use to operate the Franchised Business (the "Franchise Property"). The Audit shall include a Phase I environmental site assessment performed in compliance with ASTM 1527-05 and obtaining the results of soil and ground use samples taken at the Franchise Property. Franchisee shall promptly advise Franchisor in writing whether the Audit revealed any Hazardous Substances (as defined herein) or other activities or conditions associated with the Franchise Property which require remedial activity. In addition, Franchisee shall provide Franchisor with a copy of the Audit within ten (10) days of Franchisee's receipt thereof.

7.02 Environmental Compliance. Franchisee covenants and agrees, at its sole cost and expense, to comply with all applicable local, state, and Federal environmental laws and

regulations concerning Franchisee's storage, handling, use, transportation, and disposal of Hazardous Substances, underground storage tanks and other storage tanks. All of Franchisee's covenants in this Section 7 shall survive the expiration or earlier termination of this Agreement.

## **8. CORPORATE FRANCHISEES**

8.01 Requirements. Franchisor agrees that Franchisee may operate as an Entity if it meets each of the following requirements:

(a) All Owner(s) shall at all times be personally bound by the terms of this Agreement and shall execute a personal guaranty in the form of Exhibit F-1 attached hereto.

(b) If Franchisee is an Entity, Franchisee hereby makes the following representations and warranties to Franchisor: Franchisee is a corporation, limited liability company or other Entity duly organized, validly existing, and in good standing under the laws of the state of its incorporation or formation, as applicable; Franchisee is duly qualified as a foreign corporation, limited liability company, or other Entity, as applicable, in all jurisdictions in which the conduct of its business as currently conducted and as contemplated herein and/or the ownership of its properties requires such qualification; Franchisee has all necessary corporate, limited liability company, or other Entity power and authority, as applicable, to own, lease, and operate its properties and conduct its business as it is currently being conducted and as contemplated herein; and certified copies of Franchisee's Articles of Incorporation, By-laws, and other governing documents, or its limited liability company or other Entity equivalents, including the resolutions of its Board of Directors, or its limited liability company or other Entity equivalents, authorizing the execution, delivery, and performance of this Agreement and the agreements to be entered into in connection herewith, shall be furnished to Franchisor prior to the effective date of such corporation, limited liability company, or other Entity becoming Franchisee.

(c) If Franchisee is an individual and wishes to operate the Franchised Business as an Entity after the Effective Date, Franchisee shall obtain prior written approval of Franchisor for transfer of the rights and duties hereunder to the new Entity, which approval shall not be unreasonably withheld. Franchisor shall not charge any fee for such approval. The new Entity shall assume in writing all duties of Franchisee, and the original Franchisee shall remain personally bound.

(d) Subject to transfers in compliance with Section 14.02 (Transfer by Franchisee), the Owner(s) named on Exhibit F-2 attached hereto shall remain the Owner(s) of not less than sixty-seven percent (67%) of the total voting equity interests of Franchisee during the entire Term of this Agreement, with the effective unencumbered right to vote such equity interest (other than any restriction required or created by this Agreement). The loss, surrender, or transfer of such ownership or effective unencumbered right to vote such equity interest, by any means whatever, shall constitute a material breach of the terms of this Agreement. Franchisee represents and warrants that Exhibit F-2 attached hereto sets forth a true, correct, and complete schedule of the ownership structure of Franchisee as of the Effective Date. In addition to complying with the other terms and conditions of this Agreement, Franchisee shall submit to Franchisor an updated Exhibit F-2 within five (5) days following any transfer of ownership in Franchisee.

## **9. CORPORATE ACQUISITIONS**

9.01 From time to time, Franchisor and/or its Affiliates may acquire the stock and/or assets of other Pest and/or Termite control companies, including the Pest and/or Termite control customers



of such companies (“Acquired Customers”). If such acquisition includes Acquired Customers within the Territory, Franchisor or its Affiliate may, in its sole discretion:

(a) Continue to service the Acquired Customers using the marks of the acquired company or any other marks other than the Licensed Marks (“Option 1”);

(b) Service the Acquired Customers using the Licensed Marks for one (1) year from the date of the acquisition of the Acquired Customers, in order to transition the Acquired Customers to the Orkin® brand (“Option 2”), after which transition period, Franchisor or its Affiliates may pursue Option 1, Option 3A, or Option 3B;

(c) Allow Franchisee to purchase the Acquired Customers within the Territory from Franchisor or its Affiliate at a then-agreed to price (“Option 3A”), as offered in writing by Franchisor; or

(d) Allow Franchisee to service the Acquired Customers within the Territory as an independent contractor for Franchisor or its affiliate for the price negotiated by Franchisor or its Affiliate with those Acquired Customers in good faith and to receive from Franchisor a fair and reasonable compensation for such services (“Option 3B”), as offered in writing by Franchisor.

If, for any reason, Franchisee fails to indicate its acceptance, in writing, of Option 3A or Option 3B within thirty (30) days of being offered one or both options, to the extent such options are offered by Franchisor, Franchisor or its Affiliates may service such customers using the Licensed Marks.

## **10. LICENSED MARKS; IMPROVEMENTS**

10.01 Franchisor’s Right to Licensed Marks and Goodwill Associated Therewith. Franchisee acknowledges Franchisor’s rights in and to the Licensed Marks, agrees that Franchisee has no ownership rights in the Licensed Marks, and agrees not to represent in any manner that Franchisee has acquired any ownership rights in the Licensed Marks. Franchisee agrees not to use any of the Licensed Marks, or any marks, names, or indicia which are or may be confusingly similar to the Licensed Marks, in its own Entity name, or with modifying words, designs, or symbols, including, without limitation, in web addresses, domain names, or URLs, except upon the prior written consent of Franchisor. Franchisee further acknowledges and agrees that any and all goodwill associated with the Orkin System and identified by the Licensed Marks shall inure directly and exclusively to the benefit of Franchisor and that, upon the expiration or termination of this Agreement for any reason, Franchisee shall have no rights in the Licensed Marks and no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee’s use of the Licensed Marks.

10.02 Use of Licensed Marks. Franchisee understands and agrees that any use of the Licensed Marks other than as expressly authorized by this Agreement, without Franchisor’s prior written consent, will constitute an infringement of Franchisor’s rights in the Licensed Marks. Franchisee further understands and agrees that the right to use the Licensed Marks granted in this Agreement does not extend beyond the termination or expiration of this Agreement for any reason. Franchisee covenants that, during the Term of this Agreement and thereafter, Franchisee shall not, directly or indirectly, commit any act of infringement or assist others in doing so, contest or aid others in contesting the validity of Franchisor’s right to use the Licensed Marks, or take any other action in derogation of the Licensed Marks.

10.03 Unauthorized Use of Licensed Marks. Franchisee shall promptly notify Franchisor of any claim, demand, or cause of action which, to Franchisee's knowledge, Franchisor may have based upon or arising from any unauthorized attempt by any person or Entity to use the Licensed Marks, any colorable variation thereof, or any other mark, name, or indicia in which Franchisor has or claims a proprietary interest or any colorable variation thereof. Franchisee shall assist Franchisor, upon request and at Franchisor's expense, in taking such action, if any, as Franchisor may deem appropriate to restrict or halt such activities, but shall take no action nor incur any expenses on Franchisor's behalf without Franchisor's prior written approval. If Franchisor undertakes the defense or prosecution of any litigation relating to the Licensed Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may, in the opinion of Franchisor's legal counsel, be reasonably necessary to carry out such defense or prosecution.

10.04 Advertising. Franchisee further agrees and covenants to operate and advertise only under the names or marks from time to time designated by Franchisor for use by similar Orkin System franchisees; to use the Licensed Marks solely in the manner prescribed by Franchisor; to refrain from using the Licensed Marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject Franchisor to liability therefor; to comply with all laws with respect to the registration of trade names and assumed or fictitious names; to include in any application therefor a statement that Franchisee's use of the Licensed Marks is limited by the terms of this Agreement; to provide Franchisor with a copy of any such application and other registration document(s) if requested by Franchisor; and to comply with such requirements with respect to trademark and service mark registrations and copyright notices as Franchisor may, from time to time, require, including, without limitation, affixing "SM," "TM," or "®" adjacent to all such Licensed Marks in any and all uses of the Licensed Marks; and to utilize such other appropriate notice of ownership and registration as Franchisor may require.

10.05 New Licensed Marks. Franchisor reserves the right, in its sole discretion, to develop at its own expense and to designate one or more new, modified or replacement Licensed Marks for use by Franchisee and to require the use by Franchisee of any such new, modified, or replacement Licensed Marks in addition to or in lieu of any previously designated Licensed Marks. Any expenses or costs associated with the use by Franchisee of any such new, modified, or replacement Licensed Marks shall be the sole responsibility of Franchisee. Franchisor shall not replace the Licensed Mark Orkin® except if, in Franchisor's good faith business judgment, circumstances require the Licensed Mark Orkin® to be changed.

10.06 Retained Rights of Franchisor. Notwithstanding any provision herein to the contrary, Franchisor has and retains the right:

(a) To grant other franchises for the Licensed Marks including the right to use or grant others the right to use the Licensed Marks in the Territory; provided, however, such right shall not include the right to operate a Pest or Termite control business using the Licensed Marks in the Territory, except as provided in Section 6.09 (Multi-Territorial Accounts), Section 9 (Corporate Acquisitions) and Section 11.08 (Restrictions on Goods and Services Provided by Franchisee), during the Term of this Agreement.

(b) To use the Licensed Marks in connection with the sale of any goods and products manufactured or distributed by Franchisor (or its Affiliates) at wholesale or retail by whatever means available, including, but not limited to, the sale of such goods and products within the Territory.

10.07 Rights in Improvements. Franchisee agrees that Franchisor is and shall be the owner of any and all developments (including any and all inventions, discoveries, trademarks, and improvements) relating to the services provided under the Orkin System, made or conceived by Franchisee or any Owner or employee of Franchisee during the Term hereof. Franchisee shall assist Franchisor, at Franchisor's expense, in obtaining execution of all documents and taking all other actions which Franchisor may reasonably request to make possible the filing of patent applications for any such developments and to establish that Franchisor is the owner of both the developments and any patent applications made in connection with such developments.

10.08 Websites; Social Media.

(a) As of the date of this Agreement, Franchisor maintains a website related to the Franchised Business at [www.orkin.com](http://www.orkin.com) (the "Franchisor Website"). Franchisor shall have the right to designate a successor Franchisor Website. Franchisee shall not, either alone or in conjunction with others, develop, maintain, or establish a Website or Social Media account/page relating directly or indirectly to the Franchised Business or using the Licensed Marks, without Franchisor's prior written consent. Franchisee acknowledges that Franchisor may, at its option, prohibit Franchisee's use of any such Website and/or Social Media account/page and/or require Franchisee to transfer any such Website and/or Social Media account/page to Franchisor or Franchisor's designee at the sole cost and expense of Franchisee. As used in this Agreement, the term "Website" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. As used in this Agreement, the term "Social Media" means those Website and/or web and/or mobile applications that enable users to create and share content or to participate in social networking (e.g., Facebook, Twitter, Instagram, TikTok, LinkedIn, etc.).

(b) If Franchisor requires, Franchisee shall provide such information that Franchisor periodically prescribes relating to Franchisee and the Franchised Business in connection with the Franchisor Website or any Website (including Social Media accounts/pages) that Franchisor or its Affiliate chooses to maintain.

(c) If Franchisee requests the right to establish a Website or Social Media account/page relating directly or indirectly to the Franchised Business or using the Licensed Marks, and Franchisor approves that request:

(i) Franchisee shall obtain Franchisor's prior written approval of any domain names relating to the Website and allow Franchisor to register such domain name(s) in its own name; any domain name registered by Franchisee in violation of this Section 10.08(c)(i) shall be immediately transferred to Franchisor or Franchisor's designee at the sole cost and expense of Franchisee;

(ii) before establishing the Website or Social Media account/page, Franchisee shall submit to Franchisor for prior approval a sample of the proposed format, visible content (such as proposed screen shots), and non-visible content (such as meta tags) in the form and manner Franchisor requires; and

(iii) Franchisee shall not materially modify an approved Website or Social Media account/page without Franchisor's prior written consent and shall comply with any Orkin standards that Franchisor periodically issues with respect to Websites and/or Social Media

accounts/pages (including, without limitation, rules relating to links to Franchisor's or its Affiliate's websites).

(d) Franchisee acknowledges that Franchisor may at any time revoke its approval of any Website, Social Media account/page, and/or content thereon and require that Franchisee discontinue use of such Website, Social Media account/page, and/or any email address and transfer any Websites, domain names, URLs, web and email addresses, and/or Social Media accounts/pages (to the extent such utilize the Licensed Marks) to Franchisor in accordance with Section 16.01(c) (Obligations Upon Termination).

(e) Franchisor may, at any time, designate a Website or Social Media management vendor, with whom Franchisee may be required to contract in order to establish or maintain an independent Website or Social Media presence.

(f) Franchisor may provide an email address to Franchisee ("Email Address"); if an Email Address is provided by Franchisor to Franchisee, Franchisee is required to use the Email Address solely for communications related to the Franchised Business. Franchisee shall only use the Email Address in accordance with terms of this Agreement and the Manuals, as well as any guidelines, directives, or specifications issued by Franchisor. Franchisee understands and agrees that messages sent from the Email Address shall not contain content which references any business other than the Franchised Business operated by Franchisee. Franchisee acknowledges that Franchisor may, at its option, revoke, or limit Franchisee's access to any such Email Address at any time. Franchisee agrees that Franchisor shall have no liability for failing to make an Email Address available to Franchisee.

(g) TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF THE FRANCHISOR WEBSITE AND/OR ANY EMAIL ADDRESS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR SHALL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFIT OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY, OR FAILURE OF THE FRANCHISOR WEBSITE OR ANY EMAIL ADDRESS. Upon the termination or expiration of this Agreement for any reason or Franchisee's default under this Agreement for any reason, all right of Franchisee to use an Email Address provided by Franchisor shall immediately cease.

## **11. COVENANTS OF FRANCHISEE**

11.01 Full Time and Effort. Franchisee covenants and agrees that, during the Term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall (and shall require its designated managers to) devote full time, energy, and best efforts to the management and operation of the Franchised Business and to compliance with all of the terms and conditions of this Agreement. If Franchisee is an Entity, (i) the ownership, management, and operation of the Franchised Business shall be the only business owned, managed, and/or operated out of or through the Entity (unless otherwise approved by Franchisor at its sole option and in accordance with requirements determined by Franchisor), and (ii) any Owner owning at least thirty percent (30%) of the equity interests of such Entity or any director or manager thereof shall be subject to the provisions of this Section 11.01 unless Franchisor consents in writing, which consent shall not

be unreasonably withheld. Further, subcontracting by Franchisee of any services to be rendered with respect to the Franchised Business is strictly prohibited without Franchisor's prior written consent in each instance.

#### 11.02 Non-Competition and Non-Solicitation.

(a) Franchisee covenants that, during the Term of this Agreement or any extension or renewal thereof, except as otherwise approved in writing by Franchisor, neither Franchisee, nor its Owner(s), Affiliates, or subsidiaries, shall, either directly or indirectly, for itself, themselves, or through, on behalf of, or in conjunction with any person or Entity:

(i) Divert, or attempt to divert, any business or customer of the Franchised Business, Franchisor, or any Affiliate of Franchisor to any third party, by direct or indirect inducement or otherwise; or transfer, encumber, or sell, or attempt to transfer, encumber, or sell, any Customer Contract to or for the benefit of any third party; or

(ii) Have any direct or indirect interest as a disclosed or beneficial owner in, or perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise with respect to, any person or Entity that provides Pest or Termite control services, regardless of location; provided, further, that this provision shall not apply to any ownership by Franchisee or its Owner(s) of less than one percent (1%) of the outstanding equity securities of any publicly held corporation or any interest held indirectly through mutual funds.

(b) Franchisee acknowledges and agrees that the covenants and restrictions in Section 11.02(a) are reasonable, appropriate, and necessary to promote and protect the Orkin System, other Orkin System franchisees and the legitimate interests of Franchisor and are meant to deter any potential conflict of interest.

(c) Franchisee further covenants that, during the two (2) year period following the Expiration Date or the effective date of termination of this Agreement for any reason, or following the date of a transfer by Franchisee or any Owner, except as otherwise approved in writing by Franchisor, neither Franchisee, nor its Owner(s), Affiliates or subsidiaries, shall, either directly or indirectly, for itself, themselves, or through, on behalf of, or in conjunction with any person or Entity:

(i) Solicit or accept, or attempt to solicit or accept, directly or by assisting others, any customer of the Franchised Business during the twenty-four (24) month period prior to the effective date of such termination, expiration, or transfer, as applicable; or

(ii) Have any direct or indirect interest as a disclosed or beneficial owner in, or perform services as a director, officer, manager, employee, consultant, or representative with respect to, any person or Entity that provides Pest or Termite control services in the Territory or within ten (10) miles thereof; provided, further, that this provision shall not apply to any ownership by Franchisee or its Owner(s) of less than one percent (1%) of the outstanding equity securities of any publicly held corporation or any interest held indirectly through mutual funds.

(d) Franchisee acknowledges that in the event of the termination of this Agreement for whatever cause, Franchisee's, and if Franchisee is an Entity its Owners', experience and capabilities are such that such person can obtain employment in a business engaged in other lines or of a different nature than that of the Pest or Termite control business and that the enforcement of a remedy by way of injunction will not prevent such person from earning a

livelihood.

(e) Franchisee shall require all of its officers, directors and managers, personnel performing managerial or supervisory functions, and service technicians to execute non-solicitation and confidentiality covenants similar to those set forth in Sections 11.02(a)(i), 11.02(c)(i), 11.03(b) and 11.04, in a form satisfactory to Franchisor, which shall include a statement that Franchisor is a third party beneficiary of such covenants and entitled to the enforcement thereof and that such agreements are assignable to Franchisor or its Affiliates without the prior consent of such employee of Franchisee. Promptly upon request by Franchisor, Franchisee shall provide to Franchisor evidence that such requirements have been satisfied by Franchisee with respect to all applicable personnel.

(f) Franchisee acknowledges that a violation of any covenant above in this Section 11.02 will cause irreparable damage to Franchisor, the exact amount of which may not be subject to reasonable or accurate ascertainment, and therefore, Franchisee does hereby consent that in the event of such violation, Franchisor shall as a matter of right be entitled to injunctive relief to restrain Franchisee, or anyone acting for or on its behalf, from violating said covenants, or any of them. Such remedies shall be cumulative and in addition to any other remedies to which Franchisor may then be entitled.

11.03 Manuals. In order to protect the reputation and goodwill of Franchisor and the Orkin System and to maintain uniform standards of operation under the Licensed Marks, Franchisee agrees that:

(a) Franchisee shall conduct its business in accordance with Franchisor's Manuals, including amendments and additions thereto, one (1) copy of which Franchisor has loaned to Franchisee for the Term of this Agreement, which loan Franchisee hereby acknowledges. The Manuals and any other training or operating materials on loan from Franchisor shall at all times remain the sole property of Franchisor. For purposes of this Agreement, the Manuals will be deemed to include any audiotapes, videotapes, compact discs, digital recordings, or other materials, in whatever form or medium, which are loaned to Franchisee, and any information distributed by Franchisor electronically or accessible through Internet or extranet addresses to which Franchisee may be given access for training and other purposes related to the Franchised Business.

(b) Franchisee shall at all times treat as confidential and require its employees and agents to treat as confidential the Manuals, and the information contained therein, and shall use all reasonable efforts to maintain such Manuals as secret and confidential. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce the Manuals, in whole or in part, nor otherwise make the same available to any unauthorized person. Upon any termination or expiration of this Agreement, Franchisee shall promptly return the Manuals and return (and/or if in electronic form, totally and irrecoverably erase) any and all copies thereof to Franchisor.

(c) Franchisor may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to comply with the new terms and conditions set forth therein.

(d) Franchisee shall at all times ensure that its copy of the Manuals is kept current and up-to-date with respect to those materials provided by Franchisor to be inserted therein, and in the event of any dispute as to the contents of the Manuals, the contents of the master copy of the Manuals maintained by Franchisor at Franchisor's home office shall be controlling.

#### 11.04 Confidential Information.

(a) Franchisee hereby agrees that the Confidential Information and Trade Secrets are not, by definition, generally known in the trade, that they are beyond the present skill and experience of Franchisee and its Owner(s), and that for Franchisee to develop the Confidential Information and Trade Secrets independently would be expensive, time-consuming, and difficult. Franchisee further agrees that the Confidential Information and Trade Secrets provide Franchisee with a competitive advantage, that they will be economically valuable to Franchisee in the development of the Franchised Business, and that gaining access to the Orkin System, and the Confidential Information and Trade Secrets that are a part thereof, is a principal reason why Franchisee is entering into this Agreement. Accordingly, in consideration of Franchisor and its Affiliates disclosure of the Confidential Information and Trade Secrets to Franchisee, Franchisee hereby agrees that Franchisee will not: (i) appropriate or use any Confidential Information or any Trade Secret for any purpose other than in accordance with this Agreement; (ii) disclose or reveal any Confidential Information or Trade Secret to any person or Entity, other than to its directors, officers, Owner(s), managers or employees who have a legitimate business need to know such information in order to operate the Franchised Business (and who agree in writing to be bound by the provisions of this Section 11.04(a)); (iii) divulge or use any Confidential Information or Trade Secrets for the benefit of any other person or Entity except as Franchisor expressly authorizes; or (iv) copy, duplicate, record, or otherwise reproduce any of the Confidential Information or Trade Secrets. Franchisee will make all reasonable efforts and take all appropriate precautions to prevent unauthorized copying or disclosure of any Confidential Information or Trade Secrets, which precautions will include, without limitation, restricting access to Confidential Information and Trade Secrets on a “need to know” basis.

(b) For the purposes of this Agreement, the prohibition against the disclosure of Confidential Information shall end five (5) years following the expiration or earlier termination of the Term and the prohibition against the disclosure of Trade Secrets shall end upon the later to occur of (i) the date on which such information loses its character as a Trade Secret through no fault or action of Franchisee or its directors, officers, Owner(s), managers or others to whom such information has been provided by Franchisee as permitted hereunder and (ii) five (5) years following the expiration or earlier termination of the Term.

(c) For purposes hereof, the following capitalized terms shall have the following definitions:

(i) “Confidential Information” means any information (other than information that is a Trade Secret) related to the Orkin System or Franchisor or any of its Affiliates that Franchisor or any of its Affiliates discloses to Franchisee that is designated confidential or that by its nature would reasonably be expected to be held in confidence. All information in the Manuals that does not constitute a Trade Secret shall be deemed to be Confidential Information for purposes hereof.

(ii) “Trade Secrets” means information not generally known about the Orkin System or Franchisor or any of its Affiliates that (x) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy or confidentiality and from which Franchisor or any of its Affiliates derives economic value from the fact that the information is not generally known to other persons who can obtain economic value from its disclosure or use; or (y) is treated as a trade secret under applicable law. Trade Secrets include, but are not limited to, technical or non-technical data, compilations, programs and methods, techniques, drawings, processes, financial data, research, promotional information, training materials and videos, pricing, information as to

sales representatives and suppliers, lists of actual customers and potential customers, customer route books, cards or lists containing the names, addresses, buying habits and business locations of past, present and prospective customers, sales reports, service reports, price lists, product formulae and methods, and procedures relating to services.

(iii) Confidential Information and Trade Secrets shall not include information that Franchisee can demonstrate: (x) came to its attention prior to disclosure thereof by Franchisor or any of its Affiliates; (y) at the time of disclosure by Franchisor or any of its Affiliates to Franchisee, was part of the public domain, through publication or proper communication by others; or (z) after disclosure to Franchisee by Franchisor or any of its Affiliates, becomes a part of the public domain, through publication or communication by person(s) other than Franchisee or its directors, officers, Owner(s), managers or employees to whom such information has been provided by Franchisee as permitted hereunder.

11.05 Data. In addition to the obligations set forth in Sections 11.03 and 11.04 above, Franchisee: (a) shall not reproduce, release, or in any way make available or furnish, either directly or indirectly, to any person or Entity at any time, any information concerning the customers of Franchisee under this Agreement which may be used to solicit sales or business from such customers including, but not limited to, the type of sales or business covered by this Agreement; (b) shall protect all said customer information from disclosure, destruction, loss, or theft during the Term of this Agreement and until all copies of customer lists and copies of all other information concerning customers are turned over to Franchisor; (c) agrees not to use or permit to be used said information concerning Franchisee's customers in any manner except in the performance of this Agreement; and (d) shall at all times maintain any information, including lists, relating to the customers of Franchisee separate and distinct from any customer information Franchisee may maintain that is unrelated to this Agreement. In addition to the obligations set forth in Sections 11.03 and 11.04 above, upon termination of this Agreement for any reason, Franchisee shall immediately deliver to Franchisor all copies of lists of customers and copies of all other information concerning customers, including, but not limited to, all computer generated data regarding such customers, and neither Franchisee nor its directors, officers, Owner(s), managers, employees, successors and assigns shall use any said information concerning such customers to solicit any of such customers.

11.06 Accounting and Records. During and after the Term of this Agreement, Franchisee covenants and agrees that:

(a) Franchisee shall maintain and preserve, for at least seven (7) years from the dates of their preparation, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing. For the sake of clarity, to the extent that Franchisee owns more than one franchised business, Franchisee shall maintain and preserve separate books, records, and accounts in accordance with generally accepted accounting principles for each franchised business, in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing.

(b) Franchisee shall, at its expense, submit to Franchisor, within thirty (30) days after request, a full, complete, and accurate income statement and balance sheet for the Franchised Business for each calendar quarter requested. Each shall be signed by Franchisee attesting that it is true and correct.



(c) On or before the ninetieth (90<sup>th</sup>) day after the end of Franchisee's fiscal year, Franchisee shall, at its expense, submit to Franchisor, a full, complete, and accurate financial statement for the preceding fiscal year, including both a profit and loss statement and a balance sheet, which shall be audited by Franchisee's certified public accountant.

(d) Franchisee shall submit to Franchisor, concurrent with its submission to the relevant state and Federal authorities, a true copy of all returns, schedules, and reports filed by Franchisee for income, corporate, or sales tax purposes.

(e) Franchisee shall also submit to Franchisor upon request other forms, reports, records, information, and data for Franchisor's review or auditing, in the form and at the time reasonably required by Franchisor.

(f) Franchisor or its designated agents shall have the right at all reasonable times, without advance notification, to inspect and determine compliance with all company policies, procedures, and standards, and to examine, at Franchisor's expense, the books, records, and tax returns of Franchisee. In connection therewith, Franchisee agrees to execute IRS Form 4506, or other similar form, authorizing Franchisor to obtain the applicable tax returns of Franchisee, at the request of Franchisor. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that payments have been understated in any report to Franchisor, Franchisee shall immediately pay to Franchisor upon demand any and all amounts understated and interest from the date such amount was due until paid, at one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of five percent (5%) or more during any calendar month during the term of this Agreement, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses incurred by Franchisor in connection with the inspection (including, without limitation, reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have hereunder or otherwise.

#### 11.07 Minimum Capitalization; Revenues.

(a) Until December 31<sup>st</sup> of the second full calendar year following the date hereof, Franchisee agrees to maintain a debt/equity ratio which consists of no more than 100%. At all times during the third full calendar year of the Term of this Agreement, Franchisee agrees to maintain a debt/equity ratio which consists of no more than 80%. At all times during and after the fourth full calendar year of the Term of this Agreement, Franchisee agrees to maintain a debt/equity ratio which consists of no more than 60%. The term "debt" as used in this Section 11.07 shall include both current and long-term debt, but shall be exclusive of deferred Federal income taxes, vehicle financing (whether by debt or lease), and real estate leases.

(b) During the Term of this Agreement, Franchisee agrees to (i) maintain such working capital as may be necessary to enable Franchisee to properly and fully carry out and perform all of its duties and obligations under this Agreement; and (ii) generate certain minimum Annual Net Revenues (the "Minimum Annual Revenues") in each Sales Year, starting with the second Sales Year. The Minimum Annual Revenues that must be achieved in the second Sales Year are calculated by increasing the Annual Net Revenues from the first Sales Year by the greater of the increase in the Consumer Price Index between the start of such Sales Year and the start of the prior Sales Year or five percent (5%). The Minimum Annual Revenues that must be achieved in each Sales Year thereafter are calculated by increasing the Minimum Annual Revenues from the prior Sales Year by the greater of the increase in the Consumer Price Index between the start of the first

Sales Year and the start of the prior Sales Year or five percent (5%). For purposes of this Agreement, “Annual Net Revenues” is defined as the aggregate Monthly Total Net Revenues in each full twelve-month period beginning on the [Opening/Effective] Date; provided, however, for purposes of determining Franchisee’s Minimum Annual Revenues, any amounts received for servicing Multi-Territorial Accounts, Orkin Termite customers, and/or revenue generated from any disinfection, weed control, insulation, fumigation, lawn care, wildlife/animal removal, wildlife/animal control, and/or any other ancillary services that Franchisee is permitted by Franchisor to provide under an addendum or amendment to this Agreement shall be subtracted from Franchisee’s Annual Net Revenue. For purposes of this Agreement, “Sales Year” means the twelve (12) month period commencing on the [Opening/Effective] Date and, thereafter, each twelve (12) month period commencing on the annual anniversary of the [Opening/Effective] Date.

(c) In addition to such other remedies as are available to Franchisor hereunder or at law or in equity, including, without limitation, terminating this Agreement, in the event Franchisee fails to achieve the Minimum Annual Revenues in any Sales Year (starting with the second Sales Year), Franchisor shall have the right to reduce the size of the Territory granted hereunder. In such event, Franchisee shall, upon written notice from Franchisor, cease using the Licensed Marks and providing Pest and/or Termite control services in the portion of the Territory set forth in such written notice (the “Annexed Territory”) and this Agreement shall be automatically amended to exclude the Annexed Territory from the definition of “Territory” herein; provided, however, all provisions of this Agreement with respect to Franchisee’s obligations upon termination, including, without limitation, Section 11.02(c) and Section 16 (Obligations Upon Termination), shall apply to the Annexed Territory effective as of the date of receipt of the written notice from Franchisor described above. Immediately following receipt of such written notice, Franchisee shall assign to Franchisor or its designated Affiliate, and Franchisor or its designated Affiliate shall purchase from Franchisee, Franchisee’s Customer Contracts for Pest and/or Termite control services with respect to services to be performed in the Annexed Territory, subject to and in accordance with Exhibit C attached hereto.

11.08 Restrictions on Goods and Services Provided by Franchisee. Franchisee is not permitted to sell, offer for sale, or otherwise provide, whether using the Licensed Marks or otherwise, (i) any services other than the Pest and/or Termite control and related services that are expressly listed in the Manuals or (ii) any products, goods, or materials other than those Orkin-approved products, goods, and materials used in conjunction with or adjunct to the services described in (i) above. Nothing herein shall prohibit Franchisor and/or its Affiliates from offering for sale to customers within the Territory any Orkin-approved products, goods, or materials utilized in Pest and/or Termite control, including via Internet and/or online sales. Franchisee acknowledges that any rights not expressly granted herein to Franchisee by Franchisor shall be retained by Franchisor. The right and license granted hereunder is a limited right, and in addition to the restrictions above, neither Franchisee nor its Owner(s), either individually or in partnership or in conjunction with any person or Entity, whether as principal, agent, Owner, or employee, or in any other manner whatsoever, shall directly or indirectly:

(a) provide disinfection, weed control, insulation, fumigation, lawn care, wildlife/animal removal, wildlife/animal control, and/or any other ancillary services to any customers (unless Franchisor and Franchisee shall have executed an addendum or amendment to this Agreement which imposes conditions and qualifications upon Franchisee’s offering of such services, and Franchisee shall have complied with such conditions and qualifications; provided, however, that the right to provide such services in the Territory will be granted on a non-exclusive basis and Franchisor or its Affiliates or their respective designees shall continue to be permitted to provide such services in the Territory using the Licensed Marks);

(b) offer or provide a repair warranty Termite contract with respect to any residence that does not meet the criteria set forth in the Manuals or in a notice or bulletin from Franchisor; or

(c) provide unlimited, non-cancelable (by Franchisee) term warranties or guarantees for Termite services.

11.09 Location of Principal Place of Business. Franchisee covenants and agrees that its principal place of business shall be located at the address set forth on Exhibit B, and Franchisee shall give Franchisor at least sixty (60) days prior written notice of any change in its principal place of business, provided that such new principal place of business must also be located in the Territory. Franchisee shall notify Franchisor in writing of any other offices that it maintains in connection with the operation of the Franchised Business, other than such offices as may be listed on Exhibit B.

11.10 Grant of Security Interest. As security and collateral for the payment and performance of the obligations of Franchisee hereunder and for the payment and performance of any promissory note which is executed by Franchisee in favor of Franchisor or one of its Affiliates in connection with the financing of all or a part of the Initial Franchise Fee, operating costs, and/or the purchase price of customer contracts assigned to Franchisee hereunder, and/or any and all other costs financed, Franchisee hereby creates and grants to Franchisor (and the holder of any such promissory note) a security interest and lien in all of Franchisee's Receivables, Customer Lists, and Customer Contracts, now owned or hereinafter acquired, and all proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or commercial tort claims covering or relating to any of the foregoing, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or disposition of any of the foregoing (collectively, the "Collateral").

(a) For purposes of this Agreement, the following terms shall have the meanings set forth below:

(i) "Customer Contracts" means all contracts with customers relating to the provision of Pest and/or Termite control services by Franchisee;

(ii) "Customer Lists" means all lists or compilations of Franchisee's customers; and

(iii) "Receivables" means any and all rights to (a) payment for goods sold or leased, or services rendered, whether or not earned by performance, and (b) all security therefor and any and all documents or instruments evidencing or securing the same (excluding accounts receivable which have been assigned to any Affiliate of Franchisor).

(b) Franchisee agrees that Franchisor is permitted to file the UCC Financing Statement in the form of Exhibit G attached hereto, and such other collateral documents as may be requested from time to time by Franchisor, and further covenants and agrees that it shall keep the Collateral free from all claims, assignments, encumbrances, security interests, and liens, however described, except those disclosed in writing to, and permitted in its sole discretion by, Franchisor. In the event of default hereunder, Franchisor may exercise any and all remedies available to it, which may include, in its discretion, taking possession of any or all of the Collateral. Nothing contained in this Section 11.10 shall be construed as limiting Franchisor's rights under

any personal guarantees executed by any of Franchisee's officers, directors, managers, and/or Owner(s), as applicable, in connection with this Agreement.

11.11 Innovations. All ideas, concepts, techniques, or materials relating to a Franchised Business or the Orkin System or derivations or modifications of the intellectual property or any other element of the Orkin System (individually and collectively, "Innovation(s)"), whether or not protectable intellectual property and whether created by or for Franchisee or Franchisee's Owner(s), employees, or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the Orkin System, and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a work made-for-hire for Franchisor, Franchisee must assign ownership of that Innovation, and all related rights to that Innovation, to Franchisor and agree to sign (and to cause Franchisee's Owner(s), employees, and contractors to sign) whatever assignment or other documents Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the Innovation. Franchisor and its Affiliates have no obligation to make any payments to Franchisee or any other person with respect to any Innovations. Franchisee may not use any Innovation in operating the Franchised Business or otherwise without Franchisor's prior approval.

## 12. ADVERTISING

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the Orkin System, the parties agree as follows:

12.01 Expenditures on Local Advertising. Franchisee shall spend a reasonable amount on local advertising but not less than the following minimum amounts in each Sales Year ("Local Advertising Obligation"), as determined by Franchisee's Annual Net Revenue in such Sales Year.

<b>Annual Net Revenue</b>	<b>Minimum Local Advertising Obligation</b>
Less than \$300,000	1% of Annual Net Revenues
\$300,000 to \$599,999	1.5% of Annual Net Revenues
\$600,000 to \$899,999	2% of Annual Net Revenues
\$900,000 to \$1,199,999	1.5% of Annual Net Revenues
\$1.2 million or greater	1% of Annual Net Revenues

Franchisee may determine the amount of funds it spends for individual local market advertising, subject to the minimum Local Advertising Obligation. Notwithstanding any of the foregoing, the Local Advertising Obligation for the first Sales Year of the Franchised Business's existence will be \$2,500.00 (i.e., in cases of renewal or re-franchise, the Minimum Local Advertising Obligation will be calculated using the Annual Net Revenue from the Franchised Business' previous Sales Year, irrespective of whether such Sales Year is included, in whole or in part, in the term of Franchisee's then-current franchise agreement). Local advertising shall conform to Franchisor's requirements as set forth in the Manuals or in written notices or bulletins from Franchisor. Franchisee's purchases of advertising and promotional materials from Franchisor or its Affiliates will be credited against the Local Advertising Obligation.

In the event that Franchisee does not spend the Local Advertising Obligation in any Sales Year on local advertising, Franchisee shall pay to Franchisor an amount equal to the difference between the Local Advertising Obligation and the amount actually spent for local advertising,

within ninety (90) days after the end of the applicable Sales Year to be used in conjunction with the Advertising Fees set forth in Section 4.02 (Advertising Fees) of this Agreement.

12.02 Prior Approval of Advertising. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements in the Manuals. All signs, advertising copy (including but not limited to sales brochures, newspaper advertisements, and radio and television commercials), all sales promotional plans and devices, and all customer contract forms, guarantee certificates, and other forms and materials which may be utilized by Franchisee shall be first submitted for written approval to Franchisor and Franchisee further agrees that it will not issue or use any such advertising material or conduct any such sales promotional plan or program without such prior written approval. Franchisor shall have the right to disapprove in its sole discretion any such advertising and other material insofar as they do not properly use the Licensed Marks; may subject Franchisor to liability, loss of goodwill, or damage to Franchisor reputation or Franchisor customer relations; fails to adhere to the requirements of any Federal, state or local governmental rules, regulations, and laws; or fails to conform to community or Franchisor's standards of good taste and honest dealing. Any unlawful, deceptive, or misleading advertising can be cause for termination of this Agreement. If Franchisee uses advertising or other marketing materials to promote a special service or discounted price, it shall clearly indicate in such advertising or marketing materials that the promotion is valid only in the Territory and shall indicate the expiration date of the special service or discounted price.

12.03 Press Releases. Franchisee will not issue any publicity or press release regarding its contractual relations with Franchisor hereunder or regarding Franchisee's activities hereunder without obtaining Franchisor's prior written approval to such release.

12.04 Signs. Franchisee shall permanently display, at its own expense, on Franchisee's business premises and on all vehicles used by Franchisee in the operation of the Franchised Business, Orkin® signs of such nature, form, color, number, location, and size, and containing such legends as Franchisor may from time to time approve in writing. Franchisee shall also identify itself as an independent franchisee of Franchisor, at its own expense, on the front door or primary window of Franchisee's business premises.

12.05 Telephone Listings. It is recommended (but not required) that Franchisee establish and maintain at all times during the Term of this Agreement, at Franchisee's expense, a listing in the Yellow Pages section of the telephone directories covering the Territory. Franchisee shall comply with the provisions of Section 16.01(d) (Obligations Upon Termination) with respect to Franchisee's telephone numbers and Yellow Page listings and/or advertisements, as applicable, upon the termination or expiration of this Agreement.

12.06 Orkin Customer Service Numbers. Franchisor and its Affiliates maintain toll-free customer service numbers for all Orkin customers and Franchisee customers however, Franchisor recommends that Franchisee maintain a unique toll-free customer service number for its customers. At least one (1) customer service number shall be clearly depicted on service and point of sale material utilized by Franchisee. Franchisee acknowledges and agrees that it owns no right, title, or interest in or to any customer service number(s) maintained by Franchisor or its Affiliates. Franchisee further agrees that it shall utilize the services provided by the Orkin Customer Care Center at all times during the one (1) year period commencing on the Opening Date. Neither Franchisor nor any of its Affiliates shall have any liability to Franchisee with respect to Franchisee's usage of or the services rendered by the Orkin Customer Care Center.

12.07 Ownership of Advertising. Franchisee acknowledges that Franchisor is the sole and exclusive owner of all copyrights in any and all advertising and promotional material prepared by or on behalf of Franchisor and that such materials shall at all times remain the exclusive property of Franchisor.

12.08 Use of Advertising Fees. Franchisee acknowledges that Franchisor will remit all Advertising Fees paid by Franchisee pursuant to Section 4.02 of this Agreement and those paid by the other franchisees of the Orkin System to Orkin to partially pay for Orkin's national television and Internet advertising programs. Orkin may use the funds to meet any and all costs of maintaining, administering, and directing the program (including, without limitation, the cost of preparing and conducting television and Internet advertising campaigns and other public relations activities and employing advertising agencies to assist therein). The Advertising Fees will not be used to defray any of Franchisor's or Orkin's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor or Orkin may incur in activities reasonably related to the administration or direction of the national television and Internet advertising programs, including, without limitation, conducting market research. Franchisee acknowledges that Orkin's national advertising program is intended to maximize general public recognition and acceptance of the Licensed Marks for the benefit of the Orkin System as a whole and that neither Franchisor nor Orkin shall have any obligation to administer the national advertising program to ensure that any particular franchisee, including Franchisee, benefits directly or pro rata from such advertising.

12.09 Orkin Programs. Franchisee shall subscribe to, participate in, and comply with any advertising campaign, sales promotion, marketing program, national or international account program, or other similar activity which Franchisor may from time to time reasonably prescribe or make available for or on behalf of the Orkin System (the "Orkin Programs"). Franchisee agrees to support and service the Orkin Programs in accordance with the relevant provisions thereof as may be prescribed in the Manuals or otherwise as specified in writing.

### **13. INSURANCE**

13.01 Franchisee shall procure, prior to providing any services as a Franchised Business, and maintain in full force and effect during the Term of this Agreement at Franchisee's expense, an insurance policy or policies with a Pesticide and Herbicide Applicator's endorsement, insuring Franchisee and Franchisor, and their officers, directors, employees, agents, and Owner(s), against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with the Franchised Business including, but not limited to, any loss from theft, vandalism, and the perils included in the extended coverage endorsement. Franchisee must provide to Franchisor a certificate of insurance evidencing the required insurance as set forth in this Section 13 before the [Opening/Effective] Date, upon annual policy renewal, and within ten (10) days of Franchisor's request. Franchisor shall be named as an additional insured on a "CG 20 29 – Additional Insured – Grantor of Franchise" form, or its equivalent, and shall provide a minimum of thirty (30) days' notice of cancellation. Franchisee's insurance shall be primary and non-contributory. Such policy or policies shall be written by an insurance company with an AM Best Financial Strength Rating of "A" or better, shall include deductibles of no more than \$10,000, shall omit any language that limits coverage in the event of claims by one insured party against another insured party, shall have such other standards and specifications as set forth in the Manuals or otherwise in writing from Franchisor, and shall include the following minimum coverages for each Franchised Business operated by Franchisee (subject to additional coverage and higher policy limits as may reasonably be specified for all franchisees from time to time by Franchisor in the Manuals or otherwise in writing):

(a) Workers' Compensation, including Occupational Disease, and Employer's Liability Insurance as well as such other similar insurance as may be required by the state(s) in which Franchisee operates, providing statutory limits for Workers' Compensation and minimum limits of \$500,000 for Employer's Liability.

(b) Employment Practices Liability insurance with limits not less than \$1,000,000 including third party coverage for Franchisor, including defense coverage.

(c) Exterminators Errors and Omissions Insurance coverage with limits of not less than \$1,000,000 combined single limit for bodily injury and property damage per claim.

(d) Commercial General Liability insurance coverage, written on an "occurrence form" including a cross liability and severability of interests clause, owners and contractors protective liability, Pesticide and Herbicide Applicators endorsement, Pesticide and Herbicide Applicators Limited Pollution Coverage endorsement, contractual liability, property damage, products liability, completed operations, and fire legal liability. Such insurance shall be maintained with minimum limits of \$1,000,000 each occurrence and \$2,000,000 aggregate, including Personal & Advertising Injury with minimum limits of \$1,000,000 each occurrence and \$1,000,000 aggregate. These limits can be evidenced through a combination of Commercial General Liability/Commercial Auto Liability and Umbrella Liability policy limits.

(e) Commercial Auto Liability insurance coverage including owned, hired, and non-owned vehicles with a minimum combined single limit of \$1,000,000, including coverage for in-transit pollution liability. These limits can be evidenced through a combination of Commercial General Liability/Commercial Auto Liability and Umbrella Liability policy limits.

(f) "All Risk" (Special Form) property insurance coverage for Franchisee's property and property of others in Franchisee's care, custody, and control.

(g) Termite Warranty Coverage for property damage in an amount reasonably adequate to satisfy claims made under warranties and guaranties issued to Termite control customers.

13.02 Franchisee's obligation to obtain and maintain such policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor; and Franchisee's performance of this obligation shall not relieve it of liability under the indemnity provisions set forth in Section 19 (Indemnification) of this Agreement.

13.03 Franchisor recommends, but does not require, a minimum of a \$1,000,000 (per occurrence and in the aggregate) cyber insurance policy covering Franchisee and the Franchised Business and naming Franchisor as an additional insured thereunder. If this coverage is provided on a claims made basis, it must be maintained for a period of two (2) years beyond the term of this Agreement.

13.04 Franchisor recommends, but does not require, a minimum of a \$2,000,000 Umbrella Liability insurance policy (following form of Franchisee's underlying Employer's Liability, Commercial General Liability, and Commercial Auto Liability policies) covering Franchisee and the Franchised Business and naming Franchisor as an additional insured thereunder.

13.05 Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees by the Manuals or otherwise in

writing by Franchisor, Franchisor shall have the right, at its option, to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice.

13.06 Franchisee understands Franchisor may offer Franchisee the option to participate in an insurance program administered by Franchisor. Franchisor is not required to offer such an insurance program. If Franchisee decides to participate in such a program, Franchisor shall have the right to administer the program and charge an administrative fee. The cost of the program may change in the future due to, among other things, claims and/or changes in insurance rates.

#### **14. TRANSFERABILITY OF INTEREST**

14.01 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or Entity. Franchisee agrees to execute any forms as Franchisor may reasonably request to acknowledge or effectuate any such transfer or assignment by Franchisor.

14.02 Transfer by Franchisee.

(a) Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's business skills and financial capacity (and if Franchisee is a newly-formed Entity, then in reliance upon the principal Owners' business skills and financial capacity). Accordingly, none of the following actions may be taken without the prior written consent of Franchisor and compliance with Section 14.05:

(i) Franchisee shall not transfer, pledge, or otherwise encumber: (A) the rights and/or obligations of Franchisee under this Agreement; or (B) any material asset or all or substantially all of the assets of Franchisee or the Franchised Business.

(ii) If Franchisee is an Entity, the assignment or transfer of a direct or indirect ownership interest in Franchisee, and in addition, Franchisee shall not issue any voting securities or securities convertible into voting securities, including membership interests (if such issuance is approved by Franchisor, the recipient of any such securities shall become an Owner under this Agreement) or merge or combine with another Entity.

(iii) An Owner shall not transfer, pledge, or otherwise encumber any interest of the Owner in Franchisee, as such is identified in Exhibit F-2.

Any of the foregoing, including without limitation, any purported assignment or transfer (a "Proposed Transfer"), without the prior written consent of Franchisor, shall be null and void and shall constitute a material breach of this Agreement.

(b) Subject to Franchisee's compliance with Section 14.05, Franchisor shall not unreasonably withhold its consent to a Proposed Transfer; provided, however, Franchisor's consent of any Transfer is, in all cases, subject to the following:

(i) All of Franchisee's accrued monetary obligations to Franchisor and its Affiliates and all other outstanding obligations related to the Franchised Business shall have been satisfied.



(ii) Franchisee and its Owner(s) shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, Owner(s), and employees, in their corporate and individual capacities, including, without limitation, claims arising under Federal, state, and local laws, rules, and ordinances.

(iii) The transferee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the business.

(iv) The transferee shall execute (and/or, upon Franchisor's request, cause all interested parties to execute) the then-current standard form franchise agreement and other ancillary agreements and guaranties as Franchisor may require for the Franchised Business; provided, however, that the term under such new franchise agreement shall expire upon the original expiration date of this Agreement, unless otherwise approved by Franchisor.

(v) At the transferee's expense and upon such other terms and conditions as Franchisor may reasonably require, Franchisor may require transferee (or if transferee is an Entity, transferee's officers or managers) to complete the training course(s) then in effect for franchisees.

(vi) The transferee shall provide evidence that the requirements set forth in Section 11.07 (Minimum Capitalization; Revenues) will be met after the transfer.

(vii) The transferee shall travel, at its expense, to Franchisor's Corporate Headquarters in Atlanta, Georgia, for an interview with Franchisor's corporate staff in the event that Franchisor deems it necessary.

(viii) The terms and conditions of the proposed transfer (including, without limitation, the purchase price) being satisfactory to Franchisor in its reasonable discretion.

(ix) Franchisee shall furnish to any prospective transferee copies of all financial documents and other books and records related to the Franchised Business. Franchisor must receive written confirmation from the transferee that the transferee has received copies of all such financial documents and has had access to all books and records of the Franchised Business.

(x) From the closing of the transfer to the date on which transferee or its designee completes the training required by Section 6.02, the transferee and transferor shall ensure that at least one individual who has received such training shall be in charge of the day-to-day operations of the Franchised Business.

14.03 Transfer to an Entity. In addition to the requirements set forth in Section 14.02 hereof, in the event the Proposed Transfer is to an Entity, Franchisor's consent to such transfer may, in its sole discretion, be conditioned on the requirements set forth in Section 8 (Corporate Franchisees).

14.04 Transfer Procedures. In the event Franchisor consents to a Proposed Transfer, Franchisee shall, as a condition to such transfer, pay Franchisor a transfer fee in the amount of \$10,000, to cover all costs and expenses, including attorneys' fees, incurred by Franchisor in connection with evaluating and processing the proposed transfer, and shall furnish the following items to Franchisor:

- (a) A copy of all written agreements relating to the Proposed Transfer;
- (b) Financial statements of the proposed transferee in a form acceptable to Franchisor; and
- (c) Franchisor's Franchise Application form completed by the proposed transferee.

14.05 Franchisor's Right of First Refusal. If Franchisee or any Owner desires to engage in, or accept any *bona fide* offer from a third party to, a Proposed Transfer, Franchisee or such Owner shall promptly notify Franchisor, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within sixty (60) days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that Franchisor may reasonably request to supplement or clarify information provided to Franchisor with the written transfer request), to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party; provided, however, a spouse, parent, or child of the seller shall not be considered a third party for purposes of this Section 14.05. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within forty-five (45) days from the date of notice to the seller of the election to purchase by Franchisor, or, if longer, on the same timetable as contained in the Proposed Transfer or *bona fide* offer. Any material change thereafter in the terms of the offer from the third party or by Franchisee, or a change in the identity of the third party, shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.05 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14, with respect to a Proposed Transfer.

14.06 Transfer Upon Death or Permanent Incapacity. Upon the death or permanent incapacity of Franchisee or any Owner of at least a ten percent (10%) interest in Franchisee, the executor, administrator, personal representative, or trustee of such person or Entity shall transfer his/her/its interest to a third party approved by Franchisor within a reasonable time. Such transfers, including without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfers. If the heirs or beneficiaries of any such person are unable to meet the conditions in Section 14.02(b) hereof, so long as Franchisee is not in default of its obligations hereunder, the personal representative of the deceased Franchisee or such Owner shall have a reasonable time to dispose of the deceased's interest in the Franchised Business or Franchisee granted hereby, as applicable, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement.

14.07 Non-Waiver of Claims. Franchisor's consent to a transfer of any interest in this Agreement shall not constitute a waiver of any claims it may have against Franchisee or any subsequent transferring party, nor shall it be deemed a waiver of Franchisor's right to demand compliance with any of the terms of this Agreement by said party.

14.08 Legend. Each certificate representing an ownership interest in a Franchisee that is an Entity shall have conspicuously endorsed upon its face a legend in substantially the following form:

"The transfer of the capital stock evidenced by this certificate is subject to certain restrictions and other terms set forth in a Franchise Agreement, dated as of <insert *Effective Date*>, between the issuer and Orkin Systems, LLC"

## **15. DEFAULT AND TERMINATION**

15.01 Events of Default. Franchisee shall be deemed to be in default under this Agreement, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of notice by Franchisor, upon the occurrence of any of the following events:

(a) If Franchisee or any Owner or manager thereof is convicted of (or pleads guilty or nolo contendere to) a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to affect adversely the Orkin System, the Licensed Marks, the goodwill associated therewith, or Franchisor's interest therein.

(b) If Franchisee or any Owner or manager thereof discloses or divulges the contents of the Manuals, other Trade Secrets or Confidential Information, or data provided to Franchisee by Franchisor in violation of Section 11.03 (Manuals), Section 11.04 (Confidential Information) and Section 11.05 (Data).

(c) If an approved transfer is not effected within a reasonable time following the death or permanent incapacity of an individual Franchisee or an Owner of at least ten percent (10%) interest in a Franchisee that is an Entity as required by Section 14.06, or if Franchisee is an Entity, such Entity fails within a reasonable time to replace its principal executive officer or manager after such individual's death or permanent incapacity.

(d) If Franchisee fails to comply with any of the covenants or agreements contained in Section 10.01 (Franchisor's Right to Licensed marks and Goodwill Associated Therewith), Section 10.02 (Use of Licensed Marks), Section 10.04 (Advertising), Section 11.01 (Full Time and Effort), Section 11.02(a) (Non-Competition and Non-Solicitation), Section 11.08 (Restrictions on Goods and Services Provided by Franchisee) or Section 14.02 (Transfer by Franchisee).

(e) If Franchisee becomes insolvent or shall be adjudicated as bankrupt, or if its business shall come into possession or control, even temporarily, of any trustee in bankruptcy or if a receiver shall be appointed for it, or should there be made a general assignment for the benefit of creditors.

(f) If Franchisee ceases business, or takes any action to liquidate its assets, or stops paying creditors in the usual course of business.

(g) If Franchisee or any guarantor hereunder is an Entity, in the event a proceeding is instituted for the winding-up, dissolution, or liquidation of such Entity, whether such proceeding is voluntary or involuntary, or in the event of a forfeiture or other loss of Franchisee's or guarantor's charter.

(h) If any material information provided to Franchisor pertaining to the Franchised Business is discovered to be false or materially misleading (unless Franchisee proves to the satisfaction of Franchisor that it had no knowledge of such distortion), or Franchisor has credible evidence that Franchisee has engaged or is engaging in underreporting or other fraud.

(i) If Franchisee fails to comply with the Minimum Annual Revenues requirements as set forth in Section 11.07(b) in any Sales Year (starting with the second Sales Year). It is agreed that termination pursuant to this provision will be effective sixty (60) days after notice of termination is delivered to Franchisee.

(j) If Franchisor delivers three (3) or more notices of default under Section 15.02 during any eighteen (18) month period, regardless of whether Franchisee has cured such defaults.

(k) If Franchisor makes a reasonable determination that continued operation of the Franchised Business by Franchisee will result in imminent danger to the public health or safety.

(l) If Franchisee defaults under any promissory note created by Franchisee in favor of Franchisor or one of its Affiliates, and the holder of the note accelerates the indebtedness due thereunder.

15.02 Events of Default with Cure Rights. Except as set forth in Section 15.01, in the event Franchisee or its Owner(s) shall fail to comply with any of the requirements imposed by this Agreement (or other agreement described in subsection (e) below), Franchisor shall notify Franchisee in writing and Franchisee shall have thirty (30) days in which to remedy such default and provide evidence thereof to Franchisor. If any default is not cured during said thirty (30) day period, Franchisor shall have the option to terminate this Agreement at any time thereafter by written notice to Franchisee. For purposes of this Section 15.02, defaults by Franchisee shall include, without limitation, the occurrence of any of the following events:

(a) If Franchisee fails, refuses, or neglects promptly to file reports and/or pay any monies owing to Franchisor or its subsidiaries or Affiliates when due, or to submit the financial information required by Franchisor under this Agreement.

(b) If Franchisee fails to maintain the standards that Franchisor requires in connection with this Agreement and/or in the Manuals.

(c) If Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by any provision of this Agreement.

(d) If Franchisee or its Owner(s), employees, officers, directors, or agents fail to comply with any provision of this Agreement (other than those provisions covered by Section 15.01).

(e) If Franchisee defaults under any other agreement between Franchisor (or its Affiliates) and Franchisee (or its Affiliates). For purposes of this subsection (e), agreements between Franchisor (or its Affiliates) and the Owner(s) of Franchisee (if Franchisee is an Entity) shall be deemed an agreement between Franchisor and Franchisee, and any default by such Owner(s) shall be deemed to be a default by Franchisee under this Section 15.02.

(f) If Franchisee fails to maintain its records in a manner which permits a determination of net monthly sales and of the amounts payable to Franchisor by Franchisee hereunder.

15.03 Non-Exclusive Remedy. The termination of this Agreement shall be without prejudice to any right, remedy, or cause of action which Franchisor may have against Franchisee for the breach or default of any provision contained in this Agreement.

15.04 Conflict with State Laws. If the provisions of this Agreement provide for periods of notice less than those required by applicable state law, or provide for termination, cancellation, non-renewal, or the like in a manner which is not permitted under applicable state law, such provisions

shall, to the extent they are not in accordance with applicable law, be deemed to be modified to the extent necessary to comply with applicable law, and Franchisor and Franchisee shall comply with applicable state law in connection with such notice requirements and with the termination, cancellation, or non-renewal of this Agreement. Franchisor shall not, however, be precluded from contesting the validity, enforceability, or application of such law in any action, arbitration, hearing, or dispute relating to this Agreement or the termination thereof.

## **16. OBLIGATIONS UPON TERMINATION**

16.01 Upon termination of this Agreement, whether by expiration of the Term, by earlier termination pursuant to any provision of this Agreement, by mutual consent of the parties, by operation of law, or in any other manner, all rights granted hereunder to Franchisee shall forthwith terminate, and:

(a) Franchisee shall immediately cease to have the right to perform any services under the Orkin System or use, by advertising or in any manner whatsoever, any format, methods, procedures, and/or techniques associated with the Orkin System or the Manuals.

(b) Franchisee's name shall be withdrawn from all published lists of persons franchised to perform the services associated with the Orkin System; and Franchisee shall not hold itself out to the public as a present or former Franchisee, except as required by applicable law.

(c) Within five (5) days after expiration or termination, Franchisee shall pay Franchisor and/or its Affiliate(s) the full amount(s) Franchisee owes Franchisor and/or its Affiliate(s). Furthermore, Franchisee shall be responsible for the payment of the Royalty Fee and the Advertising Fee on any revenue collected after termination or expiration within thirty (30) days after receipt of such revenue.

(d) Franchisee shall (i) immediately and permanently discontinue any and all use of any of the Licensed Marks or any marks, names, or indicia, which in the sole opinion of Franchisor are confusingly similar thereto or any other materials which may in any way indicate or tend to indicate that Franchisee is or was an authorized franchisee of Franchisor or is or was in any way associated with Franchisor; (ii) promptly destroy or surrender to Franchisor all stationery, letterhead, forms, printed matter, and/or promotional displays and advertisements containing any of the Licensed Marks, indicia, or other things, the use of which is prohibited by (i) above; and (iii) immediately and permanently discontinue all advertising placed by Franchisee as an authorized franchisee or which contains or makes reference to any of the Licensed Marks, indicia, or other materials prohibited by (i) above, and to cancel all such advertising already placed or contracted for, which would otherwise be published, broadcast, displayed, or disseminated after the date of termination. Franchisee further agrees to change its telephone numbers and listings with instructions to the telephone company to transfer all telephone numbers and listings under which Franchisee received calls for the Franchised Business, to Franchisor or an Affiliate of Franchisor designated by Franchisor. In connection therewith, Franchisee agrees to execute the Telephone Service Transfer Request attached here as Exhibit J upon execution of this Agreement, which Franchisee agrees shall be submitted to the telephone company at the termination or expiration of this Agreement to effectuate such transfer, as well as such other documents or information as are necessary to transfer to Franchisor all of Franchisee's right, title, and interest in and to Franchisee's telephone numbers and listings and Franchisee's Yellow Pages listings and/or advertisements, if any, and Websites, Social Media accounts/pages, domain names, URLs and/or web addresses (to the extent such utilize the Licensed Marks).

(e) In the event Franchisee continues to operate or subsequently begins to operate another business, Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Licensed Marks either in connection with such other business or the promotion thereof and agrees not to utilize any trade dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor.

(f) Franchisee shall immediately turn over to Franchisor the Manuals and all other manuals, videos, records, files, and/or instructions and return (and/or if in electronic form, totally and irrecoverably erase) any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except only Franchisee's copy of this Agreement and of any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law.

(g) Franchisee shall take such action as shall be necessary to cancel any of its assumed or fictitious names or equivalent registration which contains the word "Orkin" or any other Licensed Mark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement. At Franchisor's request, Franchisee will make available to Franchisor for inspection all vehicles and equipment for the purpose of allowing Franchisor to confirm the removal of all identification with respect to the Orkin System and the Licensed Marks.

(h) Franchisee shall not do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with Franchisor's Licensed Marks or the Orkin System and shall abide by the covenants and agreements with respect to non-competition, non-solicitation and confidentiality set forth in Section 11.02(c) (Non-Competition and Non-Solicitation) and Section 11.04 (Confidential Information).

## **17. TAXES, PERMITS, AND LITIGATION**

17.01 Franchisee shall promptly pay when due all taxes levied, assessed, or incurred by Franchisee in the conduct of the Franchised Business or the ownership of its assets, including, without limitation, income, property, unemployment, and sales taxes. In the event Franchisor is required to pay any such taxes, Franchisee shall forthwith reimburse Franchisor therefor on demand.

17.02 In the event of any bona fide dispute as to liability for taxes, Franchisee may, in good faith, contest the validity or the amount of the tax in accordance with the procedures of the taxing authority in question or applicable law; provided, however, in no event shall Franchisee permit a tax sale, seizure by levy of execution, or similar writ or warrant, or attachment by any other creditor, to occur against the premises of the Franchised Business, any improvements thereon, or any personal property utilized in connection with the Franchised Business.

17.03 Franchisee shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business and assumed or fictitious name registrations, sales tax permits, fire clearances, and Pest or Termite control permits.

17.04 Franchisee shall notify Franchisor immediately in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of

any court, agency, or other governmental instrumentality which may adversely affect the operation or financial condition of the Franchised Business.

## **18. INDEPENDENT CONTRACTOR STATUS**

18.01 Franchisee understands and agrees that, under this Agreement, Franchisee is and shall be an independent contractor licensed by Franchisor. Nothing in this Agreement shall be construed so as to create a partnership, joint venture, joint employer, agency, or fiduciary relationship between Franchisee and Franchisor and/or any of its Affiliates. Franchisee shall not, without the prior written approval of Franchisor, have any power to obligate Franchisor and/or its Affiliates for any expenses, liabilities, or other obligations, other than as is specifically provided for in this Agreement. Neither Franchisee nor any employee of Franchisee may, in any way, directly or indirectly, be construed to be an employee of Franchisor and/or its Affiliates for any purpose. Franchisor shall not have the power to hire or fire Franchisee's employees and, except as herein expressly provided, Franchisor may not control or have access to Franchisee's funds or the expenditure thereof, or in any other way exercise dominion or control over the Franchised Business.

18.02 Franchisee shall conspicuously identify itself in its Franchised Business and in all dealings with its customers, contractors, suppliers, vendors, public officials, and others, as an independent franchisee of Franchisor, and shall place such notice of independent ownership on Franchisee's business premises and all vehicles, uniforms, contracts, customer receipts, forms, treatment services reports, business cards, stationery, advertising, signs, and point of sale and other materials and in such fashion as Franchisor may, in its sole discretion, specify and require from time to time in its Manuals or otherwise.

18.03 Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreement, warranty, guarantee, or representation or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Franchisee is anything other than that of Franchisor and Franchisee. Franchisor does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by Franchisee, nor will Franchisor be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business. If Franchisee offers any form of guarantee or warranty in connection with the Franchised Business, Franchisee will include an express written notice that neither Franchisor nor any of its Affiliates will be responsible for any liability or obligation under the guarantee or warranty.

## **19. INDEMNIFICATION**

19.01 Franchisee covenants and agrees that it will indemnify, hold harmless to the extent permitted by applicable law, and defend Franchisor, its Affiliates, and their respective employees, officers, directors, agents, representatives, successors, and assigns (individually and collectively, "Indemnitee(s)") from and against any direct or third party loss, cost, damage, liability, and/or expense (including actual accountants' and attorneys' fees) incurred by any Indemnitee (a) as a result of or arising from the default or breach by Franchisee (or any Affiliate or Owner of Franchisee bound hereby) of any representation, warranty, covenant, or agreement contained herein; (b) as a result of or arising from Franchisee's and/or any Owner's ownership, operation or management of the Franchised Business; (c) as a result of or arising from the violation by

Franchisee of any Federal, state, or local law, regulation, or ordinance; or (d) without limiting the foregoing, as a result of or arising from:

(a) claims by third parties, including but not limited to Franchisee's customers, for liabilities, losses, fines, suits, proceedings, claims, demands, actions, judgments, or damages of any kind, arising out of or in connection with the operation of the Franchised Business; or

(b) claims by employees of Franchisee for wages, salaries, or other compensation; or

(c) claims by employees of Franchisee under the Worker's Compensation Act of any State, or any other claims related to their employment or termination of employment; or

(d) claims by any Federal, state, or local government agency, or any third party relating to a violation, or alleged violation, of any law governing health, safety, or the environment or the discharge, release, generation, transportation, storage, treatment, or disposal of any Hazardous Substance. For purposes of this Agreement, "Hazardous Substance" means any matter giving rise to liability under the Resources Conservation Recovery Act, 42 U.S.C. Section 6901 et. seq., the Comprehensive Environment Response Compensation and Liability Act, 42 U.S.C. Sections 9601 et. seq., the Clean Water Act, 33 U.S.C. Sections 1251 et. seq., or generally any contaminant, asbestos, oil, radioactive, or other material, the removal of which is required or the maintenance of which is regulated or prohibited or penalized by any local, state, or Federal agency, authority, or governmental unit. This indemnity shall include, without limitation, all of the reasonable costs of removal of any and all Hazardous Substances from the Franchise Property and any additional reasonable costs required to take necessary mitigating action and the costs incurred to remediate and bring the Franchise Property into compliance with all applicable local, state, and Federal environmental laws and regulations.

19.02 Franchisor has the right, in its sole discretion, to retain separate counsel of its own choice to assume the defense of Franchisor in any action to which this Section 19 is applicable. In such event, Franchisee agrees to reimburse Franchisor all reasonable costs and legal fees incurred by Franchisor for such defense. Such reimbursement shall be made to Franchisor in a timely manner as such fees are incurred by Franchisor and billed to Franchisee.

## **20. PRICING**

Franchisor, or its designee, may from time to time advise or offer guidance to Franchisee concerning suggested prices to be charged by Franchisee to its customers, which in Franchisor's judgment, would constitute a good business practice for Franchisee. Franchisee shall not be obligated to accept any such advice or guidance and shall have the sole right to determine the prices that it will charge. Nothing in this Agreement shall be construed to prevent Franchisee from freely setting its own prices and discounts on services or products which it may render or sell; provided, however, that Franchisee shall honor the terms of the contracts for (i) Multi-Territorial Accounts and (ii) contracts which are transferred by Franchisor or its Affiliates to Franchisee as provided in this Agreement. Such advice or guidance concerning suggested prices may be contained in the order forms or packing slips which accompany products purchased by Franchisee from Franchisor or in instructional material, the Manuals or advertisements prepared or arranged by Franchisor.



## 21. MISCELLANEOUS

21.01 Approvals and Waivers. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing. No failure of either party to exercise any right reserved to it by this Agreement, or to insist upon strict compliance by the other party with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of the right to demand exact compliance with any of the terms herein. Waiver by one party of any particular default by the other party shall not affect or impair the rights with respect to any subsequent default of the same, similar, or different nature, nor shall any delay, forbearance, or omission to exercise any power or right arising out of any breach or default by either party of any of the terms, provisions, or covenants herein, affect or impair the right of the other party to exercise the same, nor shall such constitute a waiver of any right hereunder, or the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

21.02 Notices. Any notice required or permitted by this Agreement shall be in writing and (a) personally delivered, (b) transmitted by postage prepaid U.S. Mail registered or certified mail (with postage prepaid mail confirmation), (c) transmitted by email or comparable electronic system (with delivery confirmation), or (d) by commercial carrier service for next business day delivery to the parties as follows:

if notice is to be given to Franchisee:	[FRANCHISEE ENTITY] [ADDRESS] ATTN: [CONTACT] Email: [EMAIL]
if notice is to be given to Franchisor:	Orkin Systems, LLC 2170 Piedmont Road, N.E. Atlanta, Georgia 30324 ATTN: President
with a copy to:	Orkin Systems, LLC 2170 Piedmont Road, N.E. Atlanta, Georgia 30324 ATTN: Legal Department

Notice shall be deemed delivered at the earliest of the following times: (a) at the time of delivery if personally delivered; (b) three (3) business days after being placed in the U.S. Mail by registered or certified mail, return receipt requested, postage prepaid; (c) one (1) business day after transmission by email or comparable electronic system (with delivery confirmation); or (d) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. The address hereby given for the service of notice may be changed at any time by either party through written notice to be given to the other as provided in this Section 21.02.

21.03 Construction. All references herein in the singular shall be construed to include the plural where applicable, and all covenants, agreements, and obligations herein assumed by Franchisee shall be deemed to be joint and several covenants, agreements, and obligations of the several persons named herein as Franchisee. All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

21.04 Entire Agreement; Amendments. This Agreement (and those other documents referred to herein), when fully executed, shall supersede any and all prior and existing agreements, representations (other than those set forth in the Franchise Disclosure Document), inducements, or promises, either oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between said parties with respect to the subject matter of this Agreement. Franchisee acknowledges that neither Franchisor nor anyone on behalf of Franchisor has made, and Franchisee is not entering into this Agreement in reliance on, any representations (other than those set forth in the Franchise Disclosure Document), inducements, promises, or agreements, orally or otherwise, respecting the subject matter of this Agreement which are not embodied herein. Any amendment or modification of this Agreement is invalid unless made in writing and signed by all of the parties hereto.

21.05 Costs of Enforcement. Franchisor shall be entitled to recover from Franchisee all reasonable attorneys' fees, plus court costs and all other expenses, incurred by Franchisor in enforcing the covenants, terms, and conditions of this Agreement against Franchisee, including without limitation (a) the collection of any fees required to be paid by Franchisee under this Agreement, (b) the enforcement of post-termination covenants, and (c) the protection of the Licensed Marks.

21.06 Severability.

(a) Except as expressly provided to the contrary herein, each section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise valid, and the latter shall continue to be given full force and effect and bind the parties hereto; and such invalid sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

(b) If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Agreement.

(c) Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or Entity (other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by Section 14 (Transferability of Interest) hereof) any rights or remedies under or by reason of this Agreement.

21.07 Applicable Law.

(a) This Agreement and the rights and obligations of the parties hereto shall be governed by and interpreted and construed in accordance with the laws of the State of Georgia, applicable to agreements made and to be entirely performed in Georgia, which laws will prevail on any conflict of laws.

(b) No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

21.08 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns.

21.09 No Liability. To the fullest extent permitted by law, Franchisor is not responsible or otherwise liable for any injury suffered by any person or persons, or damage to any property, as a result of any services provided or products sold by Franchisor or its Affiliates to Franchisee.

21.10 Time of the Essence. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT AND OF EACH AND EVERY PART HEREOF.

21.11 Further Assurances. The parties hereto agree to execute and deliver such further and other agreements or documents, and to exercise their vote and influence and do and cause to be done any further and other acts and things as may be necessary in order to give full effect to this Agreement and every part hereof.

21.12 Force Majeure. In the event that any party hereto is delayed in the performance of any act required herein by reason of labor disputes, inability to procure materials, power failures, restrictive governmental laws or regulations, riots, insurrection, war, or other reasons of a like nature not the fault of such party, the performance of such act and the time for performance thereof shall be extended for a period equivalent to the period of such delay, up to a maximum of three (3) months. The provisions of this Section 21.12 shall not operate to excuse Franchisee from the prompt payment of any amount due Franchisor under this Agreement.

21.13 Limitation of Liability. To the fullest extent permitted by law, Franchisor shall not be liable to Franchisee for any damages or other amounts which represent lost profits or indirect, incidental, special, consequential, exemplary, or punitive damages, arising from the performance or nonperformance of this Agreement or any acts or omissions related thereto.

21.14 Dispute Resolution.

(a) Arbitration. Except as elsewhere stated in this Section 21.14, all disputes between Franchisee or its Affiliates or their respective Owner(s), guarantors, officers, directors, or employees, on the one hand, and Franchisor or its Affiliates, or their respective officers, directors, or employees, on the other hand, relating to this Agreement, Franchisor's relationship with Franchisee, or the Franchised Business, will be resolved by binding arbitration. The arbitration proceeding shall be conducted by one arbitrator selected by the American Arbitration Association (the "AAA") and, except as this Section 21.14 otherwise provides, according to the then-current Commercial Arbitration Rules of the AAA. All arbitration proceedings will be held at AAA's offices or other suitable offices that Franchisor selects in the metropolitan area in which Franchisor's

principal place of business is then located. The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.).

(b) Right to Request Panel. Either party has the right to require that any controversy or claim be resolved by a panel of three (3) arbitrators, in which case each party shall designate one (1) additional arbitrator, but in the absence of the parties' agreement to proceed with a three (3) arbitrator panel, the requesting party shall be responsible for the cost of both additional arbitrators.

(c) Right to Request Reasoned Opinion. Either party may request at any time prior to the hearing that the award be accompanied by a reasoned opinion. The award rendered by the arbitrator(s) shall be final and binding on all parties. Judgment may be entered on the award in any court having jurisdiction thereof. The parties hereto acknowledge and agree that this arbitration provision is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act.

(d) Individual Actions. The parties agree that arbitration (and, to the extent permitted, any civil action) will be conducted on an individual, not a class-wide or representative, basis and that a proceeding between Franchisor and Franchisee may not be consolidated or joined with any other proceeding between Franchisor and any other party. Any proceeding under this Agreement will not proceed as a class action, private attorney general action, or other form of representative action. Notwithstanding the foregoing or anything to the contrary in this Section 21.14, if any court or arbitrator determines that this prohibition on class-wide or representative arbitration is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 21.14, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with Section 21.14(f).

(e) Relief. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Licensed Mark generic or otherwise invalid or, as expressly provided in Section 21.13, award any special, consequential, exemplary, or punitive damages against Franchisor.

(f) Excepted Disputes. Notwithstanding anything to the contrary set forth herein, the following disputes will not be resolved through arbitration unless Franchisor expressly consents to arbitration: (i) disputes that arise under or are related to the Lanham Act, as now or later amended; (ii) disputes that otherwise relate to the ownership or validity of any of the Licensed Marks or any other intellectual property; (iii) disputes that involve enforcement of Franchisor's intellectual property rights or protection of Franchisor's Confidential Information or Trade Secrets; (iv) disputes that involve enforcement of claims for injunctive relief to enforce the non-competition and non-solicitation provisions in Section 11.02 (Non-Competition and Non-Solicitation) and/or Exhibit F-1 (Guaranty and Non-Compete Agreement); (v) disputes that involve enforcement of claims for injunctive relief against threatened conduct that will cause Franchisor loss or damage; or (vi) disputes related to the payment of sums Franchisee owes Franchisor or Franchisor's Affiliates.

(g) Binding Decision. The decision and award of the arbitrator will be final, conclusive, and binding on all parties regarding any claims, counterclaims, issues, or accountings presented or pled to the arbitrator, and judgment on the award, including any partial, temporary, or interim

award, may be entered in any court of competent jurisdiction. The parties agree that the arbitrator may award interest from the date of any damages incurred for breach or other violation of this Agreement, and from the date of the award, until paid in full, at a rate to be fixed by the arbitrator, but in no event less than 2.5% per annum above the Citibank Preference Rate quoted for the corresponding periods, as reported in The Wall Street Journal, or the maximum rate permitted by applicable law, whichever is less.

(h) Cumulative Rights and Remedies. Except as otherwise stated in this Agreement, no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under applicable law. Each and every such remedy will be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

(i) Attorneys' Fees. Franchisee agrees to reimburse Franchisor for all expenses Franchisor reasonably incurs (including attorneys' fees): (i) to enforce the terms of this Agreement or any obligation owed to Franchisor by Franchisee and/or the Owner(s) (whether or not Franchisor initiates a legal proceeding); and (ii) in the defense of any claim Franchisee and/or the Owner(s) assert against Franchisor on which Franchisor substantially prevails in court or other formal legal proceedings.

(j) Limitation of Claims. EXCEPT FOR CLAIMS ARISING FROM FRANCHISEE'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS FRANCHISEE OWES FRANCHISOR, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN TWENTY-FOUR (24) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

(k) Waiver of Jury Trial. FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM RELATED TO THIS AGREEMENT, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY AGAINST THE OTHER.

21.15 Survival. All representations, warranties, covenants, and agreements of parties hereto, which by their sense and context are intended to survive the expiration or termination of this Agreement, shall survive the expiration or termination of this Agreement regardless of the reason for termination.

21.16 Counterparts. This Agreement may be executed in any number of counterparts (but shall not be effective until each party has executed at least one counterpart), each of which, when executed and delivered, shall be an original and which together shall have the same effect as if each party had executed and delivered the same document.

## **22. COVENANT OF COMPLIANCE WITH ORKIN STANDARDS**

Franchisee shall comply with all Franchisor rules, regulations, standards, and practices regarding the Franchised Business as set forth in the Manuals and shall allow Franchisor to conduct inspections of the Franchised Business to assure compliance with such rules, regulations, standards, and practices. Franchisee shall execute evidence of such compliance in the form of Exhibit H attached hereto.

### **23. ACKNOWLEDGEMENTS; ADDITIONAL REPRESENTATIONS**

(a) Franchisee acknowledges that it has conducted an independent investigation of the Franchised Business and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee as an independent business operation. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential revenues, profits, expenses, number of customers, or success of the business contemplated by this Agreement or any representation as to the future or past revenues, profits, expenses, number of customers, or profitability of any other Orkin System franchise other than those statements, representations, and commitments that are expressly contained in this Agreement. In granting Franchisee the Franchised Business, Franchisor is relying on Franchisee's acknowledgment that all statements, representations, and commitments upon which Franchisee is relying are in writing, are signed by both parties, and are a part of this Agreement or were included in the Franchise Disclosure Document, and Franchisee is not relying on any statements, representations, and/or commitments that are not included herein or in the Franchise Disclosure Document.

(b) Franchisee acknowledges that it has received, read, and understood this Agreement and the Exhibits, and that Franchisor has accorded Franchisee ample time and opportunity to consult with attorneys and other advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

(c) Franchisee acknowledges that, because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, in its sole discretion and as it may deem in the best interest of the Orkin System in any specific instance, to vary the franchise agreements and the standards for other franchisees based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices, or any other conditions which Franchisor deems to be of importance to the successful operation of such franchisees' businesses. Franchisee shall have no recourse against Franchisor on account of any variation from standard specifications and practices granted to any other franchisee and shall not be entitled to require Franchisor to grant Franchisee a like or similar variation hereunder.

(d) Franchisee acknowledges that it has no right to renew this Agreement (other than the limited renewal right set forth in Section 2.03 (Franchisee's Limited Renewal Option)) and that, upon the expiration or termination of this Agreement, Franchisor has the right, but not the obligation, to purchase certain assets of Franchisee as set forth in Section 2.02 (Franchisor's Option to Purchase Assets of Franchisee).

(e) Franchisee acknowledges that Rollins, Inc. and its subsidiaries and Affiliates, including Orkin, LLC, are separate Entities and that, except as expressly set forth below, they are not responsible or liable for any of the acts or omissions of Franchisor. If Rollins, Inc., or any of its subsidiaries or Affiliates, including Orkin, does anything for Franchisee or Franchisor, it does so as an independent contractor. As further consideration for the grant of this franchise, Franchisee hereby (i) waives and releases, to the greatest extent permitted by law, all claims Franchisee may now have and later acquire against Rollins, Inc. and its subsidiaries and Affiliates, including Orkin, based on the acts or omissions of Franchisor or arising out of the Franchised Business or this Agreement or the other documents referenced herein and (ii) covenants and agrees not to sue Rollins, Inc. or any of its subsidiaries or Affiliates, including Orkin, with respect to any such claims; provided, however, that nothing herein shall affect Rollins, Inc.'s obligations

pursuant to its guarantee of Franchisor’s performance of its obligations hereunder, a copy of which is attached to the Franchise Disclosure Document as Exhibit 9-B.

(f) Franchisee acknowledges that six of the seven percent of Franchisee’s Monthly Total Net Revenues comprising the Royalty Fee payable to Franchisor by Franchisee pursuant to Section 4.01 (Royalty Fee) hereto represents the value of Franchisee’s use of the Licensed Marks in accordance with the terms of this Agreement.

(g) Franchise represents and warrants that (i) neither Franchisee nor any Owner of equity interests in Franchisee (x) is currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the United States Office of Foreign Assets Control, Department of the Treasury, and/or on any other similar list maintained by the Office of Foreign Assets Control pursuant to any authorizing statute, executive order, or regulation, or (y) is a person or Entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or executive order of the President of the United States; and (ii) Franchisee has complied and shall comply with all requirements of law relating to money laundering, anti-terrorism, trade embargoes, and economic sanctions, now or hereafter in effect.

(h) Franchisee represents and warrants that, prior to signing this Agreement, Franchisee submitted this Agreement, along with the Franchise Disclosure Document and any other documents provided by Franchisor, to an attorney of Franchisee’s choosing for review and consultation. Franchisee represents and warrants that Franchisee is signing this Agreement after consulting such attorney.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth below, with the terms and conditions set forth in this Agreement, including, without limitation, the term of the license granted herein, to begin on the Effective Date.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**FRANCHISE AGREEMENT**  
**SCHEDULE 1**


**INDEX OF DEFINED TERMS**

<u>Term</u>	<u>Section</u>	<u>Term</u>	<u>Section</u>
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Acquired Receivables	3.02(c)	Receivables	11.10
Acquired Termite Control Customers	3.02(b)	Royalty Fee	4.01
Advertising Fee	4.02	Sales Year	11.07(b)
Agreement	Preamble	Social Media	10.08(a)
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Pest	1.01(d)		
Proposed Transfer	14.02(a)		
Purchase Notice	2.02		
Purchase Notice Date	2.02		
Purchase Option	2.02		
Purchase Price	2.02		



**FRANCHISE AGREEMENT  
EXHIBIT A**

**LICENSED MARKS**

<b>Mark</b>	<b>Identification Number</b>	<b>Registration Date</b>
ORKIN	568,404	December 23, 1952
	568,407	December 23, 1952

**FRANCHISE AGREEMENT**  
**EXHIBIT B**

**TERRITORY**

1. Territory: The geographic area located in the following ZIP codes as of the Effective Date:

[ZIPS]

1.1 In the event that following the Effective Date the United States Postal Services revises the ZIP codes in the Territory such that a portion of a ZIP code is located inside and outside of the Territory (the "Straddle ZIP Code") and no other franchisee of the Orkin System or Affiliate of Franchisor is operating a Pest and/or Termite control business under the Licensed Marks in the Straddle ZIP Code, Franchisor shall offer to Franchisee the opportunity to expand the Territory to include that portion of the Straddle ZIP Code located outside the Territory (the "Additional Territory") in exchange for an additional Initial Franchise Fee calculated based on the population of the Additional Territory and the number of years remaining on the Term.

1.2 Notwithstanding the foregoing in this Exhibit B, in the event that Orkin has Pest control contracts with respect to customers located in the Additional Territory (other than Multi-Territorial Accounts), Franchisor shall re-allocate the entire Straddle ZIP Code to either Franchisee or Orkin based on the number of Pest and/or Termite control accounts then being serviced in the Straddle ZIP Code by Franchisee (excluding Multi-Territorial Accounts and Termite control accounts serviced by Franchisee on behalf of Franchisor or its Affiliates), on the one hand, and Orkin, on the other hand. If Franchisee is then servicing more such accounts in the Straddle ZIP Code, Franchisor shall offer to Franchisee the opportunity (a) to expand the Territory to include the Additional Territory and (b) to purchase Orkin's Pest control contracts then in effect with respect to customers located in the Additional Territory (other than Multi-Territorial Accounts) in exchange for (i) an additional Initial Franchise Fee calculated based on the population of the Additional Territory and the number of years remaining on the Term and (ii) the purchase price for such Pest control contracts derived by applying the applicable percentages set forth in Exhibit C attached hereto to the annualized value of the active customer contracts that are so assigned, as set forth in Orkin's books and records. In such event, Franchisee shall provide written notice to Franchisor as to whether it elects to exercise the rights described in (a) and (b) above within fifteen (15) days of notice thereof from Franchisor and shall pay the amounts described at the closing of the transfer of such contracts to Franchisee. If Franchisee elects not to exercise the rights described in (a) and (b) above or fails to pay the amounts described in (i) and (ii) above as and when due, or if Orkin is then servicing more Pest and/or Termite control accounts in the Straddle ZIP Code than Franchisee, Orkin shall purchase from Franchisee, and Franchisee shall sell to Orkin, all Customer Contracts then in effect with respect to customers located in the Straddle ZIP Code in exchange for a purchase price derived by applying the formula set forth in Exhibit C attached hereto. In connection with the actions described in the prior sentence, (A) Franchisor and Franchisee shall amend the Agreement to remove the Straddle ZIP Code from the definition of Territory, and (B) Franchisee shall be refunded a portion of the Initial Franchise Fee previously paid thereby based on the population of the portion of the Territory located in the Straddle ZIP Code and the number of years remaining on the Term.

2. The parties acknowledge and agree that Franchisee has been granted a  
[Small (Less than or equal to 145,000)  
Medium (145,001-205,000)

Large (205,001-285,000)  
Extra-Large (285,001-400,000)  
Premium (400,001 to 1,000,000)  
Super Premium (Greater than 1,000,000)] Territory.

3. Franchisee's Principal Place of Business:

[ADDRESS]

**FRANCHISE AGREEMENT**  
**EXHIBIT C**

**FRANCHISE PURCHASE PRICE CALCULATION**

For purposes of Section 2.02 (Franchisor's Option to Purchase Assets of Franchisee) of the Agreement, the Purchase Price payable by Franchisor or its designees for all or substantially all of the tangible and intangible assets of Franchisee shall be calculated as follows:

A. The "Base Price" shall be the sum of the following:

1. 75% of annual residential Pest control recurring revenue. (Note 1)
2. 85% of annual commercial Pest control recurring revenue. (Note 1)
3. 45% of one-time Pest control revenue. (Note 1)
4. 25% of initial Termite control revenue. (Note 1)
5. 60% of Termite control renewal revenue. (Notes 1 and 2)
6. If Franchisor permits Franchisee to provide services other than Pest and Termite control services to Franchisee's customers (i.e., ancillary services such as disinfection, weed control, insulation, fumigation, lawn care, wildlife/animal removal, wildlife/animal control, etc.), Franchisor and Franchisee shall agree on the purchase price for such customer contracts, if any, prior to the termination or expiration of this Agreement. Notwithstanding the foregoing, Franchisor shall not be obligated to purchase or assume the obligations under any such contracts.
7. Net depreciated book value (as determined in accordance with generally accepted accounting principles) of the assets Franchisor elects to purchase, including accounts receivable, inventory, vehicles, equipment, furniture, leasehold improvements, other intangible assets, etc.; provided, however, that the book value of accounts receivable will not include any balances over ninety (90) days old or any balances from cancelled accounts. (Note 3)

Note 1: Items A.1 through A.5 shall be calculated by using the average of the last three (3) twelve (12) month periods of Franchisee (the most recent of which ending on the last day of the month in which the Purchase Notice is given), as determined by Franchisee's audited or reviewed financial statements; provided, however, that if the revenues set forth on such financial statements are greater than those reported to Franchisor for purposes of payment of the Royalty Fees hereunder, or if such financial statements are unavailable, the Base Price shall be calculated using the revenues reported for Royalty Fee purposes. Revenues attributable to Multi-Territorial Accounts and services provided to Orkin's Termite control customers pursuant to Section 6.12 (Existing Termite Customers; Retreatment) of the Agreement shall not be included in the Base Price calculation.

Note 2: Franchisor shall have the option to purchase all or part of Franchisee's customer contracts generating Termite control renewal revenues; provided, however, that if any of such customer contracts were not serviced or maintained by Franchisee in

accordance with the standards, specifications, and procedures set forth in the Manuals or otherwise in accordance with the standards, specifications, and procedures of the Orkin System, Franchisor will not be obligated to purchase such customer contracts in connection with its purchase of Franchisee's assets pursuant hereto or may purchase them subject to the payment by Franchisee (through an offset in the total Purchase Price payable pursuant to Section 2.02) of a termite compliance audit amount, which represents Franchisor's estimate of the cost Franchisor will incur to retreat such customers in accordance with Orkin standards.

Note 3: No additional value shall be attributable to goodwill or to Franchisee's interest in any leases, customer contracts, or customer lists which are assigned to Franchisor.

- B. The portion of the Base Price allocable to Items A.1 through A.6 above shall be increased by five percent (5%) if Franchisee's aggregate Monthly Total Net Revenues from *commercial* Pest control customers during the twelve (12) month period ending on the last day of the month in which the Purchase Notice is given (the "Most Recent Twelve Month Period") exceeded Franchisee's aggregate Monthly Total Net Revenues from *residential* Pest control customers for the Most Recent Twelve Month Period.
- C. The portion of the Base Price allocable to Items A.1, A.2 and A.5 above *minus* the aggregated annualized revenue amounts for those residential Pest control customers, commercial Pest control customers, and Termite control renewals,, respectively, that were assigned to Franchisee as Assigned Customer Contracts or Acquired Termite Control Customers either during the Term or during the term of any other Franchise Agreement between Franchisee and Franchisor that encompasses the Territory or a portion thereof (collectively, the "Seed Revenue") shall be increased by ten percent (10%) if Franchisee's aggregate recurring Annual Net Revenue derived from residential Pest control customers, commercial Pest control customers, and Termite control renewals referenced in Items A.1, A.2 and A.5, respectively, *minus* the Seed Revenue exceeds One Million Dollars (\$1,000,000) for each of the Most Recent Twelve Month Period and the two (2) previous twelve (12) month periods immediately prior to the Most Recent Twelve Month Period (i.e., each of the three (3) years immediately preceding the last day of the month in which the Purchase Notice is given). By way of example, if the Seed Revenue equaled Five Hundred Thousand Dollars (\$500,000), Franchisee would have to achieve at least One Million Five Hundred Thousand Dollars (\$1,500,000) in total recurring Annual Net Revenue derived from residential Pest control customers, commercial Pest control customers, and Termite control renewals referenced in Items A.1, A.2 and A.5, respectively, in each of the three (3) years immediately preceding the purchase of its Franchised Business in order to be eligible for the ten percent (10%) increase described therein; if Franchisee is eligible to receive such ten percent (10%) increase, the ten percent (10%) increase will be calculated using the Base Price *minus* the Seed Revenue.

For the sake of clarity, if the applicable conditions are met for both of the increases described in Items B and C above, the increases described in Item B and Item C will be calculated using the Base Price amount *prior* to either increase being applied.

- D. Although Franchisor is not required to assume any of Franchisee's debts, obligations, or liabilities, the Base Price (as modified by Items B and/or C) will be reduced by the amount of any debts, obligations, or liabilities which Franchisor expressly elects to assume in writing, including without limitation any pre-closing amounts payable to landlords and any purchase-money or other financing obligations payable to lenders, vendors, or suppliers.

- E. FRANCHISOR, OR ITS DESIGNEE, **SHALL HAVE THE OPTION TO HOLD BACK A PERCENTAGE OF THE PURCHASE PRICE**, AS DETERMINED IN FRANCHISOR'S REASONABLE DISCRETION, AS TO BOTH PERCENTAGE AND LENGTH OF TIME TO BE RETAINED, NECESSARY TO SECURE (i) ALL PAYMENTS OF ANY AMOUNTS DUE UNDER THIS AGREEMENT OR THE PURCHASE CONTRACT, (ii) ALL CUSTOMER RENEWAL PAYMENTS CONTEMPLATED BY THIS EXHIBIT AND INCLUDED IN THE PURCHASE PRICE, AND (iii) ALL ACCOUNTS RECEIVABLE OF FRANCHISEE THAT ARE BEING ACQUIRED BY FRANCHISOR OR ITS DESIGNEE, ON SUCH TERMS AND FOR SUCH TIME PERIOD AS SET FORTH IN THE PURCHASE CONTRACT.

**FRANCHISE AGREEMENT**  
**EXHIBIT D**

**ASSIGNMENT OF CONTRACTS AND ACCOUNTS RECEIVABLE**

Pursuant to the Franchise Agreement (the “Agreement”), dated as of [EFFECTIVE DATE] (the “Effective Date”), by and between Orkin Systems, LLC, a Delaware limited liability company and an Affiliate of Orkin, LLC, a Delaware limited liability company (“Assignor”), and [FRANCHISEE ENTITY] (“Assignee”), and in consideration of the payment by Assignee to Assignor of (i) **\$[AMOUNT]** (the “Contracts Purchase Price”), as specified in Sections 3.02(a) and 3.02(b) of the Agreement, (ii) **\$[AMOUNT]** (the “AR Purchase Price”; together with the Contracts Purchase Price, the “Purchase Price”), as specified in Section 3.02(c) of the Agreement, and (iii) for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby transfers, assigns, conveys, and delivers to Assignee and Assignee hereby accepts and acquires from Assignor all of the rights, duties, and obligations of Assignor as set forth herein under the customer contracts identified on Attachment A attached hereto (collectively, the “Contracts”), effective as of the [Opening/Effective] Date (as defined in the Agreement) and the accounts receivable identified on Attachment B attached hereto (collectively, the “Receivables”), effective as of the date hereof.

TO HAVE AND TO HOLD all of the Contracts and Receivables hereby transferred, assigned, and conveyed unto Assignee, its successors and assigns, to itself and its own use and behalf forever.

1. Assignor represents and warrants to Assignee that (a) Assignor has good and lawful right to convey the Contracts and Receivables to Assignee, (b) the Contracts are in full force and effect and the Contracts and Receivables are free and clear of any and all liens, claims, security interests, pledges, and encumbrances of any nature, and (c) the assignment of the Contracts will not result in a breach or default under, or cause the cancellation or acceleration of, any of the Contracts, and if any consent, approval, action, or filing of notice (a “Consent”) is required in connection with the assignment of the Contracts, Assignor has obtained such Consent.

2. Assignor agrees that it will do, execute, and deliver, or will cause to be done, executed, and delivered, all such further acts, transfers, assignments, and assurances, for the better conveying and confirming unto Assignee, its successors and assigns, the entire right, title, and interest in the Contracts and Receivables from the date hereof and thereafter as Assignee shall reasonably require. If Assignor receives any payment on the Contracts from the [Opening/Effective] Date or thereafter for services rendered on the Contracts from the [Opening/Effective] Date and thereafter, Assignor will promptly transfer such payment to Assignee. If Assignor receives any payment on the Receivables following the date hereof, and prior to the expiration of the Collection Period (as defined below) Assignor will promptly transfer such payment to Assignee.

3. Assignee acknowledges and agrees that any payment received by Assignee for services performed under the Contracts prior to the [Opening/Effective] Date shall be promptly forwarded to Assignor. Assignee covenants and agrees that it will assume all liabilities of Assignor under the Contracts which arise from the [Opening/Effective] Date and thereafter and Assignee further covenants and agrees it will be bound by all the terms and conditions set forth therein and that it will perform all obligations of Assignor accruing from the [Opening/Effective] Date and thereafter.

4. Assignee further covenants and agrees that, upon the earlier occurrence of the first post-

[Opening/Effective] Date invoice sent by Assignee to each customer under any Contract transferred pursuant hereto or thirty (30) days from the [Opening/Effective] Date, Assignee shall provide written notice to such customer stating that such customer's Contract, and all rights and obligations of Assignor contained therein, has been assigned by Assignor to Assignee.

5. Assignor covenants and agrees that it shall, within [eighteen (18) months] of the [Opening/Effective] Date, reimburse Assignee for that portion of the Purchase Price attributable to any Contract (i) for which the customer refuses, or fails to pay the first invoice with respect to, the first recurring pest control service by Assignee that is due after the [Opening/Effective] Date or for which the customer refuses the first annual termite inspection or bait monitoring service that is scheduled by Assignee, or fails to pay the first renewal payment that is due after the [Opening/Effective] Date, as applicable; or (ii) is determined by Assignor following the [Opening/Effective] Date not to have been an active account as of the [Opening/Effective] Date.

6. Assignor covenants and agrees that it shall, within six (6) months of the [Opening/Effective] Date, reimburse Assignee for that portion of the AR Purchase Price attributable to any Receivable that has remained uncollected ("Uncollected Receivable(s)") for ninety (90) days after the [Opening/Effective] Date (the "Collection Period"). In consideration for such reimbursement, Assignee will then assign any such Uncollected Receivables back to Assignor. If Assignee receives any payment on the Uncollected Receivables following the expiration of the Collection Period, Assignee will promptly transfer such payment to Assignor. Assignee agrees that it will do, execute, and deliver, or will cause to be done, executed, and delivered, all such further acts, transfers, assignments, and assurances, for the better conveying and confirming unto Assignor, its successors and assigns, the entire right, title, and interest in such Uncollected Receivables from the expiration of the Collection Period and thereafter as Assignor shall reasonably require.

7. Assignor agrees that it will indemnify and hold harmless Assignee against any loss, claim, obligation, liability, damage, or other charge or expense suffered or incurred by Assignee due to (i) any breach of the representations and warranties of Assignor contained herein or (ii) any liabilities and obligations of Assignor under the Contracts which arose prior to the [Opening/Effective] Date.

8. Assignee agrees that it will indemnify and hold harmless Assignor against any loss, claim, obligation, liability, damage, or other charge or expense suffered or incurred by Assignor due to (i) any breach of any covenant of Assignee contained herein or (ii) any liabilities and obligations of Assignee under the Contracts which arise from the [Opening/Effective] Date and thereafter.

9. This Assignment of Contracts and Accounts Receivable shall be governed by Georgia law and shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF, the parties have executed this Assignment of Contracts and Accounts Receivable as of date first set forth above.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**ASSIGNOR: ORKIN, LLC**

**ASSIGNEE: [FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**FRANCHISE AGREEMENT**  
**EXHIBIT E**  
**SERVICEPRO.NET SUBLICENSER AGREEMENT**

This **SUBLICENSER AGREEMENT** (this "**Agreement**") is entered between Orkin Systems, LLC ("**Sub Licensor**"), with its principal licenses at 2170 Piedmont Rd, N.E. Atlanta, GA 30324 and the undersigned ("**Sublicensee**") as of the Effective Date (as defined below). Sub Licensor and Sublicensee may each be referred to herein as a "**Party**" and collectively as the "**Parties**".

**RECITALS**

- A.** Whereas, Sub Licensor is a party to that certain Master Licensee Agreement (the "**Master Licensee Agreement**") by and between Sub Licensor and ServicePro.Net, Inc. ("**Licensor**") pursuant to which Sub Licensor is granted an exclusive, non-transferable, revocable license to own, use and/or to grant sub-licenses Licensor's proprietary software;
- B.** Sub Licensor desires to sublicense such Licensor proprietary software to Sublicensee, a franchisee of Licensor; and
- C.** Sub Licensor is willing to grant Sublicensee the non-exclusive right to access and operate the Licensor's proprietary software on servers operated by Licensor for Sublicensee's Orkin Systems, LLC franchise business operation only subject to the terms and conditions of this Agreement.

**AGREEMENT**

**1. APPOINTMENT.**

Subject to the terms and conditions of this Agreement and the payment of applicable fees, Sub Licensor hereby appoints Sublicensee, and Sublicensee hereby accepts such appointment, as a non-exclusive sublicensee of the Licensor software identified in **Exhibit A**, including future releases of such software programs as may be made available by Sub Licensor to Sublicensee (collectively "**Software**").

**2. LICENSES AND OBLIGATIONS.**

2.01 **SOFTWARE LICENSE.** Subject to the terms and conditions of this Agreement, Sub Licensor grants to Sublicensee a non-exclusive, non-transferable, non-assignable, revocable, and limited license to use, access, install, execute and integrate the Software on computers operated by or for Sublicensee or Sub Licensor that are utilized solely for the purpose of managing the customer information and transactional records of Sublicensee's potential, existing, and former customers of its Orkin franchise business (collectively "**Franchise Customers**") and Sub Licensor's and its Affiliates' Multi-Territorial Account and termite customers within the franchise territory.

2.02 **LICENSE RESTRICTIONS.** Sublicensee acknowledges that the Software and its structure, organization, and source code constitute valuable trade secrets of Licensor. Accordingly Sublicensee agrees not to (a) modify, adapt, alter, translate, or create derivative works from the Software; (b) merge the Software with other software; (c) distribute, sublicense, lease, rent, loan, or otherwise transfer the Software to any third; or (d) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source

code for the Software. Sublicensee must not remove, alter, or obscure in any way any proprietary rights notices (including copyright notices) of Licensor on or within the copies of the Software, any documentation provided by Licensor or Sub Licensor with respect to the Software ("**Documentation**"), or related materials.

2.03 **TRADEMARK LICENSE.** Sublicensee acknowledges Licensor's exclusive ownership of its trade names, trademarks and service marks (collectively, "**Licensor Marks**"). Sublicensee shall have the right to use certain identified Licensor Marks solely as necessary in order to exercise its right to use the Software pursuant to Section 2.01 above. Sublicensee agrees not to take any action inconsistent with such ownership and to cooperate, at Sub Licensor's or Licensor's request, in any action (including the conduct of legal proceedings) which Sub Licensor or Licensor deems necessary or desirable to establish or preserve Licensor's exclusive rights in and to the Licensor Marks. Sublicensee will not adopt, use, or attempt to register any trademarks or trade names that are confusingly similar to the Licensor Marks or in such a way as to create combination marks with the Licensor Marks. At Sub Licensor's or Licensor's request, Sublicensee will modify or discontinue any use of the Licensor Marks if Sub Licensor or Licensor determines that such use does not comply with Licensor's Master Licensee Trademark Usage Policy. Sublicensee acknowledges and agrees that, except with respect to the trademark license granted herein in and to the Licensor Marks, no licenses are granted to any other trademarks, service marks, or trade names owned by Licensor or its affiliates.

2.04 **FRANCHISEE CUSTOMER INFORMATION.**

- (a) Sublicensee acknowledges that certain personal, confidential and/or proprietary information relating to its Franchise Customers (collectively, "**Franchisee Customer Information**") will be accessed and used by Licensor and/or Sub Licensor as described below. Licensor and Sub Licensor agree to maintain all Franchise Customer Information in trust and confidence, subject to the terms of the Orkin Franchise Agreement entered into of even date herewith, by and between Sub Licensor and Sublicensee (the "**Franchise Agreement**").
- (b) Franchisee Customer Information will be accessed, used, disclosed to or collected by (i) Licensor and/or Sub Licensor in connection with the performance of the Services (as defined below), (ii) Licensor in connection with the performance of the Master Licensee Agreement and (iii) Sub Licensor as permitted herein or in the Franchise Agreement or as necessary for Sub Licensor to determine compliance with Sublicensee's obligations and responsibilities under, and to audit Sublicensee's compliance with the various policies and procedures required by, the Franchise Agreement.
- (c) Sublicensee acknowledges that such Franchise Customer Information may also be accessed by Licensor in connection with the Master Licensee Agreement to produce Revenue and Royalty Dashboard reports for Sub Licensor in accordance with the Franchise Agreement. The "**Revenue & Royalty Dashboard**" is a reporting function incorporated in the Software that has the ability to, among other things, (i) collect franchise customer information including billing and cash receipt information, (ii) calculate royalty obligations to Sub Licensor, (iii) collect Franchise Customer Information and determine service production by service line and customer class, and (iv) compile benchmark reports detailing revenue and other customer transactional data in comparison to other sublicensees of the Software.

The Revenue & Royalty Dashboard utility will collect information from the Sub Licensor's and/or Licensor's servers at the end of each month during the Term (as defined below) on a schedule to be specified by Sub Licensor in its sole discretion. This information will be used to generate monthly reports detailing Sublicensee's Franchise Customer Information and related transactional activities during the previous month as performed under the rights granted by its Franchise Agreement.

- (d) Sublicensee agrees to comply with all applicable laws with respect to proper entry, storage and security of Franchise Customer Information and related transactional data entered into, and maintained in, any database on the Licensor servers.
- (e) During the Term and continuing after termination of this Agreement for any reason, Sub Licensor may disclose or otherwise use any Franchise Customer Information received from Sublicensee in connection with this Agreement to contact, or to assist or allow others to contact, Franchise Customers in any manner (including but not limited to e-mail, telephone, direct mail, through the Software, or through any other means or channel) as reasonably required in accordance with the terms and conditions set forth in this Agreement and the Franchise Agreement.
- (f) Sublicensee further agrees, both during and after the Term of this Agreement, not to transfer Franchise Customer Information to or otherwise maintain Franchise Customer Information on any software other than the Software, permit the Software to be hosted on any server other than those maintained by Licensor or Sub Licensor or use the Software on any computer other than a computer owned or leased by Sublicensee for which a valid license to use the Software has been secured.

2.05 **OWNERSHIP.** The Software and Documentation, and all worldwide intellectual property rights therein, are the exclusive property of Licensor. All rights in and to the Software and Documentation not expressly granted to Sub Licensor in the Master Licensee Agreement are reserved by Licensor. Nothing in this Agreement will be deemed to grant, by implication, estoppel, or otherwise, a license under any of Licensor's existing or future patents based upon the use and sublicensing by Sublicensee of the Software as permitted by this Agreement.

### 3. **PROVISION OF SERVICES.**

3.01 **HOSTING SERVICES.** Upon activation of an account with Sublicensee, Licensor will host the Software licensed by Sublicensee on Licensor servers in accordance with the Master Licensee Agreement. Sub Licensor will be solely responsible for all billing of such Sublicensees. Sublicensee acknowledges that Sub Licensor shall not be responsible for hosting Software sublicensed to Sublicensee.

3.02 **DATA CONVERSION.** Conversion of select existing Franchise Customer Information and other limited transactional data relating to Franchise Customer Information stored on databases utilized by legacy or incumbent business automation software programs owned or leased by Sublicensee shall be converted to a database accessible by Licensor and the Software for an additional one-time fee payable by Sublicensee. Fees relating to data conversion by Licensor are noted in the attached **Exhibit B**, which is incorporated by reference, and shall be paid at such times and in such manner as set forth therein.

- 3.03 **WEB PORTAL.** Upon activation of an account with Sublicensee, Licensor will host an “E-Connect” web portal page in accordance with the Master Licensee Agreement whereby Sublicensee Franchise Customers may have limited access to transactional information relating to their account with Sublicensee via the internet and have the ability to make credit card payments on their account (the “**Customer Services**”). A one-time fee for the design and implementation of the E-Connect web portal page payable by the Sublicensee is noted in the attached **Exhibit B**. Sublicensee acknowledges that Sub Licensor shall not be responsible for hosting the E-Connect web portal Software sublicensed to Sublicensee.
- 3.04 **TRAINING.** Training may be made available by Licensor upon execution of this Agreement. Fees relating to initial training on the use of the Software by Licensor are noted in the attached **Exhibit B** (the fees described in Sections 3.02, 3.03 and 3.04, collectively, the “**Initial Fees**”). Sublicensee acknowledges that Sub Licensor will not be responsible for providing training to Sublicensee, its employees, contractors or customers.
- 3.05 **ONGOING SUPPORT AND MAINTENANCE.** Licensor shall provide timely updates, revisions, improvements, and modifications to Sub Licensor and Sublicensee as they are developed and delivered to any other users of the Software. Licensor shall make available competent and knowledgeable staff sufficient to meet the training and support needs of Sublicensee of the Software during normal business hours.
- 3.06 **EQUIPMENT.** Except as provided in this Agreement, Sublicensee will be solely responsible, at its own expense, for acquiring, installing, maintaining and updating all connectivity, load balancing, network components, computers, and any other hardware, software, or other services for effective deployment of the Software and performance of the Services in accordance with the terms of this Agreement.
- 3.07 **STAFFING.** Sublicensee will dedicate the necessary skilled and trained technical personnel sufficient to meet the needs of current and potential Franchise Customers in relation to use and the performance of the Customer Services under this Agreement.
- 3.08 **NO REPRESENTATIONS.** Sub Licensor makes no representations, warranties, or guarantees concerning the Software or its functionality or performance characteristics, or the Services, including but not limited to maintenance of Franchise Customer Information. Sub Licensor is not authorized to make any representations, warranties, or guarantees on Licensor’s behalf, and will not have any liability with respect to representations, warranties, or guarantees made by Licensor, its employees, contractors, sublicensees, or agents.
- 3.09 **COMPLIANCE WITH LAWS.** Sublicensee will maintain high standards of professionalism and will at all times comply with all applicable laws and regulations (including any laws pertaining to the appropriate and confidential maintenance of Franchise Customer Information) in its performance of this Agreement and refrain from any unethical conduct or any other conduct that tends to damage the reputation of Licensor or Sub Licensor or any of Sub Licensor’s affiliates, including Orkin, LLC. Sublicensee shall be responsible for ensuring that all its employees and/or contractors comply with all applicable laws and regulations (including any laws pertaining to the appropriate and confidential maintenance of Customer Information, including credit card information) in their use of the Services and Software as licensed hereunder and in connection with their provision of the Customer Services.

- 3.10 **REMOTE ACCESS.** Sublicensee will permit Sub Licensor and Licensor to access all Sublicensee databases necessary to enable Sub Licensor and Licensor to remotely (a) monitor and audit the number of Software licenses administered, existing or stored on Sublicensee computers, and (b) collect information concerning Franchise Customers and transactions therewith that may be subject to revenue reporting, royalty payment, territory compliance, or any other term and condition of the Franchise Agreement.

The services described in this Section 3 to be provided by Licensor and/or Sub Licensor are sometimes referred to as the “**Services.**”

#### **4. MONTHLY FEES AND PAYMENT.**

- 4.01 **MONTHLY FEES.** Sublicensee will pay Sub Licensor mutually agreed upon monthly fees based on the number of franchise databases (“**Branch Reporting Operations**”) created, administered, or stored by Sub Licensor or on its behalf on Licensor Servers during each month of the Term as set forth in the attached **Exhibit C**, which is hereby incorporated by reference (“**Monthly Fees**”). The parties acknowledge that Sub Licensor shall be entitled to increase or decrease the Monthly Fees upon Sub Licensor providing thirty (30) days written notice to Sublicensee.

#### **4.02 PAYMENT.**

- (a) Sub Licensor will invoice Sublicensee on a monthly basis for the Monthly Fees at the beginning of each month with such Monthly Fees to be due by the 20th of each month.
- (b) All fees stated in this Agreement are, and all payments must be made, in U.S. dollars. Any amount that is not paid when due will accrue interest at one and one half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less, from the due date until paid.
- (c) The parties acknowledge that Sub Licensor has the right to limit the functionality of the Software or terminate access to a Sublicensee’s database based on Sublicensee’s failure to remain current in its payment obligations. Without limiting any other remedies, in the event Sublicensee fails to pay fees to Sub Licensor in accordance with this Agreement or Sublicensee fails to otherwise pay any fees to Sub Licensor in accordance with the terms of the Franchise Agreement, or any fees due Rollins Acceptance Company, LLC (“**RAC**”) in accordance with any RAC debt obligation concerning its franchise operation, Sublicensee acknowledges that Sub Licensor may, in its sole discretion, instruct Licensor to do the following in the order set forth below:
- (i) suspend Sublicensee’s ability to access the database by limiting the functionality of the Software installed on Sub Licensor or Licensor servers if such breach is not cured within thirty (30) calendar days of the receipt of a written notice (“**Initial Notice**”);
- (ii) terminate Sublicensee’s access to and license to use Software if Sublicensee fails to cure such breach within sixty (60) calendar days of the receipt of the Initial Notice; and

(iii) require a reinstallation fee to reactivate access to the database.  
Nothing in this Section shall affect or limit Sub Licensor's termination rights set forth in Section 9.02 below.

4.03 **AUDIT RIGHTS.** Licensor and Sub Licensor will have the right, during normal business hours and upon at least ten (10) business days prior notice, to have an independent audit firm selected by Sub Licensor or Licensor inspect the Sublicensee computers and Sublicensee's premises and audit Sublicensee's records relating to the administration of the Software under this Agreement in order to verify that Sublicensee has paid the correct amounts owed under this Agreement and otherwise complied with the terms of this Agreement and the Franchise Agreement. Such audits will be conducted no more than once in any period of six consecutive months. The audit will be conducted at Sub Licensor's or Licensor's expense, unless the audit reveals that Sublicensee has underpaid the amounts owed by more than five percent (5%) or failed in some other material respect to comply with the terms of this Agreement, in which case Sublicensee will reimburse all reasonable costs and expenses incurred by Sub Licensor or Licensor in connection with such audit. This right will survive termination or expiration of this Agreement for two (2) years. Notwithstanding the foregoing, Sub Licensor or Licensor will be entitled to audit remotely the Sublicensee computers, at any time, to determine the number of Software licenses administered, existing or stored on Sublicensee computers and handheld devices to verify that Sublicensee has complied with the terms of this Agreement. Sublicensee will promptly pay any amounts shown by any audit to be due and owing.

## 5. **CONFIDENTIAL INFORMATION.**

5.01 **CONFIDENTIAL INFORMATION.** Each Party (the "**Disclosing Party**") may from time to time during the Term of this Agreement disclose to the other Party (the "**Receiving Party**") certain information regarding the Disclosing Party's business, including technical, marketing, financial, employee, planning, Franchise Customer Information, and other confidential or proprietary information ("**Confidential Information**"). All information will be considered as Confidential Information of the Disclosing Party. For purposes of clarity, information relating to the performance of other sublicensees as provided by Sub Licensor on any benchmark reports will be considered Confidential Information of Sub Licensor.

5.02 **PROTECTION OF CONFIDENTIAL INFORMATION.** The Receiving Party will not use any Confidential Information of the Disclosing Party for any purpose not expressly permitted by this Agreement or the Franchise Agreement. The Receiving Party will disclose the Confidential Information of the Disclosing Party only to the employees or contractors of the Receiving Party who have a need to know such Confidential Information for purposes of this Agreement or the Franchise Agreement and who are under a duty of confidentiality no less restrictive than the Receiving Party's duty hereunder. The Receiving Party will protect the Disclosing Party's Confidential Information from unauthorized use, access, or disclosure in the same manner as the Receiving Party protects its own confidential or proprietary information of a similar nature and with no less than reasonable care. Subject to the rights of Sub Licensor set forth in the Franchise Agreement, including Section 11.05 thereof, the obligations of the Parties with respect to use and disclosure of Confidential Information shall continue for five (5) years following the expiration or earlier termination of this Agreement, provided that to the extent any Confidential Information constitutes a trade secret under applicable law, such obligations shall continue for so long as such information is considered a trade secret.

- 5.03 **EXCEPTIONS.** The Receiving Party's obligations under Section 5.02 with respect to any Confidential Information of the Disclosing Party will terminate if and when the Receiving Party can document that such information: (a) was already lawfully known to the Receiving Party at the time of disclosure by the Disclosing Party; (b) was disclosed to the Receiving Party by a third party who had the right to make such disclosure without any confidentiality restrictions; (c) is, or through no fault of the Receiving Party has become, generally available to the public; or (d) was independently developed by the Receiving Party without access to, or use of, the Disclosing Party's Confidential Information.
- 5.04 **PERMITTED DISCLOSURES.** Notwithstanding anything contained to the contrary in this Section 5, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent that such disclosure is (a) approved in writing by the Disclosing Party, (b) necessary for the Receiving Party to enforce its rights under this Agreement in connection with a legal proceeding; or (c) required by law or by the order of a court of similar judicial or administrative body, provided that the Receiving Party notifies the Disclosing Party of such required disclosure promptly and in writing and cooperates with the Disclosing Party, at the Disclosing Party's request and expense, in any lawful action to contest or limit the scope of such required disclosure. In addition, Sub Licensor shall be permitted to disclose to other sublicensees in any benchmark report prepared by Sub Licensor data related to the performance of Sublicensee's business, which may otherwise constitute Confidential Information of Sublicensee.
- 5.05 **RETURN OF CONFIDENTIAL INFORMATION.** Subject to the rights of Sub Licensor set forth in the Franchise Agreement, the Receiving Party will return to the Disclosing Party or destroy all Confidential Information of the Disclosing Party in the Receiving Party's possession or control and permanently erase all electronic copies of such Confidential Information promptly upon the written request of the Disclosing Party or the expiration or termination of this Agreement, whichever comes first. The Receiving Party will certify in writing signed by an officer of the Receiving Party that it has fully complied with its obligations under this Section 5.05.
- 5.06 **CONFIDENTIALITY OF AGREEMENT.** Sublicensee will not disclose any terms of this Agreement to anyone other than its attorneys, accountants, and other professional advisors under a duty of confidentiality except (a) as required by law, (b) pursuant to a mutually agreeable press release or (c) in connection with a proposed merger, financing, or sale of Sublicensee's business (provided that any third party to whom the terms of this Agreement are to be disclosed signs a confidentiality agreement reasonably satisfactory to the other Party to this Agreement). Sublicensee acknowledges and agrees that Sub Licensor and Licensor may identify Sublicensee as a user of Licensor's Software and use Sublicensee's name on Sub Licensor's or Licensor's websites.
- 6. REPRESENTATIONS AND WARRANTIES.**
- 6.01 **POWER AND AUTHORITY; NO CONFLICTS.** Each Party to this Agreement represents and warrants that it has the full right, power and authority to enter into this Agreement and to discharge its obligations hereunder, and that the person signing this Agreement on such Party's behalf has been duly authorized and empowered to enter into this Agreement.
- 6.02 **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS AGREEMENT, SUB LICENSOR AND LICENSOR DISCLAIM ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, REGARDING THE SOFTWARE,



DOCUMENTATION, OR ANY SERVICES (INCLUDING ANY CUSTOMIZATION SERVICES) PROVIDED BY SUB LICENSOR, LICENSOR, THEIR SUPPLIERS, OR SERVICE PROVIDERS, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE, , TITLE, AND NON-INFRINGEMENT OF THIRD-PARTY RIGHTS. THE SOFTWARE, DOCUMENTATION, AND ANY SERVICES PROVIDED BY SUB LICENSOR OR LICENSOR ARE PROVIDED "AS IS" WITH ALL FAULTS, AND THE ENTIRE RISK AS TO SATISFACTORY QUALITY, ACCURACY, AND EFFORT LIE WITH SUBLICENSEE. NEITHER SUB LICENSOR NOR LICENSOR WARRANTS THAT USE OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE AND EACH EXPRESSLY DISCLAIMS LIABILITY FOR THE CONTENT OR LOSS OF ANY DATA TRANSFERRED EITHER TO OR FROM SUBLICENSEE, SUB LICENSOR OR LICENSOR, OR STORED BY SUBLICENSEE, SUB LICENSOR OR LICENSOR OR ANY OF SUB LICENSOR'S, SUBLICENSEE'S OR LICENSOR'S END USERS OR OTHER THIRD PARTIES WHICH MAY BE AFFECTED BY THE SOFTWARE. SUBLICENSEE ACKNOWLEDGES AND AGREES THAT IT HAS NOT RELIED ON ANY ORAL OR WRITTEN INFORMATION OR ADVICE, WHETHER GIVEN BY SUB LICENSOR, LICENSOR, THEIR SUPPLIERS, OR SERVICE PROVIDERS, OR THEIR EMPLOYEES, CONTRACTORS OR AGENTS. SUB LICENSOR'S AND LICENSOR'S SUPPLIERS AND SERVICE PROVIDERS MAKE NO REPRESENTATIONS OR WARRANTIES UNDER OR IN CONNECTION WITH THIS AGREEMENT.

TO THE EXTENT ALLOWED BY LAW, LICENSOR DISCLAIMS ANY IMPLIED WARRANTIES INCLUDING WARRANTIES RESPECTING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSOR SPECIFICALLY MAKES NO WARRANTY THAT THE SOFTWARE WILL OPERATE WITH ALL APPLICATIONS, UTILITIES OR OTHER MEMORY RESIDENT PROGRAMS. THE SOFTWARE IS NOT A "CONSUMER PRODUCT." SHOULD A COURT OF COMPETENT JURISDICTION DETERMINE HOWEVER THAT THE SOFTWARE IS A "CONSUMER PRODUCT" UNDER THE MAGNUSON-MOSS WARRANTY-FEDERAL TRADE COMMISSION IMPROVEMENT ACT, THEN IMPLIED WARRANTIES, IF ANY, ARE LIMITED IN TIME TO A PERIOD OF THIRTY (30) DAYS AFTER YOU RECEIVE OR COMMENCE USE OF THE SOFTWARE. AFTER THAT PERIOD, ALL IMPLIED WARRANTIES ARE EXPRESSLY DISCLAIMED.

## **7. INDEMNIFICATION.**

Sublicensee hereby agrees to indemnify, defend and hold harmless Sub Licensor, Licensor, their suppliers, and service providers, and their directors, officers, employees, contractors and agents from and against any claims, suits, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) brought by a third party arising from or related to any of the following:

- (a) Breach by Sublicensee of its representations, warranties or covenants set forth herein, including, without limitation, Sections 2.04(d) (Franchise Customer Information), 3.08 (No Representations), and 3.09 (Compliance with Laws) of this Agreement;
- (b) Infringement of any patent, copyright, trade secret, or other intellectual property rights by:

- (i) any hardware or software (other than the Software) utilized by Sublicensee in connection with the Software or the Services provided by Sub Licensor or Licensor hereunder;
  - (ii) Sublicensee content or Franchise Customer Information made available by Sublicensee, and stored on Sub Licensor or Licensor servers, or published on, or distributed via, Franchise Customer service tickets or other computer-generated content; or
  - (iii) any content contained on Sublicensee's customer accessible website page maintained by Licensor.
- (c) Any third party claim related to Sublicensee's use of the Software, regardless of whether such use is permitted hereunder, or the Services or the Customer Services offered and/or provided to Franchise Customers.

#### **8. LIMITATION OF LIABILITY.**

**IN NO EVENT WILL SUB LICENSOR, LICENSOR, THEIR OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS OR AGENTS, BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER, SUFFERED BY SUBLICONSEE, ANY FRANCHISE CUSTOMER, OR ANY END USER VISITING OR USING SUBLICONSEE'S OR SUB LICENSOR'S DATA, SERVERS, OR WEBSITES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOSS OR CORRUPTION OF DATA, AND BUSINESS INTERRUPTIONS ARISING OUT OF SUB LICENSOR'S OR LICENSOR'S PERFORMANCE OR NON-PERFORMANCE (INCLUDING WITH RESPECT TO ANY STATEMENTS OF WORK) OR ANY USE OF OR INABILITY TO USE THE SOFTWARE, OR WHETHER ARISING IN AN ACTION OF CONTRACT, TORT OR OTHER LEGAL THEORY, EVEN IF SUB LICENSOR OR LICENSOR IS OR SHOULD HAVE BEEN AWARE, OR ADVISED, OF THE POSSIBILITY THEREOF. SUB LICENSOR'S AND LICENSOR'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT AND THE SOFTWARE AND DOCUMENTATION, WHETHER IN CONTRACT OR TORT OR OTHERWISE, WILL NOT EXCEED THE AMOUNT OF LICENSE FEES PAID BY SUBLICONSEE UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE ON WHICH THE CLAIM FIRST AROSE. SUBLICONSEE ACKNOWLEDGES THAT THE FEES SET FORTH IN THIS AGREEMENT REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT SUB LICENSOR WOULD NOT ENTER INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS ON ITS LIABILITY. THE FOREGOING LIMITATIONS OF LIABILITY ARE INDEPENDENT OF ANY EXCLUSIVE REMEDIES FOR BREACH OF WARRANTY SET FORTH IN THIS AGREEMENT. SUB LICENSOR'S AND LICENSOR'S SUPPLIERS AND SERVICE PROVIDERS SHALL HAVE NO LIABILITY WHATSOEVER UNDER OR IN CONNECTION WITH THIS AGREEMENT.**

## 9. TERM AND TERMINATION.

### 9.01 TERM.

- (a) Unless earlier terminated pursuant to Section 9.02 below, the initial term of this Agreement will begin on the Effective Date and will continue until December 31<sup>st</sup> of the year of the Effective Date (the “**Initial Term**”).
- (b) Unless terminated early in accordance with Section 9.02 below, this Agreement will automatically renew for a successive one (1) year period (“**Renewal Period**”) commencing on January 1 following the conclusion of the most recent Initial Term or Renewal Period so long as both the Franchise Agreement and the Master Licensee Agreement (or any successor agreements thereto) remain in effect unless either Party provides the other Party with notice of non-renewal no less than thirty (30) days prior to the expiration of the Initial Term or any successive Renewal Period. Sublicensee agrees that, so long as the Franchise Agreement is in full force and effect, Sublicensee shall not provide notice of nonrenewal of this Agreement as provided herein.
- (c) Notwithstanding the foregoing, the Parties hereby to extend this Agreement for an additional three (3) month end-of-life period following the designated expiration or termination date of the Basic Term (the “**EOL Period**”) in the event that (i) this Agreement is terminated in accordance with Section 9.02(a) below or (ii) a Party provides the other with a notice of non-renewal in accordance with Section 9.01(b) above, so long as (x) Sublicensee is not otherwise in breach of its obligations under the Agreement and (y) Sublicensee does not enter any New Customers (defined below) during the EOL Period. For purposes of this provision, “**New Customers**” are defined as accounts not previously entered into the database. For purposes of this Agreement, the Initial Term, any Renewal Periods and the EOL Period are to be considered the “**Term**” of this Agreement.

### 9.02 TERMINATION.

- (a) Sub Licensor may terminate this Agreement prior to the expiration of the Term at any time, with or without cause, upon forty-five (45) days' prior written notice.
- (b) Either Party may terminate this Agreement prior to the expiration of the Term effective immediately upon written notice to the other Party in the event: (i) that the other Party breaches any material obligation under this Agreement and such breach is not cured within thirty (30) days after receiving written notice thereof from the non-breaching Party, or (ii) of the insolvency of the other Party or the institution of voluntary or involuntary proceedings in bankruptcy or under any other insolvency law, or an arrangement with creditors, or corporate reorganization, receivership or dissolution, or purchase of the other Party.
- (c) Notwithstanding anything to the contrary set forth herein, this Agreement shall automatically terminate as of the effective date of termination of either the Master Licensee Agreement or the Franchise Agreement.

**9.03 EFFECT OF TERMINATION.**

- (a) **Payment, Licenses, Software, and Services.** Upon termination or expiration of this Agreement for any reason: any amounts owed under this Agreement before such termination or expiration will be immediately due and payable; the appointment in Section 1 will terminate; all licensed rights granted under Sections 2.01 and 2.03 will immediately cease to exist; and Sublicensee must promptly discontinue all further use of the Licensor Marks and all further use, reproduction, and access of the Software, Documentation and Services and provisioning of the Customer Services in connection with the Software. Sublicensee must also destroy, delete or return to Sub Licensor or Licensor all copies of the Software and Documentation and certify in writing signed by an officer of Sublicensee that it has fully complied with this requirement.
- (b) **Survival.** Sections 2.02 (License Restrictions), 2.04(e) and (f) (Franchisee Customer Information), 2.05 (Ownership), 3.10 (Remote Access), 4.03 (Audit Rights) (to the extent stated in such provision), 5 (Confidential Information), 6 (Representations and Warranties), 7 (Indemnification), 8 (Limitation of Liability), 9.03 (Effects of Termination), 9.04 (No Damages Upon Expiration or Termination), and 10 (General) of this Agreement, and the provisions stated to survive any expiration or termination of a statement of work, if any, executed by the Parties pursuant to this Agreement, will survive the expiration or termination of this Agreement for any reason.

**9.04 NO DAMAGES UPON EXPIRATION OR TERMINATION.** NEITHER SUB LICENSOR NOR LICENSOR SHALL BE LIABLE TO SUBLICENSEE FOR DAMAGES OF ANY KIND UPON EXPIRATION OR TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH SECTIONS 4, 9.01 OR 9.02. In addition, Sublicensee shall not be entitled to any compensation, damages or payments with respect to goodwill that has been established, diminished customer asset equity, or for any damages on account of prospective or anticipated profits or business interruption, and shall not be entitled to reimbursement of any amount for any training, advertising, market development, investments, leases or other costs that shall have been expended by Sublicensee before the expiration or termination of this Agreement. Without limiting the foregoing, Sublicensee hereby waives any right it may have under applicable legislation to any indemnity, damages, or compensation on account of the expiration or termination of this Agreement in accordance with the terms hereof.

**10. GENERAL.**

**10.01 GOVERNING LAW.** This Agreement shall be governed in all respects by the laws of the State of Georgia without giving effect to any conflicts of law principles that would require the application of the laws of a different jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. Any action or proceeding arising from or relating to this Agreement must be brought in a federal court in the Northern District of Georgia or in State court in Fulton County, Georgia, and each Party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding.

- 10.02 **NO AGENCY.** The Parties to this Agreement are independent contractors, and no agency, partnership, joint venture, or employee-employer relationship is intended or created by this Agreement.
- 10.03 **FORCE MAJEURE.** Except for the payment of any fees due and payable under this Agreement, neither Party's delay in the performance of any duties or obligations under this Agreement will be considered a breach of this Agreement if such delay is caused by a labor dispute, shortage of materials, fire, earthquake, flood, failures in electric power or telecommunications services, or any other event beyond the control of the Party, provided that the Party suffering such delay immediately notifies the other Party of the delay.
- 10.04 **REMEDIES.** Except as provided in Section 6 (Representations and Warranties) and Section 7 (Indemnification), the Parties' rights and remedies under this Agreement are cumulative. Sublicensee acknowledges that the Software contains valuable trade secrets and proprietary information of Sub Licensor and Licensor, that any actual or threatened breach of Sections 2 (Licenses and Obligations) or 5 (Confidential Information) will constitute immediate, irreparable harm to Sub Licensor and/or Licensor for which monetary damages would be an inadequate remedy, and that injunctive relief is an appropriate remedy for such breach. If Sublicensee continues to access, use or sublicense Software, Documentation or Licensor Marks after this Agreement and its license to do so has terminated or expired, either Sub Licensor or Licensor will be entitled to immediate injunctive relief without the requirement of posting bond. If any legal action is brought to enforce this Agreement, the prevailing party will be entitled to receive its attorneys' fees, court costs, and other collection expenses, in addition to any other relief it may receive.
- 10.05 **NOTICES.** All notices, consents and approvals under this Agreement must be delivered in writing by courier, by facsimile (fax), or by certified or registered mail, (postage prepaid and return receipt requested) to Sub Licensor with a copy to Orkin Systems, LLC Attn: Franchise Division, 2170 Piedmont Rd, NE Atlanta, GA 30324, (404) 888-2875 (in the case of Sub Licensor), or to Sublicensee at the address set forth beneath Sublicensee's signature (in the case of Sublicensee), and will be effective upon receipt or when delivery is refused three (3) business days after being deposited in the mail as required above, whichever occurs sooner. Either Party may change its address by giving written notice of the new address to the other Party in accordance with the requirements set forth in this Section.
- 10.06 **ASSIGNMENT.** Sublicensee may not assign or transfer, by operation of law or otherwise, any of its rights under this Agreement (including its licenses with respect to the Software) to any third party without the prior written consent of Sub Licensor. Any attempted assignment or transfer in violation of the foregoing will be void.
- 10.07 **NO THIRD PARTY BENEFICIARY.** Sub Licensor acknowledges and agrees that nothing herein, express or implied, is intended to nor shall be construed to confer upon or give to any person, other than the Parties, any interests, rights, remedies or other benefits with respect to or in connection with any agreement or provision contained herein or contemplated hereby.
- 10.08 **SEVERABILITY; WAIVER.** If any provision of this Agreement is unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions will continue in full force and effect. All waivers must be in writing. Any waiver or failure to

enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

- 10.09 **CONSTRUCTION.** The headings of Sections of this Agreement are for reference purposes only and in no way define, limit, construe or describe the scope or extent of such section. When used in this Agreement, the term “including” means “including without limitation,” unless expressly stated to the contrary. In the event of any conflict, ambiguity, or inconsistency among the terms of the Agreement, the Exhibits, or the Attachments to an Exhibit, the order of precedence shall be (1) the Agreement, (2) the Exhibits, and (3) the Attachments to an Exhibit, unless a term in an Exhibit or Attachment is expressly stated to take precedence over the order of precedence set forth herein.
- 10.10 **AMENDMENTS.** This Agreement may be modified only by an instrument in writing duly executed by both Parties. Notwithstanding the foregoing, Sublicensee acknowledges and agrees that the terms and policies incorporated by reference into this Agreement may be unilaterally amended by Sub Licensor from time to time and such amended policies shall be automatically binding on Sublicensee and effective thirty (30) days after notice of such amendments have been received from the Sub Licensor.
- 10.11 **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.
- 10.12 **ENTIRE AGREEMENT.** This Agreement sets forth the entire understanding and agreement between Sublicensee and Sub Licensor with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, understandings, and communication, whether written or oral.

IN WITNESS WHEREOF, the parties have executed this Agreement as of [EFFECTIVE DATE] (the “Effective Date”).

**SUB LICENSOR**  
**ORKIN SYSTEMS, LLC**

**SUBLICENSEE**  
**[FRANCHISEE ENTITY]**

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

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

Name: \_\_\_\_\_  
*(Printed)*

Name: \_\_\_\_\_  
*(Printed)*

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

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

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

\_\_\_\_\_

Franchise #: \_\_\_\_\_

## **EXHIBIT A**

### **SOFTWARE COMPONENTS PROVIDED UNDER SERVICEPRO.NET SUBLICENSE AGREEMENT**

#### **Multi-user Core Program License**

- This is the basic “business automation software” and it is the mandatory application that all optional ServSuite modules supplement. It is typically accessed from a PC in an office environment and is often referred to as the “desktop” application.
- Orkin Systems, LLC owns a license for the enterprise version of this software and Licensor, as the Application Service Provider hosts the application on their servers.
- The Sublicensee will require a web browser to remote-access the software through the Internet via a broadband connection. The Sublicensee will save Franchise Customer Information and transactional data to the Licensor server, and perform all their daily software tasks in the web browser interface.
- The Sublicensee must individually contract with a local broadband internet service provider. No broadband internet service is part of this Agreement.

#### **Mobile Software or Handheld Application**

- This software program allows technicians to remotely access customer work orders, record their application activity and observations, and mark work as completed on a handheld device. Data collected in the field can be synchronized with the main database via an internet connection with either a docking station or USB cable.
- This Agreement does not include any handheld or mobile device hardware. Conforming hardware must be purchased separately by the Sublicensee.

#### **Visual Routing**

- This application module uses a graphic interface to help optimizing service routes by choosing the most time efficient date, time and route to schedule a service visit. It helps decide which service stop should be assigned to what route technician and identifies the shortest distance to each stop.
- This application module interfaces with Microsoft’s MapPoint 2009 (or higher) software (purchased separately) to sequence service visit by geographic proximity and create the most time efficient order to complete the daily service stops while minimizing travel. MapPoint is not included in this Agreement (see Exhibit B).

#### **E-Connect**

- This application provides a hosted online portal that allows customers to connect to a branch database and access limited information that pertains to their specific account.
- A customer will be able to print reports, invoices, statements and service information from the online portal.

Other optional Licensor modules are not included in this Agreement and must be licensed separately. No computer hardware is included in this Agreement.

**EXHIBIT B**

**INITIAL FEES  
SERVICEPRO.NET SUBLICENSE AGREEMENT**

The Initial Fees for Licensor’s suite of software products are charged per franchise branch operation.

All fees stated in this Agreement are, and all payments must be made, in U.S. dollars. Any amount that is not paid when due will accrue interest at one and one half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less, from the due date until paid.

Initial Fees are billed at the beginning of the first service month and are in addition to the Monthly Fees noted in **Exhibit C**. Initial Fees are due Net 30 Days for the following Licensor Services:

Full data conversion (with history) of legacy system database and provisioning new database on Licensor servers	\$0
Development of E-Connect web page and activation on web portal	\$0
Implementation and interactive training (8 hours)	\$0
<b>Total Initial Fees:</b>	<b>\$0</b>

**Initial:** \_\_\_\_\_

**Sub Licensor will be solely responsible for all billing of Sublicensee.**

Note: A Datalogic Pegaso ruggedized handheld device that can run ServSuite Mobile with bar-code scanning capability can be optionally purchased from Licensor. The current fee (subject to change) for a Pegaso unit is \$850.00. Microsoft’s MapPoint software is required for the Visual Routing application and must be purchased separately. The foregoing is independent of and not include in the “Initial Fees.”



**EXHIBIT C**

**MONTHLY FEES  
SERVICEPRO.NET SUBLICENSE AGREEMENT**

The Monthly Fees for Licensor’s suite of software are charged per franchise branch operation and allow up to a maximum of 6 concurrent users of the Core Program and 9 total installations of the Mobile Software Handheld Application onto mobile devices in a single branch.

All fees stated in this Agreement are, and all payments must be made, in U.S. dollars. Any amount that is not paid when due will accrue interest at one and one half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less, from the due date until paid.

Monthly Fees are billed at the beginning of each service month and are due Net 20 Days for the following Software and Licensor’s Services:

- Multi-user ServSuite Core Program
- Multi-device Satellite Mobile Handheld Application
- Visual Routing Application
- Database Hosting
- E-connect Web Page Hosting
- Ongoing Support and Software Maintenance from Licensor
- Reporting

**Total Monthly Fees ..... \$140.00**

**Initial: \_\_\_\_\_**

If a franchise owner has the license rights to multiple Orkin franchise operations, a \$10.00 per month discount will be applied to the then-current Monthly Fees required on the second franchise branch that enters into a separate sublicense agreement with the Sub Licensor as long as two sublicense agreements are concurrently in effect. A \$20.00 per month discount will be applied to the then-current Monthly Fees required on the third franchise branch operation placed under a separate sublicense agreement with the Sub Licensor as long as three sublicense agreements are concurrently in effect. (Example: Based on current Monthly Fees of \$140 per month, a 3-unit franchise owner would pay a total of \$390.00 in total Monthly Fees.)

**FRANCHISE AGREEMENT**  
**EXHIBIT F-1**

**GUARANTY AND NON-COMPETE AGREEMENT**

In consideration of, and as an inducement to, the execution of the Franchise Agreement (the "Franchise Agreement") between Orkin Systems, LLC ("Franchisor") and [FRANCHISEE ENTITY] ("Franchisee") dated [EFFECTIVE DATE], and any and all additional agreements concurrently being executed on behalf of Franchisor and Franchisee (collectively, the "Agreements"), each of the undersigned hereby personally, jointly, severally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreements; (2) agrees to be personally bound by, and personally liable for each and every obligation and liability of Franchisee under the Agreements; (3) makes all of the covenants, representations and agreements of Franchisee set forth in the Agreements as if the undersigned had been a party to the Agreements; and (4) guarantees the full and prompt payment when due of all amounts evidenced by any Promissory Note executed by Franchisee in favor of Rollins Acceptance Company, LLC, an Affiliate of Franchisor, as such may be modified, amended, restated or refinanced from time to time. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreements.

A. Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he/she may have to require that an action be brought against Franchisee or any other person or Entity as a condition of liability; (5) notice of any release of any guarantor or other security given for the obligations of Franchisee; and (6) any and all other notices.

B. Without limiting the foregoing, each of the undersigned consents and agrees that: (1) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or Entity; and (2) such liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person or Entity, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty and Non-Compete Agreement, which shall be continuing and irrevocable during the terms of the Agreements.

C. Each of the undersigned further covenants and agrees that, during the Term of the Franchise Agreement, or any renewal thereof, except as otherwise approved in writing by Franchisor, he or she shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person or Entity:

1. Divert, or attempt to divert, any business or customer of the Franchised Business to any third party, by direct or indirect inducement or otherwise, or transfer, encumber or sell, or attempt to transfer, encumber or sell, any Customer Contract to or for the benefit of any third party; or

2. Have any direct or indirect interest as a disclosed or beneficial owner in, or perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise with respect to, any person or Entity that provides Termite or Pest control services, regardless of location; provided, further, that this provision shall not apply to any ownership by the undersigned of less than one percent (1%) of the outstanding equity securities of any publicly held corporation or any interest held indirectly through mutual funds.

Each of the undersigned acknowledges and agrees that the covenants and restrictions in this Section C. are reasonable, appropriate, and necessary to promote and protect the Orkin System, other Orkin System franchisees and the legitimate interests of Franchisor and are meant to deter any potential conflict of interest.

D. Each of the undersigned further covenants and agrees that, during the two (2) year period following the effective date of termination or expiration of the Franchise Agreement for any reason, or following the date of a transfer by the undersigned, except as otherwise approved in writing by Franchisor, he or she shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person or Entity:

1. Solicit or accept, or attempt to solicit or accept, directly or by assisting others, any customer of the Franchised Business during the twenty-four (24) month period prior to the effective date of such termination, expiration, or transfer, as applicable; or

2. Have any direct or indirect interest as a disclosed or beneficial owner in, or perform services as a director, officer, manager, employee, consultant or representative with respect to, any person or Entity that provides Termite or Pest control services in the Territory or within ten (10) miles thereof; provided, further, that this provision shall not apply to any ownership by the undersigned of less than one percent (1%) of the outstanding equity securities of any publicly held corporation or any interest held indirectly through mutual funds.

3. Each of the undersigned acknowledges that in the event of the termination of the Franchise Agreement for whatever cause, the undersigned's experience and capabilities are such that such person can obtain employment in a business engaged in other lines or of a different nature than that of the Pest or Termite control business and that the enforcement of a remedy by way of injunction will not prevent such person from earning a livelihood.

E. Each of the undersigned further covenants that he or she (1) shall be bound by all of the confidentiality and other obligations and covenants in Section 11.04 (Confidential Information) and Section 14 (Transferability of Interest) of the Franchise Agreement as if such obligations and covenants were made and given personally by the undersigned to Franchisor and (2) shall not do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with Franchisor's Licensed Marks and the Orkin System.

F. Each of the undersigned agrees that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Guaranty and Non-Compete Agreement. If all or any portion of a covenant in this Guaranty and Non-Compete Agreement is held unreasonable or unenforceable by a court, arbitration panel or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, each of the undersigned expressly agrees to be bound by any lesser covenant subsumed within the terms of such

covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Guaranty and Non-Compete Agreement.

G. Acknowledgements; Representations.

1. Each of the undersigned acknowledges that a violation of any covenant above (other than those contained in Sections C(2) and D(2)) will cause irreparable damage to Franchisor, the exact amount of which may not be subject to reasonable or accurate ascertainment, and therefore, the undersigned do hereby consent that in the event of such violation, Franchisor shall as a matter of right be entitled to injunctive relief to restrain the undersigned, or anyone acting for or on his or her behalf, from violating said covenants, or any of them. Such remedies shall be cumulative and in addition to any other remedies to which Franchisor may then be entitled.

2. Each of the undersigned acknowledges that a breach of the covenants contained in Sections C(2) and D(2) above shall result in damages to Franchisor, its Affiliates or other franchisees of the Orkin System, as applicable, such that such Entity will be required to replace such former employee, and therefore, each of the undersigned shall be jointly and severally liable for all costs and expenses incurred by Franchisor, such Affiliates or other franchisees of the Orkin System, as applicable, in connection with the recruiting, hiring, moving and training of such replacement employee up to the level of performance of the former employee.

3. Each of the undersigned represents and acknowledges that in the event of the termination of the Franchise Agreement for whatever cause, his or her experience and capabilities are such that he or she can obtain employment in a business engaged in other lines or of a different nature than that of the Termite/Pest control business and that the enforcement of a remedy by way of injunction will not prevent him or her from earning a livelihood. In the event Franchisor brings suit to enforce any provision hereof, Franchisor shall be entitled to receive, in addition to any relief or remedy granted, the cost of bringing such suit, including reasonable attorneys' fees. The covenants set forth herein shall survive the termination or expiration of the Agreements and this Guaranty and Non-Compete Agreement.

H. Dispute Resolution.

1. Each of the undersigned agrees that any and all disputes arising under this Guaranty and Non-Compete Agreement shall be governed in accordance with the dispute resolution provisions set forth in Section 21.14 (Dispute Resolution) of the Franchise Agreement, including without limitation the binding arbitration provisions set forth therein.

2. THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM AGAINST FRANCHISOR OR ITS AFFILIATES.

I. If any provision of this Guaranty and Non-Compete Agreement is deemed to be invalid or inoperative for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of this Guaranty and Non-Compete Agreement shall continue in force and effect as if it had been signed with the invalid portion so modified or eliminated. Upon receipt by Franchisor of notice of the death of any person executing this Guaranty and Non-Compete Agreement, the estate of the

deceased will be bound by this Guaranty and Non-Compete Agreement, but only for defaults and obligations under the Agreements existing at the time of death and in such event, the obligations of the remaining of the undersigned shall continue in full force and effect.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty and Non-Compete Agreement as of the day set forth opposite the undersigned's signature below.

**GUARANTOR(S)**

**DATE**

\_\_\_\_\_  
[OWNER1]

\_\_\_\_\_

\_\_\_\_\_  
[OWNER2]

\_\_\_\_\_

**FRANCHISE AGREEMENT**  
**EXHIBIT F-2**

**OWNERSHIP STRUCTURE**

List the full name and mailing address of each person or Entity who directly or indirectly owns an equity or voting interest in Franchisee and describe the nature of the interest.

<b>Name</b>	<b>Address</b>	<b>Ownership Interest</b>
[OWNER1]		[X]%
[OWNER2]		[X]%

Dated: [EFFECTIVE DATE]

**FRANCHISE AGREEMENT**  
**EXHIBIT G**

**FORM OF UCC-1 FINANCING STATEMENT**

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

---

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

1c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
------	-------	-------------	---------

1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
------	-------	-------------	---------

2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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3c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION [if applicable]:  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum  [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE]  [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA



## Instructions for National UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read all Instructions, especially Instruction 1; correct Debtor name is crucial. Follow Instructions completely.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice. Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

When properly completed, send Filing Office Copy, with required fee, to filing office. If you want an acknowledgment, complete item B and, if filing in a filing office that returns an acknowledgment copy furnished by filer, you may also send Acknowledgment Copy; otherwise detach. If you want to make a search request, complete item 7 (after reading Instruction 7 below) and send Search Report Copy, otherwise detach. Always detach Debtor and Secured Party Copies.

If you need to use attachments, use 8-1/2 X 11 inch sheets and put at the top of each sheet the name of the first Debtor, formatted exactly as it appears in item 1 of this form; you are encouraged to use Addendum (Form UCC1Ad).

A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor name:** Enter only one Debtor name in item 1, an organization's name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.
  - 1a. **Organization Debtor.** "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor's correct name, organization type, and jurisdiction of organization.
  - 1b. **Individual Debtor.** "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.

For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).
- 1c. An address is always required for the Debtor named in 1a or 1b.
- 1d. Debtor's taxpayer identification number (tax ID #) — social security number or employer identification number — may be required in some states.
  - 1e,f,g. "Additional information re organization Debtor" is always required. Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in item 1g indicating "none."
2. If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. To include further additional Debtors, or one or more additional Secured Parties, attach either Addendum (Form UCC1Ad) or other additional page(s), using correct name format. Follow Instruction 1 for determining and formatting additional names.
3. Enter information for Secured Party or Total Assignee, determined and formatted per Instruction 1. If there is more than one Secured Party, see Instruction 2. If there has been a total assignment of the Secured Party's interest prior to filing this form, you may either (1) enter Assignor S/P's name and address in item 3 and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Total Assignee's name and address in item 3 and, if you wish, also attaching Addendum (Form UCC1Ad) giving Assignor S/P's name and address in item 12.
4. Use item 4 to indicate the collateral covered by this Financing Statement. If space in item 4 is insufficient, put the entire collateral description or continuation of the collateral description on either Addendum (Form UCC1Ad) or other attached additional page(s).
5. If filer desires (at filer's option) to use titles of lessee and lessor, or consignee and consignor, or seller and buyer (in the case of accounts or chattel paper), or bailee and bailor instead of Debtor and Secured Party, check the appropriate box in item 5. If this is an agricultural lien (as defined in applicable Commercial Code) filing or is otherwise not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 5, complete items 1-7 as applicable and attach any other items required under other law.
6. If this Financing Statement is filed as a fixture filing or if the collateral consists of timber to be cut or as-extracted collateral, complete items 1-5, check the box in item 6, and complete the required information (items 13, 14 and/or 15) on Addendum (Form UCC1Ad).
7. This item is optional. Check appropriate box in item 7 to request Search Report(s) on all or some of the Debtors named in this Financing Statement. The Report will list all Financing Statements on file against the designated Debtor on the date of the Report, including this Financing Statement. There is an additional fee for each Report. If you have checked a box in item 7, file Search Report Copy together with Filing Officer Copy (and Acknowledgment Copy). Note: Not all states do searches and not all states will honor a search request made via this form; some states require a separate request form.
8. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.

**Note:** If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor's name in item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a decedent's estate, enter name of deceased individual in item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Manufactured-Home Transaction or a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1Ad) and check appropriate box in item 18.

**FRANCHISE AGREEMENT**  
**EXHIBIT H**  
**COVENANT OF COMPLIANCE WITH ORKIN STANDARDS**

I, [OWNER1], as an Owner of [FRANCHISEE ENTITY], “Franchisee” pursuant to that certain Franchise Agreement dated as of [EFFECTIVE DATE], by and between Orkin Systems, LLC and Franchisee (the “Agreement”; Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement), in addition to the requirements set forth in the Agreement, hereby:

a) covenant and agree to operate the Franchised Business in accordance with Franchisor’s standards and all rules and regulations of Franchisor set forth in Franchisor’s current Manuals and the Agreement, including, but not limited to those related to Franchisor’s current Orkin Termite Matrix and Treating Compliance Regulations; and

b) covenant and agree to allow Franchisor to visit the Franchised Business and its customers for a Termite Compliance Inspection (as set forth in the Manuals) at any given time Franchisor deems appropriate. If violations are discovered during these compliance inspections, I covenant and agree to take all possible steps to bring the violations up to standards in a reasonable time period; and

c) acknowledge that if I fail to bring such standards up to the appropriate level, I will allow Franchisor the right to fix my violations and bring my operations up to standards and that I will reimburse Franchisor for all of Franchisor expenses and/or Franchisor’s Affiliates’ expenses in such effort; and

d) acknowledge that each such violation is a default under the Agreement and that repeated violations shall give Orkin the right pursuant to the Agreement to revoke the license granted therein; and

e) covenant and agree to operate by Franchisor’s strict code of ethics as set forth in the Manuals and to uphold Orkin’s policies of fair dealings with customers and employees in accordance with, but not limited to, the Orkin Consumer Policy Pledge, which I have reviewed.

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[OWNER1]

**FRANCHISE AGREEMENT**  
**EXHIBIT I**  
**STATE-SPECIFIC AMENDMENTS TO ORKIN FRANCHISE AGREEMENT**

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF CALIFORNIA**

In recognition of the requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. If any of the provisions of the Agreement concerning termination, transfer and/or non-renewal of a franchise are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U.S.C. §101, et seq.) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply.

3. The Agreement requires that it be governed by Georgia law. This requirement may be unenforceable under California law.

4. The Agreement contains a waiver or punitive damages and jury trial. These provisions may not be enforceable under California law.

5. The Agreement required binding arbitration in the metropolitan area in which Franchisor's principal place of business is then located. These provisions may not be enforceable under California law.

6. Franchisee must sign a general release if Franchisee renews or transfers its franchise. California Corporations Code 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

7. The Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

9. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, as applicable, are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

[Signatures begin on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF HAWAII**

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes §§ 482E-1 – 482E-12, the parties to the attached Orkin Franchise Agreement (the “Agreement”) agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 2.03(d) of the Agreement, under the heading “Franchisee’s Limited Renewal Option,” is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

(d) Franchisee and its Owners shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, officers, directors, shareholders and employees, in their corporate and individual capacities, arising from this Agreement, the Franchised Business and/or federal, state and local laws, rules and regulations, excluding only such claims as Franchisee or its Owners may have under the Hawaii Franchise Investment Law.

3. Section 14.02(b)(ii) of the Agreement, under the heading “Transfer by Franchisee,” is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

(ii) Franchisee and its Owners shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, Owners and employees, in their corporate and individual capacities, including, without limitation, claims arising under Federal, state and local laws, rules and ordinances, excluding only such claims as Franchisee or its Owners may have under the Hawaii Franchise Investment Law.

4. Section 15 of the Agreement, under the heading “Default and Termination,” shall be amended by the addition of the following new subsection 15.05, which shall be considered an integral part of the Agreement:

15.05 Compliance with Hawaii Law. Notwithstanding anything to the contrary in this Section 15, Franchisor shall comply with Hawaii law which currently requires that Franchisor compensate Franchisee upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise, of any inventory, supplies, equipment and furnishings which were purchased from Franchisor or a supplier designated by Franchisor. Personalized materials which have no value to Franchisor need not be compensated for. If Franchisor refuses to renew a franchise for the purpose of converting Franchisee’s business to one owned and operated by Franchisor, Franchisor, in addition, must compensate Franchisee for the loss of goodwill. Franchisor may deduct reasonable costs incurred in removing, transporting and disposing of Franchisee’s inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due Franchisor.

5. Each provision of this amendment to the Agreement shall be effective only to the

extent, with respect to such provision, the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 Illinois Compiled Statutes §§ 705/1 - 705/44, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 2.03 of the Agreement, under the heading "Franchisee's Limited Renewal Option," shall be amended by the addition of the following new subsection (h), which shall be considered an integral part of the Agreement:

(h) If any of the provisions of this Section 2 are inconsistent with Section 705/20 of the Illinois Franchise Disclosure Act of 1987, the provisions of the Illinois Franchise Disclosure Act of 1987 shall apply. If Franchisor refuses to renew this Agreement, Franchisor shall compensate Franchisee if (and to the extent) such compensation is required under Section 705/20 of the Illinois Franchise Disclosure Act of 1987.

3. Section 15 of the Agreement, under the heading "Default and Termination," shall be amended by the addition of the following new subsection 15.05, which shall be considered an integral part of the Agreement:

15.05 Compliance with Illinois Law. If any of the provisions of this Section 15 concerning termination are inconsistent with Section 705/19 of the Illinois Franchise Disclosure Act of 1987, the provisions of the Illinois Franchise Disclosure Act of 1987 shall apply.

4. The second sentence of Section 21.07 of the Agreement, under the heading "Applicable Law," is deleted in its entirety, and shall have no further force or effect, and the following sentence shall be substituted in lieu thereof:

This Agreement and the rights and obligations of the parties hereto shall be governed by and interpreted and construed in accordance with the laws of the State of Illinois, without regard to its principles of conflicts of law.

5. Subsection (c) of Section 21.07 of the Agreement, under the heading "Applicable Law," shall be amended by the addition of the following new sentence, which shall be considered an integral part of the Agreement:

Nothing contained in this Section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met).

6. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this amendment to the



Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF INDIANA**

In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, Indiana Code §§ 23-2-2.7-1 through 23-2-2.7-7, and the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 through 23-2-2.5-51, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.
2. The Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under Indiana law.
3. Under Section 19 of the Agreement, Franchisee will not be required to indemnify Franchisor for any liability imposed on Franchisor as a result of Franchisee's reliance on or use of procedures or products which were required by Franchisor, if such procedures were utilized by Franchisee in the manner required by Franchisor.
4. Sections 2.03(d) and 14.02(b)(ii) of the Agreement each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Each provision is inapplicable under the Indiana Deceptive Franchise Practices Law, IC § 23-2-2.7-1(5).
5. Section 21.07(a) of the Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law will prevail.
6. Section 21.14 of the Agreement is amended to provide that arbitration between Franchisee and Franchisor will be conducted at a mutually agreed-on location.
7. Nothing in the Agreement will abrogate or reduce any rights Franchisee has under Indiana law.
8. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.
9. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the Indiana Deceptive Franchise Practices Law and the Indiana Franchise Disclosure Law, as applicable, are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

[Signatures begin on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

1. The general release language required as a condition of renewal, sale and/or assignment or transfer shall apply except for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Under certain circumstances, the Agreement requires Franchisee to submit to a court proceeding in the Superior Court of Fulton County, State of Georgia, and/or in the United States District Court for the Northern District of Georgia, Atlanta Division. These provisions may run contrary to the Maryland Franchise Registration and Disclosure Law. Therefore, nothing will preclude Franchisee from being able to enter into litigation with Franchisor in Maryland.

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

4. No representation or acknowledgment by the Franchisee in the Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes §§ 80C.01 - 80C.22, and of the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minnesota Rules §§ 2860.0100 - 2860.9930, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 2.03(d) of the Agreement, under the heading "Franchisee's Limited Renewal Option," is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

(d) Franchisee and its Owners shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, officers, directors, shareholders and employees, in their corporate and individual capacities, arising from this Agreement, the Franchised Business and/or federal, state and local laws, rules and regulations, excluding only such claims as Franchisee or its Owners may have under the Minnesota Franchise Act and the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

3. Section 2.03 of the Agreement, under the heading "Franchisee's Limited Renewal Option," shall be amended by the addition of the following new subsection (h), which shall be considered an integral part of the Agreement:

(h) Minnesota law provides franchisees with certain non-renewal rights. In sum, Section 80C.14, Subdivision 4, of the Minnesota Franchise Act currently requires, except in certain specified cases, that Franchisee be given 180 days' notice of non-renewal of this Agreement.

4. Section 10.02 of the Agreement, under the heading "Use of Licensed Marks," shall be amended by the addition of the following new sentence, which shall be considered an integral part of the Agreement:

Pursuant to Section 80C.12, Subdivision 1(g), of the Minnesota Statutes, Franchisor is required to protect any rights Franchisee may have to the Licensed Marks.

5. Section 14.02(b)(ii) of the Agreement, under the heading "Transfer by Franchisee," is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

(ii) Franchisee and its Owners shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, Owners and employees, in their corporate and individual capacities, including, without limitation, claims arising under Federal, state and local laws, rules and ordinances, excluding only such claims as Franchisee or its Owners may have under the Minnesota Franchise Act and the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

6. Section 14.02 of the Agreement, under the heading "Transfer by Franchisee," shall be amended by the addition of the following new subsection (c), which shall be considered an integral part of the Agreement:

(c) Minnesota law provides franchisees with certain transfer rights. In sum, Section 80C.14, Subdivision 5, of the Minnesota Franchise Act currently requires that consent to the transfer of the franchise may not be unreasonably withheld.

7. Section 15 of the Agreement, under the heading "Default and Termination," shall be amended by the addition of the following new subsection 15.05, which shall be considered an integral part of the Agreement:

15.05 Compliance with Minnesota Law. Minnesota law provides franchisees with certain termination rights. In sum, Section 80C.14, Subdivision 3, of the Minnesota Franchise Act currently requires, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) of this Agreement.

8. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act or the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF NEW YORK**

In recognition of the requirements of the Article 33 of the General Business Law of the State of New York, §§ 680 - 695, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 2.03(d) of the Agreement, under the heading "Franchisee's Limited Renewal Option," is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

(d) Franchisee and its Owners shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, officers, directors, shareholders and employees, in their corporate and individual capacities, arising from this Agreement, the Franchised Business and/or federal, state and local laws, rules and regulations; provided, however, that all rights enjoyed by Franchisee and its Owners and any causes of action arising in their favor from the provisions of Article 33 of the General Business Law of the State of New York, and the rules and regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of Article 33 of the General Business Law of the State of New York be satisfied.

3. Section 14.01 of the Agreement, under the heading "Transfer by Franchisor," shall be amended by the addition of the following new sentence, which shall be considered an integral part of the Agreement:

However, no assignment shall be made except to an assignee who, in the good faith judgment of Franchisor, is willing and able to assume Franchisor's obligations under this Agreement.

4. Section 14.02(b)(ii) of the Agreement, under the heading "Transfer by Franchisee," is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

(ii) Franchisee and its Owners shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, Owners and employees, in their corporate and individual capacities, including, without limitation, claims arising under Federal, state and local laws, rules and ordinances; provided, however, that all rights enjoyed by Franchisee and its Owners and any causes of action arising in their favor from the provisions of Article 33 of the General Business Law of the State of New York, and the rules and regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of Article 33 of the General Business Law of the State of New York be satisfied.

5. Subsection (a) of Section 21.07 of the Agreement, under the heading "Applicable Law," shall be amended by the addition of the following new sentence, which shall be considered

an integral part of the Agreement:

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

6. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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



**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

In recognition of the requirements of the North Dakota Franchise Investment Law, North Dakota Cent. Code §§ 51-19-01 - 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined that the following provisions of the Agreement are unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to North Dakota Century Code § 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to the statute.

B. Situs of Arbitration Proceedings: Any provision providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of the State of North Dakota:

D. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota Franchise Investment Law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Any provision requiring the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota applies.

J. Enforcement of Agreement: Any provision requiring the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, and the policies of the office of the State of North Dakota Securities Commission, are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, Rhode Island Code §§ 19-28.1-1 - 19-28.1-34, the parties to the attached Orkin Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 21.07 of the Agreement, under the heading "Applicable Law," shall be amended by the addition of the following new subsection (d), which shall be considered an integral part of the Agreement:

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

3. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**AMENDMENT TO ORKIN FRANCHISE AGREEMENT  
FOR THE STATE OF WASHINGTON**

In recognition of the requirements of the Washington Franchise Investment Protection Act, Revised Code of Washington §§ 19.100.010 – 19.100.940, the parties to the attached Orkin Franchise Agreement (the “Agreement”) agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in Franchisee’s relationship with the Franchisor including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the Franchise Agreement in Franchisee’s relationship with the Franchisor, including the areas of termination and renewal of the franchise.

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, 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.

A release or waiver of rights executed by Franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting a Franchisee from (i) soliciting or hiring any employee of a franchisee of the 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.

3. Each provision of this amendment to the Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently, without reference to this amendment to the Agreement, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to the Agreement as of the date set forth below, with the terms and conditions set forth herein to begin on the Effective Date of the Agreement.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**FRANCHISOR:**

**FRANCHISEE:**

**ORKIN SYSTEMS, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**FRANCHISE AGREEMENT  
EXHIBIT J**

**TELEPHONE SERVICE TRANSFER REQUEST**

[FRANCHISEE ENTITY], as the former customer to telephone service provided under the telephone number \_\_\_\_\_ (number), releases any and all rights to such number and requests that \_\_\_\_\_ (telephone company) assign such number to the telephone service to be installed at \_\_\_\_\_

(corporate branch address), effective \_\_\_\_\_, 20\_\_\_\_ (“Effective Date”).

Upon the Effective Date, Orkin, LLC or its affiliate will assume responsibility for all charges and obligations related to this telephone service, including contract obligations such as directory advertising. Orkin, LLC or its affiliate is responsible for determining the full extent of charges and obligations from [FRANCHISEE ENTITY]. [FRANCHISEE ENTITY] agrees to supply this information to the applicant.

[FRANCHISEE ENTITY] agrees to pay any charges related to the telephone service mentioned, including directory advertising obligations, through and until the Effective Date.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**ORKIN, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**EXHIBIT 2  
STATE ADMINISTRATORS**

Listed below are the names, addresses and telephone numbers of the entities in charge of administering state franchise laws.

**CALIFORNIA**

Office of the Commissioner  
California Department of Business Oversight  
320 West 4th Street, Suite 750  
Los Angeles, California 90013  
(866) 275-2677

**FLORIDA**

Department of Agriculture and Consumer Services  
Division of Consumer Services  
Mayo Building, Second Floor  
Tallahassee, Florida 32399-0800  
(850) 922-2770

**ILLINOIS**

Franchise Bureau  
Office of Attorney General  
State of Illinois  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

**MARYLAND**

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-7042

**MINNESOTA**

Minnesota Department of Commerce  
Registration and Licensing Division  
85 7<sup>th</sup> Place, Suite 500  
St. Paul, Minnesota 55101  
(651) 296-4026

**CONNECTICUT**

Securities and Business Investment Division  
Connecticut Department of Banking  
260 Constitution Plaza  
Hartford, Connecticut 06103  
(860) 240-8233

**HAWAII**

Hawaii Securities Commissioner  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

**INDIANA**

Indiana Securities Division  
302 West Washington Street  
Room E-111  
Indianapolis, Indiana 46204  
(317) 232-6681

**MICHIGAN**

Michigan Department of Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
670 Law Building  
Lansing, Michigan 48913  
(517) 373-7117

**NEBRASKA**

Department of Banking and Finance  
Commerce Court  
1230 "O" Street, Suite 400  
PO Box 95006  
Lincoln, NE 68509-5006  
(402) 471-3445

**NEW YORK**

Bureau of Investor Protection and Securities  
New York State Department of Law  
120 Broadway, 23rd Floor  
New York, New York 10271  
(212) 416-8211

**OREGON**

Department of Consumer and Business Services  
Division of Finance  
Labor and Industries Building  
Salem, Oregon 97310  
(503) 378-4140

**SOUTH DAKOTA**

Department of Labor and Regulation  
Division of Securities  
445 East Capitol Avenue  
Pierre, South Dakota 57501-3185  
(605) 773-4823

**UTAH**

Director, Division of Consumer Protection  
Utah Department of Commerce  
160 East 300 South  
P.O. Box 146704  
Salt Lake City, Utah 84114-6704  
(801) 530-6601

**WASHINGTON**

Securities Division  
Department of Financial Institutions  
150 Israel Road  
Tumwater, Washington 98501  
(360) 902-8760

**NORTH DAKOTA**

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol - 5<sup>th</sup> Floor  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

**RHODE ISLAND**

Director of Business Regulations  
State of Rhode Island  
John O. Pastore Complex  
1511 Pontiac Avenue, Building 69-1  
Cranston, RI 02910  
(401) 277-3048

**TEXAS**

Secretary of State  
Statutory Document Section  
P.O. Box 12887  
Austin, Texas 78711  
(512) 475-1769

**VIRGINIA**

State Corporation Commission  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219  
(804) 371-9051

**WISCONSIN**

Wisconsin Division of Securities  
Department of Financial Institutions  
P.O. Box 1768  
Madison, Wisconsin 53701  
(608) 266-8559



**EXHIBIT 3  
AGENTS FOR SERVICE OF PROCESS**

Listed below are the names, addresses and telephone numbers of the state offices or officials designated as our agents for service of process in such states:

**CALIFORNIA**

Commissioner of Business Oversight  
California Department of Business Oversight  
320 West 4th Street, Suite 750  
Los Angeles, California 90013

**HAWAII**

Hawaii Securities Commissioner  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

**INDIANA**

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204

**MICHIGAN**

Michigan Department of Commerce  
Corporations and Securities Bureau  
6546 Mercantile Way  
Lansing, Michigan 48910

**NEW YORK**

Secretary of State of the State of New York  
41 State Street  
Albany, New York 12231

**OREGON**

Director  
Department of Insurance and Finance  
700 Summer Street, NE  
Suite 120  
Salem, Oregon 97310

**ILLINOIS**

Attorney General of the State of Illinois  
500 South Second Street  
Springfield, Illinois 62706

**MARYLAND**

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2020

**MINNESOTA**

Minnesota Commissioner of Commerce  
Department of Commerce  
85 7<sup>th</sup> Place, Suite 500  
St. Paul, Minnesota 55101

**NORTH DAKOTA**

North Dakota Securities Commissioner  
State Capitol  
Bismarck, North Dakota 58505

**RHODE ISLAND**

Director of Department of Business Regulation  
Department of Business Regulation  
Securities Division  
John O. Pastore Complex  
1511 Pontiac Avenue, Building 69-1  
Cranston, RI 02910

**SOUTH DAKOTA**

Department of Labor and Regulation  
Division of Securities  
445 East Capitol Avenue  
Pierre, South Dakota 57501-3185

**VIRGINIA**

Clerk of the State Corporation Commission  
1300 East Main Street  
Richmond, Virginia 23219

**WASHINGTON**

Director of the Securities Division  
Department of Financial Institutions  
State of Washington  
150 Israel Road  
Tumwater, Washington 98501

**WISCONSIN**

Wisconsin Commissioner of Securities  
345 W. Washington Avenue, 4<sup>th</sup> Floor  
Madison, Wisconsin 53703

**EXHIBIT 4**  
**DESCRIPTION OF MANUALS**

1. Operational Location Manual: Provides general guidance and recommendations regarding sales, service and operation of a Pest control company.
2. Franchise Management Manual: Provides guidance and recommendations of general business practices and Orkin Systems' expectations of you concerning your business and compliance with your franchise agreement.
3. Franchise Operations Manual: Provides general guidance and recommendations regarding sales, service and operation of a Pest control franchise.
4. Pest Control Expectations Manual: Orkin standards for providing Pest control service.
5. Termite Treatment Expectations Manual: Orkin standards for providing Termite service to Orkin-owned customers within your franchised territory.
6. Orkin Standards Manual: Provides guidance on Orkin® brand standards in relation to marking, advertising and other activities using the Orkin® logos and other trademarks.

**EXHIBIT 5**  
**REQUIRED AND RECOMMENDED PACKAGE OF INVENTORY AND EQUIPMENT**

The following represents the chemicals, equipment and supplies recommended for purchase by all new franchisees. The recommended quantity of each item listed below will vary depending upon the size of a franchisee's territory. The approximate range of values of this package in the aggregate is listed within Item 7 of this disclosure document.

**REQUIRED INVENTORY:**

- Termidor SC
- Termidor Dry
- Termidor Foam

**RECOMMENDED INVENTORY:**

**PESTICIDES:**

- Talstar Products
- Pyrethrins
- Maxforce Bait Products
- CyKick Product
- Avert Bait Products
- Mother Earth G
- Advion Products
- Intice 10 Perimeter Bait
- Cimexa Insecticide Dust
- Tri-Die Bulk
- Delta Dust
- PreCor 2625
- Tri-Die
- 515 Wasp Freeze
- 565 Plus XLO formula 2
- Caulk
- Catch & Pitch
- OE-30
- Boric Acid bait products
- EcoVia products
- Tempo Products
- Gentrol products
- Phantom
- Temprid FX
- Arilon
- Fuse
- Tekko Pro IGR Concentrate
- Fabric and stored product lures and mating disruption

**PEST CONTROL EQUIPMENT:**

- Hand Duster
- Centro Bulb Duster
- Handheld compressed air sprayers
- System III aerosol applicators
- Power assisted dust applicators
- Mosquito Treating Unit (Stihl SR 200)
- PDS Rig or Backpack
- Portable Vacuum Cleaner (HEPA Filter)

**RODENT CONTROL EQUIPMENT:**

- Glue Board Mouse
- Glue Board Rat
- Snap Trap Mouse
- Snap Trap Rat
- Stuff It Copper Mesh
- Xcluder Door Sweeps/Seals
- Ditrac Tracking Powder (restricted use/ordering)
- Conrac Pellets
- Conrac Blox
- Final Blox
- First Strike Rodent Bait
- Detex
- Multi-Catch Traps
- Plastic Bait Stations
- Tamper Resistant Bait Stations

**EXHIBIT 6  
APPROVED SUPPLIERS**

<b>Supplier</b>	<b>Product Category</b>	<b>Contact</b>	<b>Email</b>	<b>Phone</b>
4Most Innovations	Gotch Sprayer Parts	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
AAC Distributing, LLC	Wildlife Control Traps	Mike Siri	<a href="mailto:mike.siri@aacdistributing.com">mike.siri@aacdistributing.com</a>	574-518-2681
A.R.E.	Vehicle Toppers, Tool Boxes, Ladder Racks	Anna Maher	<a href="mailto:amaher@4are.com">amaher@4are.com</a>	330-327-6358
ABA Aviation Resources	Aerosol Insecticide for Airplane use	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
ACM-Texas (NIC)	NIC Organic Dust	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Adapco, Inc.	Mosquito Larvae, Adult Products	Elizabeth Leibee	<a href="mailto:eleibee@myadapco.com">eleibee@myadapco.com</a>	877-250-6507
Adjustable Floor	Floor Jacks	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Advantage Manufacturing	Rodent Bait Station Anchors	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Advantage Products	Bee Pole, Duster, Parts	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Air-Scent International	Fragrances, Dispensers & Refills	Lisa Vasko	<a href="mailto:lisa.vasko@airscent.com">lisa.vasko@airscent.com</a>	800-247-0770
Allen Specialties	Stuf-Fit Copper Mesh	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Alpha Aromatics	Fragrance	Tim George	<a href="mailto:tim.george@alphaaromatics.com">tim.george@alphaaromatics.com</a>	800-295-5261
Alpine	Yellow Jacket Bait Station	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Amazing Concepts	Nik Out Odor Neutralizer	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Amazon Hose & Rubber	Water Snakes (Blue), Fumigation Supplies	Maria Fasani	<a href="mailto:mariafasani@amazonhose.com">mariafasani@amazonhose.com</a>	305-620-4313
AmCan	Bug Stop Heat Tent	Lorne Chadnick	<a href="mailto:lchadnick@gmail.com">lchadnick@gmail.com</a>	877-411-0053
American Bio-Systems	Biologicals: BioMop	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
American Building Restoration	Wood Cleaners, Stains, Sealers for Decks	Tom Darragh	<a href="mailto:thdarragh@comcast.net">thdarragh@comcast.net</a>	800-346-7532
American Marine (Elastec)	Water Snakes for Fumigation	Jeff Pierce	<a href="mailto:jpierce@elastec.com">jpierce@elastec.com</a>	321-636-5783
American Tarp (Pestguard Commercial Services, Inc.)	Fumigation Tarps	Nancy Pearson	<a href="mailto:pestguard@pestguardtermite.com">pestguard@pestguardtermite.com</a>	941-358-3863
Amerivap	Steamers, Parts for Bed Bug Work	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
AmRep/Waterbury	Dispensers, Fragrances	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
AmVac	Wisdom, Nuvan Strips	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Anixter	IT Telecom Networking Cables	Jamie Bloomfield	<a href="mailto:jamie.bloomfield@anixter.com">jamie.bloomfield@anixter.com</a>	678-546-2795
Anstar	Cardboard Rodent Traps	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Appalachian Insulation	Insulation Batts, Supports, Utility Fit, Aerosol Adhesive	Spencer Dicken	<a href="mailto:sdicken@ais1.us">sdicken@ais1.us</a>	717-943-9497
ArborChem (Asplundh Tree Expert Co)	Herbicides: Milestone, Accord	Joseph Lentz	<a href="mailto:joelentz@arborchem.com">joelentz@arborchem.com</a>	610-308-2007
ArcMate (Arcoa)	EZ Reacher	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718

Supplier	Product Category	Contact	Email	Phone
Arts Manufacturing (AMS)	Drills, Drill Bits, Adapters and other Accessories	Hari Anesto	<a href="mailto:hari@ams-samplers.com">hari@ams-samplers.com</a>	800-635-7330 x 124
Atlantic Paste & Glue (AP&G)	Rodent Stations, Glueboards	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Atlantic Tape	Masking Tapes, Duct Tapes for Fumigation	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Atlas Chemical	Giant Destroyer	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Atrix International	Pest Control Vacuums, Parts	Rich Harsdorf	<a href="mailto:rharsdorf@atrix.com">rharsdorf@atrix.com</a>	800-222-6154
Avatel Technologies	IT Telecom - Cabling Labor	Laura Martinez	<a href="mailto:laura.martinez@avatel.us">laura.martinez@avatel.us</a>	866-835-2062 x1116
Avitrol Corporation	Whole, Chops, Fine Grain Corn for Bird Control	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Away With Geese	Geese Control	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
B&G Equipment	Spraying, Fogging Equipment	Claude Thomas	<a href="mailto:cthomas@bgequip.com">cthomas@bgequip.com</a>	904-545-7125
BASF	Pest, Termite Control Chemicals & Aerosols	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Bayer Corporation	Pest, Termite Control Chemicals	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Becker-Underwood	Turf Mark Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Bell Labs	Rodent Traps, Rodenticides	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Berner International	Air Curtains	Joe Banas	<a href="mailto:jbanas@berner.com">jbanas@berner.com</a>	800-343-7991 x412
Biologics	Natural Catch Fruit Fly Trap	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Bio-Organic Catalyst	Odor Control	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
BioQuip	Lab Equipment, Mosquito Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
BioSensory, Inc.	Nightwatch Bed Bug Monitor	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
BioStim (Douglas Products)	Biologicals: Drain	Donna Jennings	<a href="mailto:donna.jennings@douglasproducts.com">donna.jennings@douglasproducts.com</a>	800-338-8812
BioTech, J. H.	Herbicides: Weed Zap	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Bird Barrier	Bird Control Products - Bird Spikes, Stealth Net, Electric Track, Bird Deterrents, Bird Repellents, Sound Bird Deterrents, Human Live Bird Traps, Bird Spiders	Ron Richter	<a href="mailto:ron.richter@birdbarrier.com">ron.richter@birdbarrier.com</a>	800-503-5444
Bird-B-Gone	Bird Control Products - Bird Spikes, Bird Netting, Electric Track, Bird Deterrents, Bird Repellents, Sound Bird Deterrents, Human Live Bird Traps, Bird Spiders	Deanna Martinez	<a href="mailto:dmartinez@birdbgone.com">dmartinez@birdbgone.com</a>	800-392-6915 xt 1122
Bird-X	Tweetzilla Haze Generator (Publix)	Josh Pierce	<a href="mailto:josh@bird-x.com">josh@bird-x.com</a>	312-226-2473
Blue Creek	Crevice Peel N Stick	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Blue Diamond	Pro Joe Gun, Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718

Supplier	Product Category	Contact	Email	Phone
Brandenburg	Flylights, Electrocutors, Glueboards, Bulbs	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Brandt Monterey	Sluggo Snail Bait	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Bron Tapes	Masking Tapes, Duct Tapes for Fumigation	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Brushy Mountain Bee Farm	Bee Suits, Gloves, Hat-Veil Combo and other bee items	Dre Cohoon	<a href="mailto:info@brushymountainbeefarm.com">info@brushymountainbeefarm.com</a>	800-233-7929
BWI	Green House pest control products: Fungicide, Insecticides, Nematicide	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
BWI - Springfield	Green House pest control products: Fungicide, Insecticides, Nematicide	Ralph Bunch	<a href="mailto:rbunchsr1@yahoo.com">rbunchsr1@yahoo.com</a>	417-827-9352
Cahaba	Snake Traps	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
California Scent	Fragrances, Dispensers & Refills	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Call One	IT Telecom Headsets/Handsets	Jamie Henderson	<a href="mailto:jhenderson@calloneonline.com">jhenderson@calloneonline.com</a>	800-749-3160
Capital Contractors	Janitorial Services	Joann Lombardi	<a href="mailto:jlombardi@capitalcontractors.com">jlombardi@capitalcontractors.com</a>	631-925-5268
Capital Microscope	Microscopes	Don Mums	<a href="mailto:don@microscopesandmore.com">don@microscopesandmore.com</a>	770-422-3314
Cardinal Scale	Fumigation Scales	Scott Adams	<a href="mailto:sadams@cardet.com">sadams@cardet.com</a>	954-563-4120
Carithers Wallace Courtenay (CWC)	Furniture - Filing and Storage, Office Chairs, Desks, and Tables	Bill Miller	<a href="mailto:bill.miller@c-w-c.com">bill.miller@c-w-c.com</a>	770-621-6691
Carousel Industries	Telecom Equipment	Lois Amaral		800-401-0760
Cellular Accessories for Less	Cell Phonex	Ryan Morrison	<a href="mailto:ryan@cellularforless.com">ryan@cellularforless.com</a>	310-220-2250 or 310-844-6328
Central Life Science	Pest Control Chemicals	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Centro Company	Centrobulb Duster, Parts	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Chemtex	Spill Kit	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Choctaw-Kaul	Safety Supplies	Sheila Hodges	<a href="mailto:shodges@choctawkaul.com">shodges@choctawkaul.com</a>	309-829-4400 x402
Clarke Mosquito	Mosquito Larvae Dipper	Joe Strickhouser	<a href="mailto:jstrickhouser@clarke.com">jstrickhouser@clarke.com</a>	800-323-5727
Compliance Safety	Safety Supplies	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Container Mfg.	Calibration Containers	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Continental Plastics	Poly	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Control Solutions	Pest, Termite Chemicals	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Cook, A.W.	Termite Hole Filler	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Copperfield Chimney Products	Roof Vent and Chimney Covers	Jane Box	<a href="mailto:jane.box@copperfield.com">jane.box@copperfield.com</a>	800-247-3305
Core Distribution	Ladders (XTendNClimb)	Jill Panvica	<a href="mailto:jpanvica@core-distribution.com">jpanvica@core-distribution.com</a>	612-330-9915
Corky's	Exam Study Guides	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Coverall	Janitorial Services	Jayne Lee	<a href="mailto:jayne.lee@coverall.com">jayne.lee@coverall.com</a>	561-922-2672
Crawl Space Door Systems	Crawl Space Doors	Billy Sykes	<a href="mailto:billy@crawlspacedoors.com">billy@crawlspacedoors.com</a>	757-274-9989
Crop Production (West Farm)	Wilco Gopher Bait	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718

Supplier	Product Category	Contact	Email	Phone
Curtis DynaFog	Large Foggers	Greg Heuchert	<a href="mailto:custserv2@bgequip.com">custserv2@bgequip.com</a>	678-688-5601x104
Cygnnet Enterprises	Herbicide: Hydrothol	Joanne Dunlap	<a href="mailto:jdunlap@cygnnetenterprises.com">jdunlap@cygnnetenterprises.com</a>	570-836-5751
D&S Specialty	True Catch Bird Trap	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Dandelion Dreams Inc. (Gopher-Pro)	Gopher Control Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Darby, Jack & Amy (Pendley)	Flashlight Holders	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
DBG Promotions	Fender Covers	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
DBS Sales (Komelon)	Measuring Wheel	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Dekko	Silverfish Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Delta Foremost	Debris Block Cobweb Eliminator	Jonathan Copper	<a href="mailto:jonathan.copper@delteforemost.com">jonathan.copper@delteforemost.com</a>	901-375-3607
Diversified Plastics	Access Doors: Bath Trap, Sink	Michelle Hardison / Wendy Sheffield	<a href="mailto:mhardison@divplastics.com">mhardison@divplastics.com</a> / <a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	918-695-6742404-783-2718
Douglas Products	Vikane Fumigant, Chloropicrin	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Dow	Sentricon - Termite Baiting System	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Draeger Safety, Inc.	Fumigation Supplies	Mike Allen		412-788-5539
Drexel	Surfactant: Surf - what is this?	Robert Fields	<a href="mailto:rgfields@drexchem.com">rgfields@drexchem.com</a>	727-423-6929
Dri-Eaz Productst	Turbo Fan for Heat	Sales Dept.	<a href="mailto:sales@dri-eaz.com">sales@dri-eaz.com</a>	800-932-3030
Earthcare	Odor Control	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Eaton, J.T.	Rodent Traps, Rodenticides	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Ellis, C.H.	Commercial Sales Case	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Ensystem	Borathor Max PT	Keith Love	<a href="mailto:klove@ensystem.com">klove@ensystem.com</a>	888-398-3772
Environmental Delivery Systems	Actisol Units and Wands	Eddie Evans	<a href="mailto:eddie@actisol.com">eddie@actisol.com</a>	281-993-0019
EPIC	Repellents: Deer, Snake, Rabbit, Mole	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Ergonomic Safety Technology	Safety Supplies	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
E-Therm (Thermasure)	Propane Heat Equipment	Mike Linford	<a href="mailto:milford48@aol.com">milford48@aol.com</a>	800-873-2912
Executive Pest Control	Super Plugs, 1 Gal Can Keeper	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Extermital	Sentricon Pliers	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Featherlight Technologies	Dissuade Laser Gun Bird Deterrent	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Fli-Blade LLC	Flylights and Supplies	Matt Haslam	<a href="mailto:matt@fliblade.com">matt@fliblade.com</a>	770-500-5166
Flowtron, Inc.	Flowtron Replacement Bulbs	Emily Gavin	<a href="mailto:sales@flowtron.com">sales@flowtron.com</a>	781-321-2300 x323
FMC	Pest Control Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Fogmaster	Fogmaster Foggers	Jill Metzger	<a href="mailto:info@fogmaster.com">info@fogmaster.com</a>	954-481-9975
Foresight (MacleanPower)	Bait Station Anchors	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Fort Dodge	Gopher Probe	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Gardner Manufacturing	Flylights, Electrocutors, Glueboards, Bulbs	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718



Supplier	Product Category	Contact	Email	Phone
Gateway Industrial	Vinyl Strip Doors	Kimberly Hale	<a href="mailto:khale@gatewayindustrial.com">khale@gatewayindustrial.com</a>	440-324-4112
GBS Enterprises (Preferred)	Mattress Encasements, Furniture Encasements	Timothy Phillips	<a href="mailto:tphillips@gbsent.com">tphillips@gbsent.com</a>	402-273-4601
GeoTech Supply	Safety Supplies (HomeTeam)	Lawrence Reed	<a href="mailto:lreed@geotechsupply.com">lreed@geotechsupply.com</a>	209-368-7152
GIE Media (PCT Magazine/Pest Con)	Pest Control Books	Paula Corrao	<a href="mailto:pcorrao@gie.net">pcorrao@gie.net</a>	216-2292-0289
Global Material Technology (GMT)	Xcluder Products (Midwest Div only)	Paul Bonn	<a href="mailto:paulb@gmt-inc.com">paulb@gmt-inc.com</a>	847-495-4700 x 183
GNC	System III holster, belt, pouch	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Graham Lawn Care	Trenching Tools	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Grainger	Small Tools, Supplies	David Boone	<a href="mailto:david.boone@grainger.com">david.boone@grainger.com</a>	404-713-7469
Gray Chem	Calibration Containers	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Green Dragon Pest Colution	Cockroach Bait	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Greomar	Rodent Traps	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
GutterDome	Gutter Protection	Jeffrey McCoy	<a href="mailto:jeffrey@gutterdome.com">jeffrey@gutterdome.com</a>	877-987-4888
GutterLock Enterprises, LLC	Gutter Protection	Jeff Faiman	<a href="mailto:jeff@mygutterlock.com">jeff@mygutterlock.com</a>	855-932-1557
Hagemeyer	Safety Supplies	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Helena Chemical Co.	Herbicides: Capstone, Accord & Surfactants: Induce	Bethany Williams / Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	724-528-3304 / 404-783-2718
Herc Equipment Rentals	Equipment Rental (booms, lifts, generators)	Erin Brandt	<a href="mailto:ebrandt@herc.com">ebrandt@herc.com</a>	770-420-8320
Hill, Adam	Vikane Shooting Hose	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Hilti (Consumables)	Drill Bits, Chisels, Chucks, Pin Studs, Adapters, Clips, Grinder Blades, Foam Caulk, etc.	Mike Hartpence	<a href="mailto:mike.hartpence@hilti.com">mike.hartpence@hilti.com</a>	800-879-8000
Hormann Flexon LLC	Vinyl Strip Doors	Ray Garfold	<a href="mailto:r.garfold@hormann-flexon.com">r.garfold@hormann-flexon.com</a>	800-365-3667 x473
Hudson,H.D.	Pumps and pump parts	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
HY-C	Roof Vent and Chimney Covers	Brian Jacobson	<a href="mailto:bjacobson@hy-c.com">bjacobson@hy-c.com</a>	800-325-7076
Hydro Systems	Actizyme, OE-30 Dispensers	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Industrial Ladder	Ladders			800-833-0800
Industrial Packaging	Safety Supplies	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Innolytics	Sparrow, Pigeon Control Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Innovative Pest Control Products	Ant Café, Gourmet Ant Bait Gel	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Innovative Pest Management	Dub'l Trub'l Bait Box	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Innovative Pest Products	Defender Bed Bug Monitor	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Insect-O-Cutor	Fly Electrocuter Bulbs	Jack Harris	<a href="mailto:jackharris@insect-o-cutor.com">jackharris@insect-o-cutor.com</a>	770-939-2835
Insects Limited	Insect Pheromone Traps & Lures	Pat Kelley	<a href="mailto:p.kelley@insectslimited.com">p.kelley@insectslimited.com</a>	800-992-1991

Supplier	Product Category	Contact	Email	Phone
Insider	Wall Plugs	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Insight	Hardware and Value-Added Reseller	Susan Romano	<a href="mailto:sesales@insight.com">sesales@insight.com</a>	813-637-7071
Intermec	Scanners	Don Crain	<a href="mailto:don.crain@intermec.com">don.crain@intermec.com</a>	770-354-3423
International Polymer (IPA)	Aerosol Adhesive	Brent	<a href="mailto:brent@ipa-adhesives.com">brent@ipa-adhesives.com</a>	770-218-7707
International Safety Instruments (ISI)	Self Contained Breathing Apparatus (SCBA)	Nathan Cook	<a href="mailto:nathan.cook@avon-sis.com">nathan.cook@avon-sis.com</a>	678-495-3751
Inter-Science,R.F.	Macroscope	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
ITB Company	Birchmeier Sprayers, Parts for Birchmeier Sprayers	Al Royster	<a href="mailto:al@itbcompany.com">al@itbcompany.com</a>	800-866-1357
JAB (DBA Protecta-A-Bed)	ThermalStrike Small Heat Unit	Felicia Greenspan	<a href="mailto:felicia.greenspan@protectabed.com-orders">felicia.greenspan@protectabed.com-orders</a>	847-998-6901
Jobe Warehouse	Variable Light Scope	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Keller, J. J.	Signs	Nathan Novak	<a href="mailto:nnovak@jjkeller.co">nnovak@jjkeller.co</a>	800-543-3173 x2162
Kidde (Supra/GE Security)	Keysafes	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Kimmel,Nathan	Fumigation Bags	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Kisco	S/S Gunjet	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Klein Electronics	Lumencam Flashlight/DVR	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
K-Metu (Equipment Innovators)	OmniTops, Parts	Desmond Smith	<a href="mailto:dsmith@equipmentinnovators.com">dsmith@equipmentinnovators.com</a>	770-427-9467 x107
Kness	Rodent Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Lawson (Holcombe,J.I./ Drummond)	DF 5000 Drain Fly Treatment	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
LiphaTech	Rodent Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Lomanco	Vents	Brenda Wallis	<a href="mailto:bwallis@lomanco.com">bwallis@lomanco.com</a>	800-643-5596
Lorien Instruments	Protek II Interrupter	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Love Pest & Wildlife	PigNx Applicator	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
M&Q	Fumigation Bags	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Mag Instruments	Maglite, Accessories	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Mar len	Gopher Probe, Larvacide, Fumigation Supplies	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Mar-A-Thon (C.R. Steel)	Indico Gun, Parts	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Mars Sales	Air Curtains	Shawn Tallon	<a href="mailto:shawnt@marsair.com">shawnt@marsair.com</a>	310-532-1555 x255
Max Professional	FireGone Fire Suppressant	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
McKnight,Susan	Bed Bug Interceptors	Susan McKnight	<a href="mailto:susan@insect-interceptor.com">susan@insect-interceptor.com</a>	860-922-1561
McMieth	Punches for Punch Cards	Angela Norris	<a href="mailto:mcmiethmfq@aol.com">mcmiethmfq@aol.com</a>	386-767-3494
MegaFume Inc	Fumigation Subcontracts	Cecile Mayo	<a href="mailto:megafumeorders@aol.com">megafumeorders@aol.com</a>	866-891-3863
MGK	Pest Control Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Midmos	Passive Alert Bed Bug Monitor	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718

Supplier	Product Category	Contact	Email	Phone
Miliken	Spray Pattern Indicator: Blazon	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Minnesota Trapline	Wildlife Cages, Traps	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Momentive (GE Silicone)	Clear Silicone Caulk	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Monsanto	Herbicide: Roundup	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Naber	Kwikset, Schlage Fumigation Locks	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
National Pest Management Assoc.	NPMA Field Guide	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Natural Forces	Rejex It Fog Force	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Nisus	Borate Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Nixalite	Bird Control Products	Cory Gellerstedt	<a href="mailto:cory.gellerstedt@nixalite.com">cory.gellerstedt@nixalite.com</a>	309-755-8771
Noble Pine	Sterifab	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Noftz Sheet Metal	Wye, Branch for Heat	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
NPD (NoHowe Product Development)	Foaming Equipment (Hand Pump and Air Compressor), Sprayers, Accessories and Parts for Equipment	Michael Howe	<a href="mailto:mhowe@npdproducts.com">mhowe@npdproducts.com</a>	705-734-0932
Oakes, J.F.	Pest Control Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Office Depot	Office Supplies	Sonya Shell	<a href="mailto:sonyashell@officemax.com">sonyashell@officemax.com</a>	770-547-7569
Oldham Chemical	Sprayers, Dusters, Foggers, Pumps, Guns and Nozzels, and Accessories for Equipment	Bobby Bledsoe	<a href="mailto:bobbybledsoe@oldhamchem.com">bobbybledsoe@oldhamchem.com</a>	800-888-5502 x124
On Demand Printing	Fumigation Signs	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Optics Planet	Handheld Microscope, Celestron	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Orange Guard, Inc.	Orange Guard	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
P&L Systems (Pelsis) - by exception only	Flylights	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Paraclipse - by exception only	Flylights	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Paradise Printing (A Sign Shop)	Signs: Poison Storage	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Paragon	Blue Bait Gun, Core Covers, Orthene Pellets	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
PBI Gordon	Lawncare Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Peco	Protimeter Moisture Meter	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Pentair (Hypro)	Pumps and pump parts	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Pest Control Insulation Systems	TAP Insulation, Poly, Insulation Vacuums, Vacuum Bags, Insulation Blower, etc.	Jay Mancin	<a href="mailto:jmancin@tapinsulation.com">jmancin@tapinsulation.com</a>	770-766-6050
Pest Fog	Fumigation Supplies	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Pestcon (Degesch)	Fumigation Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
PestStop	Pop Up Termite Bait Stations	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718

Supplier	Product Category	Contact	Email	Phone
PestWest	Bulb Recycling Boxes	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
PFH Manufacturing (NuVenco/Packtite)	Packtite Closet	Kathryn Corser-James	<a href="mailto:djames1921@me.one">djames1921@me.one</a>	970-889-4396
Pignx	Caulking Gel Repellent	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Pitney Bowes (Postage Equipment/Supplies)	Ink and Toner for all non-Sharp printers; Repair Parts for non-Sharp printers (Punchout Catalog)	Redia White	<a href="mailto:redia.white@pb.com">redia.white@pb.com</a>	203-796-6642
Pitney Bowes (Postage Equipment/Supplies)	Postage Machines (DM225, DM300C, DM400C, DM475), Folder Inserters (DI23 and DI380) and Postage Meter Supplies	Chris Chastain	<a href="mailto:chris.chastain@pb.com">chris.chastain@pb.com</a>	678-629-4640
Plant Food	Fertilizer	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Plas Pak	Masterline Gun	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Poly America	Poly	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
PraxAir	CO2, Propane	Bill Ottoshavett	<a href="mailto:bill_ottoshavett@praxair.com">bill_ottoshavett@praxair.com</a>	800-660-2066
Preferred Products	Chase Mole Repellent	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Premier Tex	Chloropicrin Pan with Pad	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Prolitec, Inc.	Oleander & Sage Mister Cartridges	Stephanie Williams	<a href="mailto:swilliams@prolitec.com">swilliams@prolitec.com</a>	414-614-4646
ProVent	Drain Traps	Russ Fey	<a href="mailto:rfey@prosetsystems.com">rfey@prosetsystems.com</a>	800-262-5355
Prussia Graphics	Signs: Vikane Warning	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Quality Mat	Beige Floor Mats	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Questex (North Coast Media)	Scientific Guide to PC Management	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
R.A. L.	Bed Bug DNA Test Swabs	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Real Fleet Solutions LLC (Really/BrandFX)	Misters/Equipment Repair	Jennifer All	<a href="mailto:jallen@realfleetsolutions.com">jallen@realfleetsolutions.com</a>	321-631-2414 xt 302
Reef Industries	Reinforced Poly	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Reliatex	Fumigation Tarps, Covers and Pads	Andrea McCorkel	<a href="mailto:andrea@reliatex.com">andrea@reliatex.com</a>	305-592-3220
Relton	Tile Cutters, Heads	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Residex	Fungicides, Herbicides, Fertilizers (Lawn Care branches only)	Susan Manning	<a href="mailto:smanning@residex.com">smanning@residex.com</a>	561-284-3955
Rest Assured	Vinyl Mattress Encasements	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Rincon Vitova	Fly Parasites	Gabe Rude	<a href="mailto:delivery@rinconvitova.com">delivery@rinconvitova.com</a> or <a href="mailto:gabriel@vinconvitova.com">gabriel@vinconvitova.com</a>	800-248-2847
RND Signs	Yard, Mosquito Signs & Stakes	Joel Adams	<a href="mailto:joel@rndsigns.com">joel@rndsigns.com</a>	800-328-4009
Rockwell Labs	Pest Control Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
RTK (Roto Mold)	Bed Bug Dog Supplies	Order Department	<a href="mailto:orders@rufftoughkennels.cm">orders@rufftoughkennels.cm</a>	605-368-9872
Rubber Maid (Technical Concepts)	Dispensers, Fragrances	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Rubber Queen (Pretty Products)	Truck Floor Mats	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718

Supplier	Product Category	Contact	Email	Phone
Saf-Gard Safety Shoe (SR Max)	Uniform Safety Shoes and Boots	Suzie Madron	<a href="mailto:smadron@srmax.com">smadron@srmax.com</a>	336-314-3569
SaniServ/Proton (Parade Plastics)	Gallon Calibration Container with Lid	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Scimetrics	Kaput Gopher, Mouse Bait	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Seaira Global, LLC	Dehumidifiers, Parts	Kevin Yow/Amber Clemens	<a href="mailto:orders@seairaglobal.com">orders@seairaglobal.com</a>	910-660-0962
Sealeze (Jason Holdings)	Door Sweeps and Seals, Nylon Brushes, Brush Weatherseal Kit	Customer Service	<a href="mailto:sealezeorders@sealeze.com">sealezeorders@sealeze.com</a>	800-446-7325 x225
Seals & Stamps	Nameplates & Holders	Cheryl	<a href="mailto:cherylsealsandstamps@gmail.com">cherylsealsandstamps@gmail.com</a>	770-514-1234
Senneca Holdings (Chase Industries/Chase Doors)	Vinyl Strip Doors	Steve Blaut	<a href="mailto:sblaut@senneca.com">sblaut@senneca.com</a>	513-603-2979
Shaw Development	Concrete core covers	Ryan Hayes/Jodi Rigdon	<a href="mailto:rhayes@shawdev.com">rhayes@shawdev.com</a> / <a href="mailto:jrigdon@shawdev.com">jrigdon@shawdev.com</a>	239-390-8301
Smart Source (Diamond Choice)	Print Materials & Services; Business Cards, Promotional Products, Vehicle Decals	Jim Hiner / Barbara Daniels	<a href="mailto:jhiner@smartsourcellc.com">jhiner@smartsourcellc.com</a> / <a href="mailto:bdaniels@smartsourcellc.com">bdaniels@smartsourcellc.com</a>	212-764-7200 x137 / 404-888-2588
Snaps	Bait Box Stakes (Crane)	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Snee	Dispensers, Aerosol Flying Insecticide	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Soco Supply	Turtl Crawlspace Access	Chris Barr	<a href="mailto:cbarr@basementsystems.com">cbarr@basementsystems.com</a>	800-541-0487
SoftChoice	IT Server Equipment	Kathleen Simard	<a href="mailto:kathleen.simard@softchoice.com">kathleen.simard@softchoice.com</a>	404-642-7518
Software House International	Microsoft Licenses - Contact Help Desk	Sarah Verdon	<a href="mailto:sarah_verdon@shi.com">sarah_verdon@shi.com</a>	678-459-3624
Soil Chemical	Clamshell Fumigation Locks	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Solo	Sprayers	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Southern AG	Defoamer: SA 50	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Specialty Products (Div of EFD, Inc.)	LongShot Bait Gun	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Spectronics	Black Lights, Bulbs	Betty Cheng	<a href="mailto:bcheng@spectroline.com">bcheng@spectroline.com</a>	800-274-8888
Spectrum Brands (Rayovac)	Batteries	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Standard Office Systems of Atlanta (SOS)	Printers, Copiers and Fax MFPs	Michael Cox	<a href="mailto:mcox@soscanhelp.com">mcox@soscanhelp.com</a>	678-542-1535
Stanley Supply & Services (Contact East)	Cold Vent Spray	Janet Sciuto		800-743-8141
Sterling International	Rescue Yellow Jacket Trap, Attractant	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Sunbelt Rentals (Pest Heat)	PestHeat Propane Heat Equipment	Stan Levy	<a href="mailto:stan.levy@sunbeltrentals.com">stan.levy@sunbeltrentals.com</a>	404-808-3187
Surebond	Surebond Everseal	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718



Supplier	Product Category	Contact	Email	Phone
Susan Products	Super Bee Pole/Apicide Dust	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Svendson Sport	Bird Catch Kit	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Sweeney	Liquid Rodent Bait Dispenser	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Syngenta (DuPont)	Pest Control Chemicals	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Systems Environmental (Flos Road Enterprises)	Termite Rigs, Mosquito Mister, Pumps, Termite Treating Accessories, Flowmeters, Foamers, Maximizers (hoses, tanks, injectors)	Lewis Clock	<a href="mailto:lclock@pestspray.ca">lclock@pestspray.ca</a>	800-367-4015
Tailgater, Inc.	Ladder Racks	Norman Stottmeister	<a href="mailto:orderdesk@tailgater.net">orderdesk@tailgater.net</a>	800-424-5437
TempVent	Vents and Vent Wells	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Therma-Stor	Portable Electric Heater, Air Movers , Dehumidifiers, Parts	Dan Bradbury	<a href="mailto:dbradbury@thermastor.com">dbradbury@thermastor.com</a>	608-338-3366
Thermo Environmental Instruments LLC	Miran Parts, Repairs	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Thrive (Woodland Workwear)	Kneedz Pants	Dale Pelletier	<a href="mailto:dpelletier@kneedz.com">dpelletier@kneedz.com</a>	800-286-1577 x709
Todol Products	Todol Gun, Foam, Cleaner	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Tomahawk	Wildlife Cages, Traps	Greg Smith	<a href="mailto:greg@livetrap.com">greg@livetrap.com</a>	715-356-4600
Tool Experts	Humidity Pen	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
TPI	Shooting Fans for Fumigation	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Tramex	Moisture Meters	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Trapline	Gopher, Mole Traps	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Travel, Inc.	Travel Services	Michelle Williford	<a href="mailto:michelle.williford@travelinc.com">michelle.williford@travelinc.com</a>	770-291-4170
Trece Inc.	Insect Pheromone Traps & Lures	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Tremco Inc.	Clear Trempro Adhesive	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Troy Bio-Science	Stimukil Fly Bait	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
U.S. Cargo	Moving Blankets	Ben Hardaway	<a href="mailto:court@clickstop.com">court@clickstop.com</a>	866-444-9990
Ullman Devices Corp.	Inspection Mirrors	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
UniFirst Corporation	Company Uniform Programs	Jeff Lloy/Patrick O'Leary	<a href="mailto:jeffrey_lloy@unifirst.com">jeffrey_lloy@unifirst.com</a> / <a href="mailto:patrick_oleary@unifirst.com">patrick_oleary@unifirst.com</a>	(800) 347-7888 x4283 / (800) 347-7888 x 4294
United Rentals (Lease)	Equipment Rental (booms, lifts, generators)	Brian Boudreau	<a href="mailto:bboudrea@ur.com">bboudrea@ur.com</a>	404-607-8370
United Rentals (Purchase)	Stihl SR200 Mosquito Sprayer (586383)	Jason Roper	<a href="mailto:jroper2@ur.com">jroper2@ur.com</a>	404-607-8370
Univar	Chemicals & Equipment Distribution	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Valco Products (Safeguard)	Wildlife Cages, Traps	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Vimar	RatSorb (Western)	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Vitaflex	Protection, Face Covering	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
VM Products	Rodent Stations on Block	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718

<b>Supplier</b>	<b>Product Category</b>	<b>Contact</b>	<b>Email</b>	<b>Phone</b>
Voluntary Packaging Group	SWCP Permethrin	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Wenco	Tapered Corks	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Werner Company	Ladders & Accessories	Robert Woodley	<a href="mailto:woodlrm@wernerco.com">woodlrm@wernerco.com</a>	888-523-3371
White Crusader	Duster	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Wilco	Gopher Control Products	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Wildlife Control Supplies	Wildlife Cages, Traps	Jeff Shaw	<a href="mailto:jeffshaw@wildlifecontrolsupplies.com">jeffshaw@wildlifecontrolsupplies.com</a>	860-844-0101
Wolfe, B. J.	Temperature Probe, Thermometers for Heat	Carol Roberts	<a href="mailto:info@bjwe.com">info@bjwe.com</a>	818-889-8412
Woodstream	Rodent Traps	Wendy Sheffield	<a href="mailto:wendy.sheffield@univarusa.com">wendy.sheffield@univarusa.com</a>	404-783-2718
Your Crawlspace	Adhesives/Tapes for DryZone	Bennie Marshall	<a href="mailto:bmarshall@yourcrawlspace.com">bmarshall@yourcrawlspace.com</a>	877-442-7295

**EXHIBIT 7  
GUIDELINES TO BE USED TO DETERMINE  
THE TERM OF THE FRANCHISE AGREEMENT**

<u>Territory</u>	<u>Beginning Monthly Total Net Revenues</u>			
	<u>\$0 - \$20,000</u>	<u>\$20,001 - \$40,000</u>	<u>\$40,001 - \$60,000</u>	<u>\$60,001+</u>
Small	13 years	12 years	11 years	10 years
Medium	13 years	12 years	11 years	10 years
Large	12 years	11 years	10 years	9 years
Extra Large	11 years	10 years	9 years	8 years
Premium	10 years	9 years	8 years	7 years
Super Premium	10 years	9 years	8 years	7 years

**NOTE 1** IN NORTHERN AREAS WHERE THERE IS LITTLE OR NO TERMITE BASE, UP TO 5 YEARS COULD BE ADDED TO THE ABOVE TERM YEARS.

**NOTE 2** IF YOU HAVE PEST CONTROL CUSTOMERS IN THE TERRITORY PRIOR TO SIGNING THE FRANCHISE AGREEMENT, THE ABOVE GUIDELINES TO DETERMINE THE TERM OF THE FRANCHISE AGREEMENT MAY BE ADJUSTED.

**NOTE 3** ORKIN SYSTEMS MAY GRANT FRANCHISES WITH PARTIAL YEAR TERMS.

**NOTE 4** THE INITIAL FRANCHISE FEE MAY BE DISCOUNTED IF YOU ELECT, AND WE AGREE TO, A TERM FOR YOUR FRANCHISE AGREEMENT THAT IS LESS THAN THE STANDARD TERMS SET FORTH ABOVE, AND UNDER CERTAIN OTHER CIRCUMSTANCES, AT OUR OPTION.

The term of the Franchise Agreement varies according to the size of the franchisee's territory and the franchisee's Beginning Monthly Total Net Revenues. "**Beginning Monthly Total Net Revenues**" means the average annualized value of all Pest control contracts of Orkin in your designated territory that are sold to you in connection with the purchase of your franchise (which expressly excludes any Multi-Territorial Accounts we designate), if any, together with the average annualized value of all Pest control contracts that you or any affiliate of yours had in the designated territory in the event that you or such affiliate operate a Pest control business in such designated territory prior to the effective date of your Franchise Agreement.

The "**Initial Accounts**" shall be valued as 75% of annual residential Pest control recurring revenue and 85% of annual commercial Pest control recurring revenue.

*Note: Franchise operations may be permitted to service Orkin Multi-Territorial Account service locations that are located within the franchise territory. Multi-Territorial Account contracts are not sold to the franchisee. Similarly, termite recurring contracts for service locations within the franchise territory are not sold to the franchisee. The franchise, however, may perform select services due these customers as a sub-contractor for Orkin as detailed in the Orkin Franchise Agreement.*



**EXHIBIT 8-A  
CURRENT FRANCHISEES**

The names, addresses and telephone numbers of our U.S. franchisees as of December 31, 2022 are as follows:

	Franchise #	Franchisee Name	Address	City	State	ZIP Code	Telephone
1.	902	B.I.T.E.S. Pest Solutions, INC.	1101 Old Creek Road, Suite A-1	ATHENS	GA	30607	(706) 546-1051
2.	903	RAM QUALITY SERVICES, LLC	12649 State Hwy 30	COLLEGE STATION	TX	77845	(979) 690-8622
3.	905	JHTG, INC.	8230 East Pecos Dr	PRESCOTT VALLEY	AZ	86314	(928) 567-5100
4.	906	ALL BAMA, INC.	3121 Wesley Way	DOTHAN	AL	36305	(334) 792-1137
5.	908	GOODROW, INC.	1764 W I-65 Service Rd, South	MOBILE	AL	36693	(251) 666-7507
6.	911	REDCO, INC.	161 N Bay View Drive	VILLA RICA	GA	30180	(770) 832-8671
7.	912	J N BERRY, LLC	17 Hope Hill Road	PARKERSBURG	WV	26101	(304) 485-4458
8.	913	SAWYER, INC.	107 West 43rd Street	BOISE	ID	83714	(208) 658-1066
9.	914	GRINNING BULL LLC	3712 Sherwood Way	SAN ANGELO	TX	76901	(325) 653-1338
10.	915	DEVILDOGG LLC	4116 McKnight Rd	TEXARKANA	TX	75503	(903) 793-0604
11.	916	JP&G, INC.	89 Industrial Dr	HATTIESBURG	MS	39401	(601) 582-3282
12.	917	TSATL INC	1020 County Line Road	SIKESTON	MO	63801	(636) 375-3363
13.	920	FULL CIRCLE PEST CONTROL, INC.	2943 SW Williston Rd	GAINESVILLE	FL	32608	(352) 378-1501
14.	921	GOODROW LLC	28890 Hopetown Lane	ELBERTA	AL	36530	(251) 298-7507
15.	923	KLMM-66, LLC	1207 Holiday Street	SALINA	KS	67401	
16.	924	BARKER'S BUGS INC.	183 Crystal Springs Rd.	HOMER	GA	30547	(706) 778-6695
17.	925	AET SERVICE, INC.	225 Prado Rd, Ste C	SAN LUIS OBISPO	CA	93401	(866) 580-1819
18.	927	HELTACO, INC.	506 N. Depot Street	CORBIN	KY	40701	(606) 528-2212
19.	928	CENTIPEDE ENTERPRISES INC.	204 W. 4 <sup>th</sup> Street	JAMESTOWN	NY	14701	(814) 626-8711
20.	931	JP&G II, INC.	711 Brookway Blvd, Ste A	BROOKHAVEN	MS	39603	(601) 684-4932
21.	932	TSALD, LLC	1808 Vandiver Drive	COLUMBIA	MO	65202	(573) 474-9407
22.	933	CENTIPEDE ENTERPRISES INC.	331-C Enterprise Dr.	PHILLIPSBURG	PA	16866	(814) 626-8711
23.	934	WILSON'S PEST MANAGEMENT, INC.	5899 Coca Cola Blvd.	COLUMBUS	GA	31909	(770) 910-4864
24.	935	UNITED FINANCIAL SERVICES, INC.	3319 Hamilton St., Unit O	BISMARCK	ND	58503	(701) 290-5626
25.	939	AMS PC, INC.	11 Commerce Court, # 2	CHICO	CA	95928	(530) 566-1749
26.	942	R.A.T.T., INC.	15530 Kutztown Rd, Suite 3	KUTZTOWN	PA	19530	(610) 336-0344
27.	943	IB ENTERPRISES, INC.	1201 Snow Street, Suite B	OXFORD	AL	36203	(256) 831-2037
28.	945	4E4A, LLC	9807 Mines Road, Ste 10	LAREDO	TX	78045	(956) 722-3531
29.	946	GOODROW SERVICES LLC	1941 Highway 441 South	DUBLIN	GA	31021	
30.	947	R.A.T.T., INC.	1021 N Washington St	WILKES-BARRE TWP	PA	18705	(570) 970-2951
31.	948	SAWYER, INC.	107 w, 43 <sup>rd</sup> Street	BOISE	ID	83714	
32.	950	RLHELTON LLC	838 David Dr.	CORBIN	KY	40701	(616) 344-2911
33.	951	JFI, LLC	3212 Van Ave.	JONESBORO	AR	72401	(870) 316-1468
34.	952	A.E.T. SERVICES INC.	6J Hangar Way	WATSONVILLE	CA	95076	(831) 228-1466
35.	953	GOODROW SOLUTIONS, INC.	1616 Meadows Lane	VIDALIA	GA	30474	(912) 537-1234

	Franchise #	Franchisee Name	Address	City	State	ZIP Code	Telephone
36.	954	TSAT INC	1020 Main Street	IMPERIAL	MO	63052	(636) 223-2212
37.	956	TSATL2 INC	1732 Bridge Street	PADUCAH	KY	42003	(636) 375-3363
38.	957	R.A.T.T., INC.	4450 Paxton Street	HARRISBURG	PA	17111	(717) 657-9063
39.	958	R.A.T.T., INC.	353 S. Potomac Street	WAYNESBORO	PA	17268	(717) 657-9063
40.	959	RMKPC, INC.	1218 11th Avenue	MERIDIAN	MS	39301	(601) 482-6003
41.	960	BCCPC, INC.	525 E Main St	WYTHEVILLE	VA	24382	(276) 228-4531
42.	961	GRINNING BULL LLC	609 S. Graham Street	STEPHENVILLE	TX	76401	(254) 965-4978
43.	970	SNC, INC.	1728 South Hwy 287	CORSICANA	TX	75110	(907) 874-0660
44.	971	RAM QUALITY SERVICES IV, LLC	8001 SW 34 <sup>th</sup> Ave.	AMARILLO	TX	79121	
45.	974	T & R ENTERPRISES OF OHIO, LLC	971 Linden Ave	ZANESVILLE	OH	43701	(740) 452-6300
46.	977	HILGER ENTERPRISES, INC.	3131-A W Venture Blvd.	BLOOMINGTON	IN	47404	(812) 331-8066
47.	986	GOODROW ENTERPRISES, LLC	126 Sunset Circle	MOULTRIE	GA	31768	(229) 217-4887
48.	987	TSALD2, LLC	7610 Oak Ridge Dr.	BARNHART	MO	63012	(270) 842-2428
49.	991	RAM QUALITY SERVICES, LLC	6007 43rd Street, Ste D	LUBBOCK	TX	79407	(806) 793-2232

The names, addresses and telephone numbers of our international franchisees and their Orkin Franchises as of December 31, 2022 are as follows:

	Franchise Territory Name	Franchisee Name	Street Address	City, State/Province	Postal Code	Country	Phone
1.	Antigua & Barbuda	Cask Limited Liability Company	P.O. Box 511, Paynter's Industrial Estate, Sir Sydney Walling Highway	St. Johns		Antigua	
2.	Argentina	Sanitrap Control de Plagas y Sanidad Ambiental SRL	Diagonal 115 N ° 384 -	La Plata, Province of Buenos Aires	1900	Argentina	+54 9 221 4658186
3.	Bahamas	Darvin Russell D/B/A Bugs Be Gone	#4 Bay Shore Close	Nassau		Bahamas	
4.	Bahrain	Alazzam Group	Building #1498, Road #641	Salmabad - 706		Bahrain	97317717730
5.	Bangladesh	Acorp Limited	House 403 (Ground Floor), Lane 6 (East), Baridhara	Dohs, Dhaka-1206		Bangladesh	
6.	Bolivia	Amelia Paz	Guacaya 222 Urbari	Santa Cruz de la Sierra		Bolivia	
7.	Brazil - Bauru	Bauru Service Marketing E Saneamento LTDA-EPP	Rua Salvador Cacciola 2-17	JD Lili, Bauru/SP CEP	17032-610	Brazil	551432035966
8.	Brazil - Belo Horizonte	Horacio Capistrano Cunha and Ambiente Saneamento Urbano E Rural Ltda.	Ambiente Saneamento Urbano E Rural Ltda., Rua Halley, 155, Santa Lucia	Belo Horizonte/Minas Gerais	30360-330	Brazil	+55 31 33446600
9.	Brazil - Espirito Santo	Secoeng Services de Construcoes	64 Antenor Caldas Street, 1st Floor, Santa Barbara,	Cariacica, ES	29145-015	Brazil	

	Franchise Territory Name	Franchisee Name	Street Address	City, State/Province	Postal Code	Country	Phone
10.	Brazil - Rio de Janeiro	Total Pest Control Imunizacao LTDA – EPP	Rua das Rosas, 974	Rio de Janeiro, RJ	21330-680	Brazil	(21) 3591-9000
11.	Bulgaria	Primosal Ltd.	Bulvar Evlogi I Christo Georgiev 169, ent. G02	Sofia	1504	Bulgaria	
12.	Cambodia	Chaktomuk Pest Services Co. Ltd.	California House - Cambodia Plaza, 200 Russian Confederation Boulevard, Sangkat Teuk Thla Khan Sen Sok	Phnom Penh		Cambodia	
13.	Cayman Islands	Kinro LTD.	Box 11479 APO 94 Oleander Drive, Newlands	Grand Cayman	KY1-1009	Cayman Islands	
14.	Chile	Green Pest Control E.I.R.L.	Maule 971	Santiago		Chile	+56 2 29642030
15.	China - Chengdu	Chengdu Orkin Pest Preventional and Control Technologies Company Limited	#9, Lingjiang Xi Lu, Unit 2-9-6, Wuhou District	Chengdu, Sichuan	600041	China	+86 28 87056679
16.	China – Greater China	Beijing Rollins Orkin Technical Service Co., Ltd (北京罗林斯奥肯技术服务有限公司)	801, Unit 2, 07/F, Block 2-1 82 Dongsihuan Middle Road	Chaoyang District, Beijing		China	
17.	China - Hainan Island	Hainan AO Ken Pest Control Technology Company Ltd.	No. 4 Medicine Valley 1st Road	Haikou, Hainan PRC	570311	China	139-0758-1972
18.	China - Shanghai	Shanghai Orkin Pest Control Operation Ltd.	Room 606, No. 780 Cailun Road, Zhengjiung Hi Tech Park, Pudong New District	Shanghai	201203	China	0086 21 50157736 /7 /8
19.	China - Xiamen	Fei Wu (Nina)	2F N05 Plant 98#, Dongpu Road, Siming District	Xiamen, Fujian	361000	China	
20.	Costa Rica	Propiedades Arcoiris Sociedad Anonima	PO Box 11353	San Jose	11353-1000	Costa Rica	1150622721010
21.	Cote d'Ivoire	Kleenjet SARL	01 BP 7075	Abidjan	01	Cote d'Ivoire	
22.	Dominican Republic	Pedro Jose Perez Gonzalez and Rafael Eduardo Gutierrez Fondeur	Calle Respaldo Rafael Augusto Sanchez 6 Apt. 9ª	Santo Domingo		Dominican Republic	
23.	Ecuador - Guayaquil	Importadora, Distribuidora & Comercializador Qmrqual Cia. Ltda.	Bruneschi 141 y Florencia-Cumbaya	Quito		Ecuador	+593 2515 4130
24.	Ecuador - Quito	Importadora, Distribuidora & Comercializador Qmrqual Cia. Ltda.	Bruneschi 141 y Florencia-Cumbaya	Quito		Ecuador	+593 2515 4130

	Franchise Territory Name	Franchisee Name	Street Address	City, State/Province	Postal Code	Country	Phone
25.	Egypt	Orkin Egypt Group LLC	Sunrise Building #5, Ground Floor, Embassies District, Nasr City	Cairo		Egypt	+010 9800 400 2
26.	France - Nice	Pro-Nuisibles	34 Boulevard Dubouchage	Nice	06000	France	
27.	Georgia	Consumer Service LLC	14 D. Gamrekeli Street, Flat 8, 0160	Tblisi		Georgia	+995577 22 27 10
28.	Ghana	Nationwide Pests Control Services Limited	Opposite Blue Sky Network/Touch Down Restaurant Nungua/Shaiman Road Lashibi	Accra		Republic Of Ghana	
29.	Guatemala	Servicios de Exterminación, Sociedad Anonima	Avenida Petapa 42-21, zona 12	Guatemala City	8689757-8	Guatemala	(502) 24775122-24775145
30.	Hong Kong	Burrows Limited	G/F Block A House 206, Hang Cheong Garden, Nai Wai	Tuen Mun, New Territories		Hong Kong	852-24721555
31.	Hungary	Primosal S.R.L.	Cupolei Street, No. 5 B, Floor 12, 192A, Sector 6	Bucharest		Romania	
32.	India	Innovant Services Private Limited	No. 4, Vaibhava Centre, 3rd Floor, Opp. Palace Grounds, Maharishi Ramana Road	Bangalore	560080	India	
33.	Indonesia	PT. Proteksi Graha Malmur	Jl. Re Martadinata #12E	Jakarta	Indonesia	14430	
34.	Iraq - Erbil	LAS (Lebanese American Services)	Villa R3 119, Atconz, Baharka Road	Erbil, Kurdistan		Iraq	9647505186666
35.	Ireland	Pest-Go	Donamar, Rogerstown, Rush, Co	Dublin 1		Ireland	353 1890230240
36.	Jamaica	Guardsman Services Limited	5A Haughton Avenue	Kingston 10		Jamaica	876-906-2306/7
37.	Jordan	Purity Water Treatment & Disinfection Services	Khalil As Salem St. Bldg. 51, Office 302	Tla Al Ali, Amman		Jordan	
38.	Kazakhstan	Talgat Dyussekov	25 Syganak Street, Business Center "ANSAR", 15th Floor	Astana		Kazakhstan	7 7172 25 64 40
39.	Kenya	Bettys Hygiene and Solutions Co., Ltd.	PO Box 11973-00100	Nairobi		Kenya	
40.	Kuwait	Kuwait Indo Trading Co.	P. O. Box 2135	Safat	13022	Kuwait	965 24762497
41.	Lebanon	Prevents s.a.l.	Cplus sarl, Saifi, Bshara El Khoury Street, Al Sayegh Center, 1st floor	Beirut		Lebanon	961 1 333446
42.	Libya	Solutions for Environmental Services Limited Liability Company	Tripoli Topwers, Office 216, Tower 2	Tripoli		Libya	

	<b>Franchise Territory Name</b>	<b>Franchisee Name</b>	<b>Street Address</b>	<b>City, State/Province</b>	<b>Postal Code</b>	<b>Country</b>	<b>Phone</b>
43.	Malta	The Exterminator Limited	Victoria Apartments No. 5 Triq San Gorg	Naxxar		Malta	
44.	Mexico - Aguascalientes	Juan Bosco Arreola Arreola	Guty Cardenas #208, Leon Moderno	Leon, Guanajuato	34780	Mexico	(477) 716-7546
45.	Mexico - Baja California, Baja California Sur, Hidalgo	Baja California, Baja California Sur, Hidalgo	Privada Juarez 115, Casco Urbano, San Pedro Garza Garcia	Nuevo Leon	66230	Mexico	
46.	Mexico - Jalisco	Enrique H. Armas and Juan Garcia Barajas	C Rosario Castellanos 6227 B-6 Frac Villas Vallarta	Zapopan, Jalisco	45029	Mexico	
47.	Mexico - Mexico City	Ecopest S.A. de C.V.	Ecopest S.A. de C.V., Av. Constituyentes #555, Col. 16 de Septiembre	Mexico D.F.	11810	Mexico	(5255) 2167 7695
48.	Mexico – Northern Mexico	Mobinsa, S.A. de C.V.	Avenida De Las Industrias 6504-1, Colonia Nombre De Dios 31150	Chihuahua, Chihuahua		Mexico	
49.	Mexico - Nuevo Leon	Daniel A. Rodriguez Andonie	Roma 211 Colonia Mirador	Monterrey, Nuevo Leon	64070	Mexico	
50.	Mexico – Yucatan & Quintana Roo	Juan Jose Pesqueira Munguia and Juan Pesqueira Kalb	Paseo de la Reforma 1545	Mexico City	11000	Mexico	
51.	Mongolia	Erdembileg Dagvadorj	Nyamyran Ju street, Mongolian CDC Campus 2A 4th Floor, 201	Ulaanbaatar		Mongolia	
52.	Morocco	Adam Ramsey	Kamal Oarc Immeuble E 3 Estage, 28830 Mohammedia	Casablanca		Morocco	
53.	Myanmar	Bumble Bee Professionals Company Limited	No. 80, 1 <sup>st</sup> Floor, Lamadaw Township	Yangon		Myanmar	
54.	Netherlands	Lengai Holdings LLC.	Van Bleiswijkstraat, 56 1601nc Enkhuizen			Netherlands	
55.	Nicaragua	FUMIPLAGA, S.A.	Primera Entrada a Las Colinas, 1 cuadra al Este, 1 cuadra al Norte	Managua		Nicaragua	
56.	Nigeria - Abuja	Orkin Nigeria Ltd.	No. 73A Nouakchott Street, Zone 1, Wuse District	Abuja Fct.		Nigeria	234 81 03700843
57.	Nigeria - Lagos	Orkin Nigeria Ltd.	Plot 6B Modupe Odunlami Street, By Jazz 38, Oniru New Market	Lekki, Lagos		Nigeria	234 1 2955902

	<b>Franchise Territory Name</b>	<b>Franchisee Name</b>	<b>Street Address</b>	<b>City, State/Province</b>	<b>Postal Code</b>	<b>Country</b>	<b>Phone</b>
58.	Oman	United Facilities Management Services LLC	Como Building, Knowledge Oasis Muscat P.O. Box: 308	Governorate of Muscat	Postal Code: 124	Sultanate of Oman	
59.	Panama	OPA Inc. dba Orkin Pest Control	Calle 50, La Colmena, Apartado 0816-01246, Zona 5			Panama	507-263-0261
60.	Paraguay	Agrofield SRL	Choferes del Chaco 1449 Casi 25 de Mayo	Asuncion		Paraguay	595 21 608656
61.	Philippines – National Capital Region	Levante Health & Hygiene Inc.	139 Valero Street, Unit 801, 139 Corporate Center, Salcedo Village	Makati City	1227	Philippines	
62.	Philippines – Pampanga, Bulacan, Rizal	Outbound Solutions Inc.	No. 2 Alondras Street Congressional Avenue Extension Mira-Nila Homes Tandang Sora,	Quezon City		Philippines	
63.	Portugal	Sergio Pereira Farias, Marina R. Gonçalves Farias and José Manuel Loureiro Raposo	Rua Dr. Nogueira dos Santos, 115 1 <sup>o</sup> esq	Valongo	4445-279	Portugal	
64.	Puerto Rico	Guardsman Services (Puerto Rico), LLC	150 Avenida Los Conquistadores, Suite 8 Marian Bahia Plaza	Catano	965	Puerto Rico	(787) 791 6711
65.	Romania	Primosal S.R.L.	Bucharest Dreptatii Street No. 6 Building O4, Sc C, Floor 8 Ap. 158, Sector 6			Romania	
66.	Saudi Arabia – City of Jeddah, the Ar-Riyad Region and the Ash-Sharqiyah Region (Eastern Region)	Anasser Pest Control Company Ltd.	Khalis Bin Alwalid St	Jeddah		Saudi Arabia	966 126534144
67.	South Korea – Seoul, Jeolla/Gyeongsang/Jeju	G.Tech Co., Ltd.	Min, Byung Wook, Sky Plaza 502, Nae Son-dong 746-2	Uiwang-si, Gyeonggi-do	16038	South Korea	82 314250801
68.	St. Lucia	Guardsman Services	Unit 15 Colony House, John Compton Highway	Castries		St. Lucia	758-451-9911-3
69.	Taiwan	Slirlin Consulting	48, Lane 30, Fu-Guo Road	Yi-Lan City	26049	Taiwan	
70.	Trinidad & Tobago	Pestguard Limited	Number 8 Bolai Trace, IDC Industrial Estate	Chase Village		Trinidad	868-638-4628
71.	Turks & Caicos	Orkin Turks and Caicos	Unit 3 Provo Plaza, Leeward Highway	Providenciales		Turks & Caicos Islands	649-946-5663

	<b>Franchise Territory Name</b>	<b>Franchisee Name</b>	<b>Street Address</b>	<b>City, State/Province</b>	<b>Postal Code</b>	<b>Country</b>	<b>Phone</b>
72.	U.S. Virgin Islands	Guardsman Services (USVI), LLC	Crown Bar Marina # 310	St. Thomas	00802	USVI	340-777-9766
73.	Ukraine	CPG Pest Control LLC	03164, Kyiv City Olevska str. 3-A Office 3	Kyiv City		Ukraine	
74.	United Arab Emirates	Akar Landscaping Services and Agriculture	P. O. Box 84410 Al Ain, Building No. 1, Street No. 16, Sweifi District, Zakher Area	Al Ain		United Arab Emirates	971 3 7820788
75.	Uruguay	Puer Ltda	Wilson Ferreira Aldunate 108 (ex camino Carrasco), Cuidad de la Costa, Dpto. De Canelones	Montevideo CP	11400	Uruguay	598 26009100

The following international franchisees had signed a Franchise Agreement but had not yet opened their Orkin Franchises as of December 31, 2022.

	<b>Franchise Territory Name</b>	<b>Franchisee Name</b>	<b>Street Address</b>	<b>City, State/Province</b>	<b>Postal Code</b>	<b>Country</b>	<b>Phone</b>
1.	Colombia	Diamond Group Holdings Inc.	OMC Chambers, Wickams Cay 1, Road Town	Tortola		British Virgin Islands	
2.	Granada and St. Vincent & the Grenadines	Andrew Bernard	19 Goodwood Ridge, Goodwood Park	PT Cumana		Trinidad and Tobago	
3.	Guyana & Suriname	Rid o Pes Incorporated	Lot 75 Sixth Street, Alberttown	Georgetown		Guyana	
4.	Mali	3C Freight LLC	5344 Jimmy Carter Blvd. Suite 2	Norcross, GA	30093	USA	
5.	Pakistan – Lahore and Islamabad	Orkin Pest Solutions (SMC-Private) Limited	118, Tulip Block, Sector-C Bahria Town	Lahore		Pakistan	
6.	Qatar	Abed Merhi	R.C 1003207 Beirut, CAP 500,000LL	Sodeco, El Sayegh Center		Lebanon	

**EXHIBIT 8-B  
FORMER FRANCHISEES  
(as of December 31, 2022)**

**Transfers**

None

**Terminated, Not Renewed or Left the System-Other (Location Previously Opened) (U.S.)**

	<b>Franchise #</b>	<b>Franchisee Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>ZIP Code</b>	<b>Telephone</b>
1.	918	BC CAMPBELL, INC.	302 Mt. Cross Rd	DANVILLE	VA	24540	(434) 793-2922
2.	922	DOUBLE D ENTERPRISES, LLC	4029 Greensboro Ave, Suite D	TUSCALOOSA	AL	35405	(205) 759-5775
3.	926	CHRISTY JARESH, INC.	#40 Motors Drive	SHERMAN	TX	75092	(903) 893-7459
4.	949	ORKIN OF THE VILLAGES, INC.	1323 Shelfer Rd	LEESBURG	FL	34748	(352) 787-1357

**Terminated, Not Renewed or Left the System-Other (Location Previously Opened) (International)**

	<b>Franchise Territory Name</b>	<b>Franchisee Name</b>	<b>Street Address</b>	<b>City</b>	<b>Postal Code</b>	<b>Country</b>	<b>Phone</b>
1.	Brazil - Brasilia Goiania	GMP Participações LTDA.	Avenida Brigadeiro Faria Lima 1461-4 Andar Conjunto 41, Caixa Postal 222 Torre Sul, Jardim Paulistano	Sao Paulo, SP	01452-002	Brazil	
2.	Brazil – Mato Grosso	Brasprag Back Office Ltda.	Rua Desembargador Régulo Tinoco, 1263-B, Tirol	Natal, Rio Grande do Norte	59022-080	Brazil	+55 84 32015452
3.	Brazil - Northeast Brazil	Igor de Brito Morais – ME	Rua Desembargador Régulo Tinoco, 1263-B, Tirol	Natal, Rio Grande do Norte	59022-080	Brazil	+55 84 32015452
4.	Brazil - Parana	Higi Serv Limpeza E Conservação S/A	Rua Omilio Monteiro Soares, 1712 Curitiba	Parana	81030-001	Brazil	551432035966
5.	Brazil – Rio Grande do Sul	Brasprag Back Office Ltda.	Rua Desembargador Régulo Tinoco, 1263-B, Tirol	Natal, Rio Grande do Norte	59022-080	Brazil	+55 84 32015452
6.	Brazil - Santa Catarina	Higi Serv Limpeza E Conservação S/A	Rua Omilio Monteiro Soares, 1712 Curitiba	Parana	81030-002	Brazil	554130285200
7.	Brazil - Sao Paulo	Brasprag Back Office Ltda.	Rua Desembargador Régulo Tinoco, 1263-B, Tirol	Natal, Rio Grande do Norte	59022-080	Brazil	+55 84 32015452
8.	China – Beijing & Tianjin	NGV Technology LLC	359 Tucker Avenue	Alameda, CA	94501	USA	1 510-918-8598
9.	China - Chongqing	NGV Technology LLC	359 Tucker Avenue	Alameda, CA	94501	USA	1 510-918-8598



10.	China - Guangzhou	NGV Technology LLC	359 Tucker Avenue	Alameda, CA	94501	USA	1 510-918-8598
11.	China - Shenzhen	NGV Technology LLC	359 Tucker Avenue	Alameda, CA	94501	USA	1 510-918-8598
12.	China - Wuhan	NGV Technology LLC	359 Tucker Avenue	Alameda, CA	94501	USA	1 510-918-8598
13.	China - Xi'An	NGV Technology LLC	359 Tucker Avenue	Alameda, CA	94501	USA	1 510-918-8598
14.	China - Zhengzhou	NGV Technology LLC	359 Tucker Avenue	Alameda, CA	94501	USA	1 510-918-8598
15.	El Salvador	Juan Jorge Safie	Prolongacion Juan Pablo II, complejo Ind. San Jorge #22	San Salvador		El Salvador	(503) 2260-6613
16.	Honduras	Cuatrosier S. de R.L. de C.V.	Bld. del Norte Salida a Puerto Cortes, Agencia La Mundial Local #4	San Pedro Sula		Honduras	+504 2551 0568
17.	Peru	Fumiguerra	Parque Torres Paz 266, Int. A	Barranco		Peru	
18.	Russia - Moscow	Talgat Dyussekov	23-13 Str, 26/2 Building, 53 Apt.	Astana		Kazakhstan	

**Terminated, Not Renewed or Left The System-Other (Location Never Opened)**

None

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

**EXHIBIT 9-A  
FINANCIAL STATEMENTS**

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**GRANT THORNTON LLP**

1100 Peachtree St., NE, Suite 1400  
Atlanta, GA 30309

**D** +1 404 330 2000

**F** +1 404 475 0107

April 28, 2023

Rollins, Inc.  
2170 Piedmont Road N.E.  
Atlanta, Georgia 30324

Grant Thornton LLP agrees to the inclusion in Exhibit 9-A of the Franchise Disclosure Document dated April 28, 2023 issued by Orkin Systems, LLC ("Franchisor") of our report, dated February 16, 2023 relating to the consolidated financial statements of Rollins, Inc. and subsidiaries as of December 31, 2022 and December 31, 2021 and for each of the years ended December 31, 2022, December 31, 2021, and December 31, 2020. Grant Thornton LLP has not performed any procedures subsequent to the date of this letter.

*Grant Thornton LLP*

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Stockholders  
Rollins, Inc.

**Opinion on internal control over financial reporting**

We have audited the internal control over financial reporting of Rollins, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2022, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of and for the year ended December 31, 2022, and our report dated February 16, 2023 expressed an unqualified opinion on those financial statements.

**Basis for opinion**

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and limitations of internal control over financial reporting**

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Atlanta, Georgia  
February 16, 2023

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders  
Rollins, Inc.

### Opinion on the financial statements

We have audited the accompanying consolidated statements of financial position of Rollins, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated February 16, 2023 expressed an unqualified opinion.

### Basis for opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Accrued Insurance – general liability, workers’ compensation and auto liability*

As described further in note 1 to the financial statements, the Company retains, up to certain policy-specified limits, risks related to claims under general liability, workers’ compensation and auto liability programs (“accrued insurance”). Historical claims experience is utilized to estimate the current year accrual and the underlying provision for future claims under the retained loss programs. This actuarially determined accrual and provision includes both reported and unreported claims and may be subsequently revised based on future developments relating to such claims. We identified accrued insurance as a critical audit matter.

The principal considerations for our determination that accrued insurance is a critical audit matter are that the accrued insurance liability has a higher risk of estimation uncertainty due to the utilization of loss development factors and assumptions in actuarial methods used in determining the required liability. The estimation uncertainty and complexity of the actuarial methods utilized involved especially subjective auditor judgment and an increased level of effort, including the involvement of an auditor-engaged actuarial specialist.

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Our audit procedures related to accrued insurance included the following, among others:

- We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls, including, but not limited to, controls that (1) determine that claims were reported and submitted accurately and timely, (2) determine the underlying data maintained by the Company and the third-party administrator used to develop the accrued insurance reserve was complete and accurate, and (3) determine the third-party actuarial report, including the assumptions, used in developing and recording the accrued insurance reserve was reviewed by the Company's management.
- We tested the completeness and accuracy of the underlying data maintained by the Company and the third-party administrator, which was submitted to the Company's actuary to develop the accrued insurance reserve.
- We utilized an auditor-engaged specialist in evaluating management's methods and assumptions, including the reasonableness of the selected loss development factors, as well as performed a comparison of actual versus expected claims development to identify indicators of potential bias. The auditor-engaged specialist developed an independent estimate of the range of potential losses and compared to the accrued insurance reserve recorded by management.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2004

Atlanta, Georgia  
February 16, 2023

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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

*Rollins, Inc. and Subsidiaries*  
(in thousands except share information)

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 95,346	\$ 105,301
Trade receivables, net of allowance for expected credit losses of \$14,073 and \$13,885, respectively	155,759	139,579
Financed receivables, short-term, net of allowance for expected credit losses of \$1,768 and \$1,463, respectively	33,618	26,152
Materials and supplies	29,745	28,926
Other current assets	34,151	52,422
Total current assets	348,619	352,380
Equipment and property, net of accumulated depreciation of \$333,298 and \$315,891, respectively	128,046	133,257
Goodwill	846,704	786,504
Customer contracts, net	298,559	301,914
Trademarks & tradenames, net	111,646	108,976
Other intangible assets, net	8,543	11,679
Operating lease right-of-use assets	277,355	244,784
Financed receivables, long-term, net of allowance for expected credit losses of \$3,200 and \$2,522, respectively	63,523	47,097
Other assets	39,033	34,949
Total assets	<u>\$ 2,122,028</u>	<u>\$ 2,021,540</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 42,796	\$ 44,568
Accrued insurance - current	39,534	36,414
Accrued compensation and related liabilities	99,251	97,862
Unearned revenues	158,092	145,122
Operating lease liabilities - current	84,543	75,240
Current portion of long-term debt	15,000	18,750
Other current liabilities	54,568	73,206
Total current liabilities	493,784	491,162
Accrued insurance, less current portion	38,350	31,545
Operating lease liabilities, less current portion	196,888	172,520
Long-term debt	39,898	136,250
Other long-term accrued liabilities	85,911	78,846
Total liabilities	854,831	910,323
Commitments and contingencies (see Note 13)		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, without par value; 500,000 shares authorized, zero shares issued	—	—
Common stock, par value \$1 per share; 800,000,000 shares authorized, 492,447,997 and 491,911,087 shares issued and outstanding, respectively	492,448	491,911
Additional paid in capital	119,242	105,629
Accumulated other comprehensive loss	(31,562)	(16,411)
Retained earnings	687,069	530,088
Total stockholders' equity	1,267,197	1,111,217
Total liabilities and stockholders' equity	<u>\$ 2,122,028</u>	<u>\$ 2,021,540</u>

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

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**CONSOLIDATED STATEMENTS OF INCOME**

*Rollins, Inc. and Subsidiaries*

*(in thousands except per share information)*

	Year Ended December 31,		
	2022	2021	2020
<b>REVENUES</b>			
Customer services	\$ 2,695,823	\$ 2,424,300	\$ 2,161,220
<b>COSTS AND EXPENSES</b>			
Cost of services provided (exclusive of depreciation and amortization below)	1,308,399	1,162,617	1,048,592
Sales, general and administrative	802,710	727,489	657,209
Depreciation and amortization	91,326	86,558	79,331
Total operating expenses	<u>2,202,435</u>	<u>1,976,664</u>	<u>1,785,132</u>
<b>OPERATING INCOME</b>	<b>493,388</b>	<b>447,636</b>	<b>376,088</b>
Interest expense, net	2,638	830	5,082
Other (income) expense, net	(8,167)	(35,679)	8,290
<b>CONSOLIDATED INCOME BEFORE INCOME TAXES</b>	<b>498,917</b>	<b>482,485</b>	<b>362,716</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>130,318</b>	<b>125,920</b>	<b>95,960</b>
<b>NET INCOME</b>	<b>\$ 368,599</b>	<b>\$ 356,565</b>	<b>\$ 266,756</b>
<b>NET INCOME PER SHARE - BASIC AND DILUTED</b>	<b>\$ 0.75</b>	<b>\$ 0.72</b>	<b>\$ 0.54</b>
Weighted average shares outstanding - basic	492,300	492,054	491,604
Weighted average shares outstanding - diluted	492,413	492,054	491,604
<b>DIVIDENDS PAID PER SHARE</b>	<b>\$ 0.43</b>	<b>\$ 0.42</b>	<b>\$ 0.33</b>

*The accompanying notes are an integral part of these consolidated financial statements*



**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

*Rollins, Inc. and Subsidiaries*  
*(in thousands)*

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>NET INCOME</b>	<b>\$ 368,599</b>	<b>\$ 356,565</b>	<b>\$ 266,756</b>
Other comprehensive (loss) income, net of tax:			
Pension and other postretirement benefit plans	—	—	(127)
Foreign currency translation adjustments	(14,215)	(5,895)	10,443
Unrealized loss on available for sale securities	(936)	—	—
Change in derivatives	—	381	(104)
Other comprehensive (loss) income, net of tax	<u>(15,151)</u>	<u>(5,514)</u>	<u>10,212</u>
Comprehensive income	<u><u>\$ 353,448</u></u>	<u><u>\$ 351,051</u></u>	<u><u>\$ 276,968</u></u>

*The accompanying notes are an integral part of these consolidated financial statements*

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**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

*Rollins, Inc. and Subsidiaries*  
(in thousands)

	Common Stock		Treasury		Additional Paid- In- Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2019</b>	<b>491,146</b>	<b>\$ 491,146</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 89,413</b>	<b>\$ (21,109)</b>	<b>\$ 273,659</b>	<b>\$ 833,109</b>
Impact of adoption of ASC 326							2,486	2,486
Net income							266,756	266,756
Other comprehensive income								
Pension liability adjustment, net of tax						(127)		(127)
Foreign currency translation adjustments						10,443		10,443
Interest rate swaps, net of tax						(104)		(104)
Cash dividends							(160,487)	(160,487)
Stock compensation	802	802			20,315		(267)	20,850
Employee stock buybacks	(336)	(336)			(7,971)		32	(8,275)
<b>Balance at December 31, 2020</b>	<b>491,612</b>	<b>\$ 491,612</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 101,757</b>	<b>\$ (10,897)</b>	<b>\$ 382,179</b>	<b>\$ 964,651</b>
Net income							356,565	356,565
Other comprehensive income								
Pension liability adjustment, net of tax						—		—
Foreign currency translation adjustments						(5,895)		(5,895)
Interest rate swaps, net of tax						381		381
Cash dividends							(208,656)	(208,656)
Stock compensation	593	593			14,272			14,865
Employee stock buybacks	(294)	(294)			(10,400)			(10,694)
<b>Balance at December 31, 2021</b>	<b>491,911</b>	<b>\$ 491,911</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 105,629</b>	<b>\$ (16,411)</b>	<b>\$ 530,088</b>	<b>\$ 1,111,217</b>
Net income							368,599	368,599
Other comprehensive income								
Pension liability adjustment, net of tax						—		—
Foreign currency translation adjustments						(14,215)		(14,215)
Unrealized losses on available for sale securities						(936)		(936)
Cash dividends							(211,618)	(211,618)
Stock compensation	765	765			20,450			21,215
Employee stock buybacks	(228)	(228)			(6,837)			(7,065)
<b>Balance at December 31, 2022</b>	<b>492,448</b>	<b>\$ 492,448</b>	<b>—</b>	<b>\$ —</b>	<b>\$ 119,242</b>	<b>\$ (31,562)</b>	<b>\$ 687,069</b>	<b>\$ 1,267,197</b>

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

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*Rollins, Inc. and Subsidiaries*  
(in thousands)

	2022	2021	2020
<b>OPERATING ACTIVITIES</b>			
Net income	\$ 368,599	\$ 356,565	\$ 266,756
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	91,326	86,558	79,331
Stock-based compensation expense	21,215	14,865	20,850
Provision for expected credit losses	19,441	15,285	17,536
Gain on sale of assets, net	(8,167)	(35,679)	1,598
Provision for deferred income taxes	1,595	3,421	849
Changes in operating assets and liabilities:			
Trade accounts receivable and other accounts receivable	(34,003)	(22,439)	(12,045)
Financing receivables	(23,891)	(14,473)	(11,787)
Materials and supplies	(540)	2,644	(10,706)
Other current assets	5,836	(11,159)	6,847
Accounts payable and accrued expenses	304	1,421	50,061
Unearned revenue	10,400	11,934	7,276
Other long-term assets and liabilities	13,815	(7,138)	19,219
Net cash provided by operating activities	465,930	401,805	435,785
<b>INVESTING ACTIVITIES</b>			
Acquisitions, net of cash acquired	(119,188)	(146,098)	(147,613)
Capital expenditures	(30,628)	(27,194)	(23,229)
Proceeds from sale of assets	14,597	74,438	7,700
Other investing activities, net	1,078	(111)	747
Net cash (used in) investing activities	(134,141)	(98,965)	(162,395)
<b>FINANCING ACTIVITIES</b>			
Payment of contingent consideration	(17,334)	(22,809)	(24,011)
Borrowings under term loan	252,000	—	—
Borrowings under revolving commitment	43,000	206,500	135,000
Repayments of term loan	(245,000)	(88,000)	(54,000)
Repayments of revolving commitment	(150,000)	(166,500)	(169,500)
Payment of dividends	(211,618)	(208,656)	(160,487)
Cash paid for common stock purchased	(7,065)	(10,694)	(8,275)
Net cash (used in) financing activities	(336,017)	(290,159)	(281,273)
Effect of exchange rate changes on cash	(5,727)	(5,857)	12,084
Net (decrease) increase in cash and cash equivalents	(9,955)	6,824	4,201
Cash and cash equivalents at beginning of period	105,301	98,477	94,276
Cash and cash equivalents at end of period	\$ 95,346	\$ 105,301	\$ 98,477
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 4,162	\$ 1,313	\$ 5,056
Cash paid for income taxes, net	\$ 119,573	\$ 119,762	\$ 81,184
Non-cash additions to operating lease right-of-use assets	\$ 122,149	\$ 116,594	\$ 89,016

*The accompanying notes are an integral part of these consolidated financial statements*

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2022, 2021, and 2020, Rollins, Inc. and Subsidiaries

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Business Description**—Rollins, Inc. (“Rollins,” “we,” “us,” “our,” or the “Company”), is an international services company headquartered in Atlanta, Georgia that provides pest and termite control services to both residential and commercial customers through its wholly-owned subsidiaries and independent franchises in the United States, Canada, Australia, Europe, and Asia with international franchises in Canada, Central and South America, the Caribbean, Europe, the Middle East, Asia, Africa, and Australia. The Company operates as one reportable segment and the results of operations and its financial condition are not reliant upon any single customer.

**Principles of Consolidation**—The Company’s Consolidated Financial Statements include the accounts of Rollins, Inc. and the Company’s wholly-owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”). The Company does not consolidate the financial statements of any company in which it has an ownership interest of 50% or less. The Company is not the primary beneficiary of, nor does it have a controlling financial interest in, any variable interest entity. Accordingly, the Company has not consolidated any variable interest entity. The Company reclassified or revised certain prior period amounts, none of which were material, to conform to the current period presentation. All material intercompany accounts and transactions have been eliminated.

**Subsequent Events**—The Company evaluates its financial statements through the date the financial statements are issued.

**Use of Estimates**—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and certain financial statement disclosures. Estimates and assumptions are used for, but not limited to, accrued insurance, revenue recognition, right-of-use (“ROU”) asset and liability valuations, accounts and financing receivable reserves, inventory (materials and supplies) valuation, employee benefit plans, income tax contingency accruals and valuation allowances, contingency accruals; goodwill and other intangible asset valuations. Although these estimates are based on management’s knowledge of current events and actions it may undertake in the future, actual results may ultimately differ from these estimates and assumptions.

The Company considered the impact of COVID-19 on the assumptions and estimates used in preparing the consolidated financial statements. In the opinion of management, all adjustments necessary for a fair presentation of the Company’s financial results for the year have been made. These adjustments are of a normal recurring nature but complicated by the uncertainty surrounding the global economic impact of COVID-19. The results of operations for the year ended December 31, 2022 are not necessarily indicative of results for future years. The severity, magnitude and duration, as well as the economic consequences of COVID-19, are uncertain, rapidly changing and difficult to predict. Therefore, our accounting estimates and assumptions may change over time in response to COVID-19 and may change materially in future periods.

**Basis of Presentation**— Certain consolidated financial statement amounts relative to prior periods have been revised, the effects of which are immaterial, to correct the Company’s application of Accounting Standards Codification (“ASC”) 805, “*Business Combinations*,” with respect to certain acquisitions occurring between 2012 and 2019, which resulted in adjustments to the fair values of customer contracts and contingent consideration related to these acquisitions. The Company assessed the materiality of this correction to prior periods’ consolidated financial statements in accordance with Securities and Exchange Commission Staff Accounting Bulletin (“SAB”) No. 99, “*Materiality*,” SAB 108, “*Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*,” and “*Presentation of Financial Statements*,” codified in ASC 250. The Company concluded that the correction was not material to prior periods and therefore, amendments of previously filed reports are not required. In accordance with ASC 250, the Company corrected prior periods presented herein by revising the financial statement line item amounts previously disclosed in SEC filings. The impact of this revision does not affect the interim or annual assessment of goodwill, intangibles or indefinite-lived assets. The impact of this revision on the Company’s previously reported consolidated financial statements is as follows:



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### *Nature of Goods and Services and Performance Obligations*

The Company contracts with its customers to provide the following goods and services, each of which is a distinct performance obligation:

*Pest control services* - Rollins provides pest control services to protect residential and commercial properties from common pests, including rodents and insects. Pest control generally consists of assessing a customer's property for conditions that invite pests, tackling current infestations, and stopping the life cycle to prevent future invaders. Revenue from pest control services is recognized as services are rendered.

The Company's revenue recognition policies are designed to recognize revenues upon satisfaction of the performance obligation at the time services are performed. For certain revenue types, because of the timing of billing and the receipt of cash versus the timing of performing services, we use estimates as described below. Residential and commercial pest control services are primarily recurring in nature on a monthly, bi-monthly or quarterly basis, while certain types of commercial customers may receive multiple treatments within a given month. In general, pest control customers sign an initial one-year contract, and revenues are recognized at the time services are performed. The Company defers recognition of advance payments and recognizes the revenue as the services are rendered. The Company classifies discounts related to the advance payments as a reduction in revenues.

*Termite control services* - Rollins provides a variety of termite protection services. Termite protection programs include liquid treatments, wet and dry foam applications, termite baiting and wood treatments. Revenue from initial termite treatment services is recognized as services are provided.

*Maintenance/monitoring/inspection* - In connection with the initial service offerings, Rollins provides recurring maintenance, monitoring or inspection services to help protect consumers' property from any future sign of termite activities after the original treatment. This recurring service is a service-type warranty under ASC 606, "Revenue from Contracts with Customers," as it is routinely sold and purchased separately from the initial treatment services and is typically purchased or renewed annually.

Termite baiting revenues are recognized based on the transfer of control of the individual units of accounting. At the inception of a new baiting services contract, upon quality control review of the installation, the Company recognizes revenue for the installation of the monitoring stations, initial directed liquid termiticide treatment and servicing of the monitoring stations. A portion of the contract amount is deferred for the undelivered monitoring performance obligation. This portion is recognized as income on a straight-line basis over the remaining contract term, which results in recognition of revenue that depicts the Company's performance in transferring control of the service. The allocation of the transaction price to the two deliverables is based on the relative stand-alone selling price. There are no contingencies related to the delivery of additional items or meeting other specified performance conditions. Baiting renewal revenue is deferred and recognized over the annual contract period on a straight-line basis that depicts the Company's performance in transferring control of the service.

Revenue received for conventional termite renewals is deferred and recognized on a straight-line basis over the remaining contract term that depicts the Company's performance in transferring control of the service, and the cost of reinspections, reapplications and repairs and associated labor and chemicals are expensed as incurred. For outstanding claims, an estimate is made of the costs to be incurred (including legal costs) based upon current factors and historical information. The performance of reinspections tends to be close to the contract renewal date, and while reapplications and repairs involve an insubstantial number of the contracts, these costs are incurred over the contract term. As the revenue is being deferred, the future cost of reinspections, reapplications and repairs and associated labor and chemicals applicable to the deferred revenue are expensed as incurred. The Company accrues for noticed claims. The costs of providing termite services upon renewal are compared to the expected revenue to be received and a provision is made for any expected losses.

*Miscellaneous services* - In certain agreements with customers, Rollins may offer other miscellaneous services, including restroom cleaning (eliminating foul odors, grease and grime which could attract pests) and training (seminars covering good manufacturing practices and product stewardship). Revenue from miscellaneous services is recognized when services are provided.

*Products* - Depending on customer demand, Rollins may separately sell pest control and/or termite protection products, such as traps. Revenue from product sales is recognized upon transfer of control of the asset.

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*Equipment rental (or lease)* - Depending on customer demand, Rollins may lease certain pest control and/or termite protection equipment. Revenues from equipment rentals are recognized over the period of the rental/lease. Revenues from equipment rentals represent less than 1.0% of the Company's revenues for each reported period.

The Company's international operations accounted for approximately 7%, 8%, and 7% of revenues for the years ended December 31, 2022, 2021, and 2020 respectively.

### *Contract Balances*

Timing of revenue recognition may differ from the timing of invoicing to customers. We record unearned revenue when revenue is recognized subsequent to billing. Unearned revenue mainly relates to the Company's termite baiting offering, conventional renewals, and year-in-advance pest control services for which we have been paid in advance and earn the revenue when we transfer control of the product or service. For multi-year agreements, we generally invoice customers annually at the beginning of each annual coverage period. Refer to Note 3 - Revenue for further information, including changes in unearned revenue for the year.

The Company extends terms to certain customers on higher dollar termite and ancillary work, as well as to certain franchisees for initial funding on the sale of franchises. These financed receivables are segregated from our trade receivables. The allowance for expected credit losses reflects our best estimate of probable losses inherent in the accounts receivable balance. We determine the allowance based on known troubled accounts, historical experience, and other currently available evidence. See Note 4 – Allowance for Credit Losses for further information.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined our contracts generally do not include a significant financing component. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our products and services, not to receive financing from our customers or to provide customers with financing.

### *Practical Expedients and Exemptions*

We generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within sales and marketing expenses.

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. All revenues are reported net of sales taxes.

***Allowance for Expected Credit Losses***— The Company maintains an allowance for expected credit losses based on the expected collectability of accounts receivable. Management uses historical collection results as well as accounts receivable aging in order to determine the expected collectability of accounts receivable. Substantially all of the Company's receivables are due from pest control and termite services in the United States and selected international locations. The Company's allowance for expected credit losses is determined using a combination of factors. The Company's established credit evaluation procedures seek to minimize the amount of business we conduct with higher risk customers. Provisions for expected credit losses are recorded in selling, general and administrative expenses. Accounts are written off against the allowance for expected credit losses when the Company determines that amounts are uncollectible, and recoveries of amounts previously written off are recorded when collected. Significant recoveries will generally reduce the required provision in the period of recovery. Therefore, the provision for expected credit losses can fluctuate significantly from period to period. We record specific provisions when we become aware of a customer's inability to meet its financial obligations to us,

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such as in the case of bankruptcy filings or deterioration in the customer's operating results or financial position. If circumstances related to customers change, our estimates of the realizability of receivables would be further adjusted, either upward or downward.

**Advertising**—Advertising costs are charged to sales, general and administrative expense during the year in which they are incurred.

Years ended December 31, (in thousands)	2022	2021	2020
Advertising	\$ 102,959	\$ 91,879	\$ 86,314

**Cash and Cash Equivalents**— The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

The Company's \$95.3 million of total cash at December 31, 2022 is primarily cash held at various banking institutions. Approximately \$68.6 million is held in cash accounts at international banking institutions and the remaining \$26.7 million is primarily held in Federal Deposit Insurance Corporation ("FDIC") insured non-interest-bearing accounts at various domestic banks which at times may exceed federally insured amounts. The Company has not incurred any losses in these accounts.

At December 31, (in thousands)	2022	2021
Cash held in foreign bank accounts	\$ 68,580	\$ 78,102

Rollins maintains adequate liquidity and capital resources, without regard to its foreign deposits, that are directed to finance domestic operations and obligations and to fund expansion of its domestic business for the foreseeable future.

**Marketable Securities**— From time to time, the Company maintains investments held by several large, well-capitalized financial institutions. The Company's investment policy does not allow investment in any securities rated less than "investment grade" by national rating services.

Management determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designations as of each balance sheet date. Debt securities are classified as available-for-sale because the Company does not have the intent to hold the securities to maturity. Available-for-sale securities are stated at their fair values, with the unrealized gains and losses reported in other comprehensive income.

The Company had no other marketable securities other than those held in the defined benefit pension plan and the non-qualified deferred compensation plan at December 31, 2022 and 2021. See Note 12 for further details.

**Materials and Supplies**— Materials and supplies are stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method.

**Other Current Assets** – Other current assets include prepaids and the international bond investment. Refer to Note 9, Fair Value Measurement.

**Income Taxes**—The Company provides for income taxes based on FASB ASC topic 740 "Income Taxes," which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. The Company provides an allowance for deferred tax assets when it determines that it is more likely than not that the deferred tax assets will not be utilized. The Company establishes additional provisions for income taxes when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum probability threshold. The Company's policy is to record interest and penalties related to income tax matters in income tax expense.

**Equipment and Property**— Equipment and property are stated at cost, net of accumulated depreciation, and are depreciated on a straight-line basis over the estimated useful lives of the related assets. Annual provisions for depreciation are computed using the following asset lives: buildings, 10 to 40 years; and furniture, fixtures and operating equipment, 2 to 10 years. Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are expensed as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation and amortization are eliminated from the accounts in the year of disposal



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with the resulting gain or loss credited or charged to income. The annual provisions for depreciation, below, have been reflected in the consolidated statements of income in the line item entitled Depreciation and amortization.

Years ended December 31, (in thousands)	2022	2021	2020
Depreciation	\$ 35,648	\$ 40,592	\$ 40,623

Certain internal-use software and systems development costs are capitalized. Accordingly, the specific identified costs incurred to develop and obtain software, which is intended for internal use, are not capitalized until the software is put into use. Management, with the relevant authority, authorizes and commits to funding a software project and it is probable that the project will be completed and the software will be used to perform the function intended. Costs incurred during a software development's discovery phase and post-integration stage, are expensed as incurred. Application development activities that are eligible for capitalization include software design and configuration, development of interfaces, coding, testing and installation. Capitalized internal-use software and systems costs are subsequently amortized on a straight-line basis over a three to seven year period after project completion and when the related software or system is ready for intended use.

**Impairment of Long-Lived Assets** - In accordance with the FASB ASC Topic 360, "Property, Plant and Equipment," the Company's long-lived assets, such as property and equipment and intangible assets with definite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. We periodically evaluate the appropriateness of remaining depreciable lives assigned to long-lived assets, including customer contracts and assets that may be subject to a management plan for disposition.

**Goodwill and Other Intangible Assets**— In accordance with the FASB ASC Topic 350, "Intangibles - Goodwill and other," the Company classifies intangible assets into three categories: (1) intangible assets with definite lives subject to amortization; (2) intangible assets with indefinite lives not subject to amortization; and (3) goodwill. The Company does not amortize intangible assets with indefinite lives or goodwill. Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually or more frequently if events or circumstances indicate the assets might be impaired. Such conditions may include an economic downturn or a change in the assessment of future operations. The Company performs impairment tests of goodwill at the Company level. Such impairment tests for goodwill include comparing the fair value of the appropriate reporting unit (the Company) with its carrying value. If the fair value of the reporting unit is below the carrying value, the Company recognizes a goodwill impairment charge for the amount by which the carrying value exceeds the reporting unit's fair value. The Company performs impairment tests for indefinite-lived intangible assets by comparing the fair value of each indefinite-lived intangible asset unit to its carrying value. The Company recognizes an impairment charge if the asset's carrying value exceeds its estimated fair value. The Company completed its most recent annual impairment analysis as of September 30, 2022. Based upon the results of these analyses, the Company has concluded that no impairment of its goodwill or intangible assets with indefinite lives was indicated.

**Other Assets** – Other assets is mostly comprised of deferred compensation assets and the international bond investment. Refer to Note 12, Employee Benefit Plans and Note 9, Fair Value Measurement.

**Accrued Insurance**— The Company retains, up to specified limits, certain risks related to general liability, workers' compensation and auto liability. Risks are managed through either high deductible insurance or, for Clark Pest Control only, a non-affiliated group captive insurance member arrangement. The estimated costs of existing and future claims under the retained loss program are accrued based upon historical trends as incidents occur, whether reported or unreported (although actual settlement of the claims may not be made until future periods) and may be subsequently revised based on developments relating to such claims. The group captive is subject to a third-party actuary retained by the captive manager, independent from the Company. For the high deductible insurance program, the Company contracts with an independent third-party actuary to provide the Company an estimated liability based upon historical claims information. The actuarial study is a major consideration in establishing the reserve, along with management's knowledge of changes in business practice and existing claims compared to current balances. Management's judgment is inherently subjective as a number of factors are outside management's knowledge and control. Additionally, historical information is not always an accurate indication of future events. The Company continues to be proactive in safety and risk management to develop and maintain ongoing programs to reduce and prevent incidents and claims. Initiatives that have been implemented include required pre-employment screening and ongoing

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motor vehicle record review for all drivers, post-offer physicals for new employees, pre-hire, random and post incident drug testing, driver training and post-injury nurse triage for work-related injuries. The accruals and reserves we hold are based on estimates that involve a degree of judgment and are inherently variable and could be overestimated or insufficient. If actual claims exceed our estimates, our operating results could be materially affected, and our ability to take timely corrective actions to limit future costs may be limited.

**Accrual for Termite Contracts**—The Company maintains an accrual for termite claims representing the estimated costs of reapplications, repairs and associated labor and chemicals, settlements, awards and other costs relative to termite control services. Factors that may impact future costs include termiticide life expectancy and government regulation. The actual number of claims has decreased in recent years due to changes in the Company's business practices. However, it is not possible to precisely predict future significant claims. An accrual for termite contracts is included in other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position.

**Other Current Liabilities** – Other current liabilities are mostly comprised of the current portion of acquisition holdback and earnout liabilities (see Note 9), contingency accruals, deferred compensation liabilities (see Note 12) and taxes payable.

**Other Long-term Accrued Liabilities** – Other long-term accrued liabilities include long-term balances for deferred compensation, acquisition holdback and earnout liabilities, deferred tax liabilities, contingency accruals, and the long-term portion of unearned revenue.

**Contingency Accruals**—The Company is a party to legal proceedings with respect to matters in the ordinary course of business. In accordance with the FASB ASC Topic 450 "Contingencies," management estimates and accrues for its liability and costs associated with the litigation. Estimates and accruals are determined in consultation with outside counsel. Because it is not possible to accurately predict the ultimate result of the litigation, judgments concerning accruals for liabilities and costs associated with litigation are inherently uncertain and actual liability may vary from amounts estimated or accrued. However, in the opinion of management, the outcome of the litigation will not have a material adverse impact on the Company's financial condition or results of operations. Contingency accruals are included in other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position.

**Earnings Per Share**—the FASB ASC Topic 260-10 "Earnings Per Share-Overall," requires a basic earnings per share and diluted earnings per share presentation. Further, all outstanding unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are considered participating securities and an entity is required to include participating securities in its calculation of basic earnings per share.

The Company has periodically issued share-based payment awards that contain non-forfeitable rights to dividends and therefore are considered participating securities. See Note 14 for further information on restricted stock granted to employees.

The Company reports both basic and diluted earnings per share. Basic earnings per share is computed by dividing net income available to participating common stockholders by the weighted average number of participating common shares outstanding for the period. Diluted earnings per share is calculated by dividing the net income available to participating common stockholders by the diluted

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weighted average number of shares outstanding for the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive equity.

A reconciliation of weighted average shares outstanding along with the earnings per share attributable to restricted shares of common stock (participating securities) and restricted stock units is as follows (in thousands except per share data).

Year Ended December 31,	2022	2021	2020
Net income available to stockholders	\$ 368,599	\$ 356,565	\$ 266,756
Less dividends paid:			
Common stock	(210,509)	(207,482)	(159,524)
Time-lapse restricted awards	(1,109)	(1,174)	(963)
Undistributed earnings for the period	\$ 156,981	\$ 147,909	\$ 106,269
Allocation of undistributed earnings:			
Common stock	156,123	147,069	99,676
Time-lapse restricted awards	823	840	661
Restricted stock units	36	—	—
Weighted-average shares outstanding:			
Weighted-average outstanding common shares	489,719	489,259	488,364
Add participating securities:			
Weighted-average time-lapse restricted awards	2,581	2,795	3,240
Total weighted-average shares outstanding - basic	492,300	492,054	491,604
Dilutive effect of restricted stock units	113	—	—
Total weighted-average shares outstanding - diluted	492,413	492,054	491,604
Basic earnings per share:			
Common stock:			
Distributed earnings	\$ 0.43	\$ 0.42	\$ 0.33
Undistributed earnings	0.32	0.30	0.21
	\$ 0.75	\$ 0.72	\$ 0.54
Time-lapse restricted awards:			
Distributed earnings	\$ 0.43	\$ 0.42	\$ 0.30
Undistributed earnings	0.32	0.30	0.20
	\$ 0.75	\$ 0.72	\$ 0.50
Diluted earnings per share:			
Common stock:			
Distributed earnings	\$ 0.43	\$ 0.42	\$ 0.33
Undistributed earnings	0.32	0.30	0.21
	\$ 0.75	\$ 0.72	\$ 0.54
Time-lapse restricted awards:			
Distributed earnings	\$ 0.43	\$ 0.42	\$ 0.30
Undistributed earnings	0.32	0.30	0.20
	\$ 0.75	\$ 0.72	\$ 0.50
Restricted stock units:			
Distributed earnings	\$ —	\$ —	\$ —
Undistributed earnings	0.32	—	—
	\$ 0.32	\$ —	\$ —

**Translation of Foreign Currencies**—Assets and liabilities reported in functional currencies other than U.S. dollars are translated into U.S. dollars at the year-end rate of exchange. Revenues and expenses are translated at the weighted average exchange rates for the year. The resulting translation adjustments are charged or credited to other comprehensive income. Gains or losses from foreign currency transactions, such as those resulting from the settlement of receivables or payables, denominated in foreign currency are included in the earnings of the current period.

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**Stock-Based Compensation**— The Company accounts for its stock-based compensation in accordance with the FASB ASC Topic 718 “*Compensation – Stock Compensation*.” Time lapse restricted awards and restricted stock units (“restricted shares”) have been issued to officers and other management employees under the Company’s Employee Stock Incentive Plan.

Restricted shares provide for the issuance of a share of the Company’s common stock at no cost to the holder and generally vest after a certain stipulated number of years from the grant date, depending on the terms of the issue. The 2022 grant of restricted shares vest over five years from the date of the grant. Prior grants vest over six years from the date of grant. The Company issues new shares from its authorized but unissued share pool. During these years, restricted awards grantees receive all dividends declared and retain voting rights for the granted shares. The agreements under which the restricted shares are issued provide that shares awarded may not be sold or otherwise transferred until restrictions established under the plans have lapsed. The fair value of these awards is recognized as compensation expense, net of estimated forfeitures, on a straight-line basis over the vesting period.

**Comprehensive Income (Loss)**—Other Comprehensive Income (Loss) results from foreign currency translations, minimum pension liability adjustments, cash flow hedge of interest rate risks and unrealized gains and losses on available for sale securities.

**Franchising Program** – The Company has franchise programs through Orkin, Critter Control and its Australian subsidiaries. We had a total of 137, 135 and 128 domestic franchise agreements as of December 31, 2022, 2021 and 2020, respectively. International franchise agreements totaled 89, 103 and 101 as of December 31, 2022, 2021 and 2020, respectively. Transactions with our franchises involve sales of territories and customer contracts to establish new franchises and the payment of initial franchise fees and royalties by franchisees. The territories, customer contracts and initial franchise fees are typically paid for by a combination of cash and notes.

Combined domestic and international revenues from Orkin, Critter Control and Australia franchises were \$15.5 million, \$15.5 million and \$15.2 million for the years ended December 31, 2022, 2021 and 2020, respectively. Total franchising revenues were less than 1.0% of the Company’s annual revenues for each of the three years respectively.

**Right to access intellectual property (Franchise)** - The right to access Orkin’s, Critter Control’s and our Australia franchisors’ intellectual property is an essential part of our franchise agreements. These agreements provide the franchisee a license to use the brand name and trademark when advertising and selling services to end customers in their normal course of business. Orkin and Critter Control franchise agreements contain a clause allowing the respective franchisor to purchase certain assets of the franchisee at the conclusion of their franchise agreement or upon termination. This is only an option for the franchisor to re-purchase the assets selected by the franchisor and is not a performance obligation or a form of consideration.

### **Recent Accounting Guidance**

#### **Recently adopted accounting standards**

In November 2021, the FASB issued Accounting Standards Update (“ASU”) 2021-10, “*Government Assistance (Topic 832) – Disclosures by Business Entities about Government Assistance*.” The amendments in this Update require disclosures about transactions with a government that have been accounted for by analogizing to a grant or contribution accounting model to increase transparency about (1) the types of transactions, (2) the accounting for the transactions, and (3) the effect of the transactions on an entity’s financial statements. The amendments in this Update are effective for financial statements issued for annual periods beginning after December 15, 2021. The adoption of this ASU did not have a material impact on the Company’s consolidated financial statements.

#### **Accounting standards issued but not yet adopted**

In March 2022, the FASB issued ASU 2022-02, “*Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*.” The amendments in this Update eliminate the accounting guidance for troubled debt restructurings (TDRs) by creditors in Subtopic 310-40, Receivables-Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Additionally, for public business entities, the amendments in this Update require that an entity disclose current-period gross write-offs by year of origination for

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financing receivables. ASU 2022-02 is effective for fiscal years beginning after December 15, 2022. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurements of Equity Securities Subject to Contractual Sale Restrictions." The amendments in this Update clarify the guidance in Topic 820 when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security. This Update also introduces new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value. These amendments are effective for fiscal years beginning after December 15, 2023 and interim periods within those fiscal years. The Company does not currently own any equity securities and therefore the adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

## 2. ACQUISITIONS

The Company made 31 and 39 acquisitions during the years ended December 31, 2022, and 2021, respectively. Total cash purchase price for the Company's acquisitions in 2022 and 2021 were \$116.0 million and \$146.1 million, respectively. For the 31 acquisitions completed in 2022, the preliminary values of major classes of assets acquired and liabilities assumed recorded at the dates of acquisition are included in the reconciliation of the total consideration as follows (in thousands):

	2022	2021
Accounts receivable, net	\$ 3,736	\$ 3,072
Materials and supplies	529	891
Equipment and property	6,741	8,184
Goodwill	64,997	69,555
Customer contracts	49,871	80,239
Trademarks & tradenames	5,615	1,200
Other intangible assets	1,538	3,668
Current liabilities	(4,853)	(6,483)
Other assets and liabilities, net	(1,948)	288
Total consideration	126,226	160,614
Less: Acquisition holdback liabilities	(10,178)	(14,516)
Total cash purchase price	\$ 116,048	\$ 146,098

The Company also made a final payment of \$3.1 million for a 2021 acquisition in 2022.

Goodwill from acquisitions represents the excess of the purchase price over the fair value of net assets of businesses acquired. The factors contributing to the amount of goodwill are based on strategic and synergistic benefits that are expected to be realized. For the year ended December 31, 2022, \$65.0 million of goodwill was added related to the 31 acquisitions noted above. The recognized goodwill is expected to be deductible for tax purposes. The purchase price allocations for these acquisitions are preliminary until the Company obtains final information regarding these fair values.

### 3. REVENUE

The following tables present our revenues disaggregated by revenue source (in thousands).

Sales and usage-based taxes are excluded from revenues. No sales to an individual customer or in a country other than the United States accounted for 10% or more of the sales for the periods listed in the following tables. Revenue, classified by the major geographic areas in which our customers are located, was as follows:

(in thousands)	<u>2022</u>	<u>2021</u>	<u>2020</u>
United States	\$ 2,498,363	\$ 2,240,226	\$ 2,006,368
Other countries	197,460	184,074	154,852
<b>Total Revenues</b>	<b>\$ 2,695,823</b>	<b>\$ 2,424,300</b>	<b>\$ 2,161,220</b>

Revenue from external customers, classified by significant product and service offerings, was as follows:

(in thousands)	<u>2022</u>	<u>2021</u>	<u>2020</u>
Residential revenue	\$ 1,212,491	\$ 1,103,687	\$ 977,470
Commercial revenue	914,839	829,396	752,349
Termite completions, bait monitoring, & renewals	536,854	465,053	406,782
Franchise revenues	15,665	15,777	14,367
Other revenues	15,974	10,387	10,252
<b>Total Revenues</b>	<b>\$ 2,695,823</b>	<b>\$ 2,424,300</b>	<b>\$ 2,161,220</b>

Deferred revenue recognized for the year ended December 31, 2022 and 2021 was \$205.3 million and \$187.3 million, respectively. Changes in unearned revenue were as follows:

(in thousands)	<u>Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 168,607	\$ 149,224
Deferral of unearned revenue	224,647	206,730
Recognition of unearned revenue	(205,260)	(187,347)
Ending balance	<b>\$ 187,994</b>	<b>\$ 168,607</b>

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized (“contracted not recognized revenue”), which includes both unearned revenue and revenue that will be billed and recognized in future periods. The Company has no material contracted not recognized revenue as of December 31, 2022 or December 31, 2021.

At December 31, 2022 and December 31, 2021, the Company had long-term unearned revenue of \$29.9 million and \$23.5 million, respectively. Unearned short-term revenue is recognized over the next 12-month period. The majority of unearned long-term revenue is recognized over a period of five years or less with immaterial amounts recognized through 2033.

### 4. ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Company is exposed to credit losses primarily related to accounts receivables and financed receivables derived from customer services revenue. To reduce credit risk for residential accounts receivable, we promote enrollment in our auto-pay programs. In general,

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we may suspend future services for customers with past due balances. The Company's credit risk is generally low with a large number of entities comprising Rollins' customer base and dispersion across many different geographical regions.

The Company manages its financing receivables on an aggregate basis when assessing and monitoring credit risks. The Company's established credit evaluation and monitoring procedures seek to minimize the amount of business we conduct with higher risk customers. The credit quality of a potential obligor is evaluated at the loan origination based on an assessment of the individual's Beacon/credit bureau score. Rollins requires a potential obligor to have good creditworthiness with low risk before entering into a contract. Depending upon the individual's credit score, the Company may accept with 100% financing or require a significant down payment or turn down the contract. Delinquencies of accounts are monitored each month. Financing receivables include installment receivable amounts, some of which are due subsequent to one year from the balance sheet dates.

Total financing receivables, net were \$97.1 million and \$73.2 million at December 31, 2022 and December 31, 2021, respectively. Financing receivables are generally charged-off when deemed uncollectable or when 180 days have elapsed since the date of the last full contractual payment. The Company's charge-off policy has been consistently applied during the periods reported. Management considers the charge-off policy when evaluating the appropriateness of the allowance for expected credit losses. Gross charge-offs as a percentage of average financing receivables were 5.6% and 4.3% for the twelve months ended December 31, 2022 and December 31, 2021, respectively. Due to the low percentage of charge-off receivables and the high creditworthiness of the potential obligors, the Rollins, Inc. financing receivables portfolio has a low credit risk.

The Company offers 90 days same-as-cash financing to some customers based on their creditworthiness. Interest is not recognized until the 91st day at which time it is calculated retrospectively back to the first day if the contract has not been paid in full. In certain circumstances, such as when delinquency is deemed to be of an administrative nature, accounts may still accrue interest when they reach 180 days past due. As of December 31, 2022, there were no accounts greater than 180 days past due.

Included in financing receivables are notes receivable from franchise owners. The majority of these notes are low risk as the repurchase of these franchises is guaranteed by the Company's wholly-owned subsidiary, Orkin Systems, LLC, and the repurchase price of the franchise is currently estimated and has historically been well above the receivable due from the franchise owner. Also included in notes receivables are franchise notes from other brands which are not guaranteed and do not have the same historical valuation.

The carrying amount of notes receivable approximates fair value as the interest rates approximate market rates for these types of contracts. Long-term installment receivables, net were \$63.5 million and \$47.1 million at December 31, 2022 and 2021, respectively.

The Company's allowances for credit losses for trade accounts receivable and financed receivables are developed using historical collection experience, current economic and market conditions, reasonable and supportable forecasts, and a review of the current status of customers' receivables. The Company's receivable pools are classified between residential customers, commercial customers, large commercial customers, and financed receivables. Accounts are written off against the allowance for credit losses when the Company determines that amounts are uncollectible, and recoveries of amounts previously written off are recorded when collected. The Company

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stops accruing interest to these receivables when they are deemed uncollectible. Below is a roll forward of the Company's allowance for credit losses for the years ended December 31, 2022, 2021 and 2020.

	Allowance for Credit Losses		
	Trade Receivables	Financed Receivables	Total Receivables
(in thousands)			
Balance at December 31, 2019	\$ 16,699	\$ 2,959	\$ 19,658
Adoption of ASC 326	(3,330)	-	(3,330)
Provision for expected credit losses	14,699	2,837	17,536
Write-offs charged against the allowance	(18,228)	(2,565)	(20,793)
Recoveries collected	7,014	—	7,014
Balance at December 31, 2020	\$ 16,854	\$ 3,231	\$ 20,085
Provision for expected credit losses	11,732	3,553	15,285
Write-offs charged against the allowance	(19,882)	(2,799)	(22,681)
Recoveries collected	5,181	—	5,181
Balance at December 31, 2021	\$ 13,885	\$ 3,985	\$ 17,870
Provision for expected credit losses	13,701	5,740	19,441
Write-offs charged against the allowance	(18,861)	(4,757)	(23,618)
Recoveries collected	5,348	—	5,348
Balance at December 31, 2022	\$ 14,073	\$ 4,968	\$ 19,041

The following is a summary of the past due financing receivables:

At December 31, (in thousands)	2022	2021
30-59 days past due	\$ 4,269	\$ 1,911
60-89 days past due	1,913	1,058
90 days or more past due	3,781	2,886
Total	\$ 9,963	\$ 5,855

The following is a summary of percentage of gross financing receivables:

At December 31,	2022	2021
Current	90.2 %	91.7 %
30-59 days past due	4.2 %	2.7 %
60-89 days past due	1.9 %	1.5 %
90 days or more past due	3.7 %	4.1 %
Total	100.0 %	100.0 %



## 5. EQUIPMENT AND PROPERTY, NET

Equipment and property are presented at cost less accumulated depreciation and are detailed as follows:

December 31, (in thousands)	<u>2022</u>	<u>2021</u>
Buildings	\$ 51,223	\$ 54,935
Operating equipment	132,411	126,732
Furniture and fixtures	20,389	19,261
Computer equipment and systems	233,108	223,648
	<u>437,131</u>	<u>424,576</u>
Less: accumulated depreciation	<u>(333,298)</u>	<u>(315,891)</u>
	<u>103,833</u>	<u>108,685</u>
Land	24,213	24,572
Equipment and property, net	<u>\$ 128,046</u>	<u>\$ 133,257</u>

Included in computer equipment and systems at December 31, 2022 and 2021, are costs for internal use software of \$147.1 million and \$143.5 million, respectively. The related accumulated depreciation was \$117.3 million and \$105.3 million at December 31, 2022 and 2021, respectively.

Included in equipment and property, net at December 31, 2022 and 2021, are fixed assets held in foreign countries of \$9.5 million, and \$8.4 million, respectively.

Total depreciation expense was approximately \$35.6 million in 2022, \$40.6 million in 2021 and \$40.6 million in 2020.

## 6. LEASES

The Company leases certain buildings, vehicles, and equipment in order to reduce the risk associated with ownership. The Company elected the practical expedient approach permitted under ASC Topic 842, "Leases" not to include short-term leases with a duration of 12 months or less on the balance sheet. As of December 31, 2022 and 2021, all leases were classified as operating leases. Building leases generally carry terms of 5 to 10 years with annual rent escalations at fixed amounts per the lease. Vehicle leases generally carry a fixed term of one year with renewal options to extend the lease on a monthly basis resulting in lease terms up to 7 years depending on the class of vehicle. The exercise of renewal options is at the Company's sole discretion. It is reasonably certain that the Company will exercise the renewal options on its vehicle leases. The measurement of right-of-use assets and liabilities for vehicle leases includes the

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fixed payments associated with such renewal periods. We separate lease and non-lease components of contracts. Our lease agreements do not contain any material variable payments, residual value guarantees, early termination penalties or restrictive covenants.

During the year ended December 31, 2021, the Company completed multiple sale-leaseback transactions where it sold 17 of its properties related to the Clark Pest Control acquisition for gross proceeds of \$67.0 million and a pre-tax gain of \$31.5 million, which is included in Other (income) expense, net on the income statement. These leases are classified as operating leases with terms of 7 to 15 years.

The Company uses the rate implicit in the lease when available; however, most of our leases do not provide a readily determinable implicit rate. Accordingly, we estimate our incremental borrowing rate based on information available at lease commencement.

(in thousands, except Other Information) Lease Classification	Financial Statement Classification	Years Ended December 31,	
		2022	2021
Short-term lease cost	Cost of services provided, Sales, general, and administrative expenses	\$ 129	\$ 235
Operating lease cost	Cost of services provided, Sales, general, and administrative expenses	97,764	93,215
<b>Total lease expense</b>		<b>\$ 97,893</b>	<b>\$ 93,450</b>
<b>Other Information:</b>			
Weighted-average remaining lease term - operating leases		5.1 Yrs	5.5 Yrs
Weighted-average discount rate - operating leases		3.67 %	3.63 %
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases		\$ 96,700	\$ 92,032

**Lease Commitments**

Future minimum lease payments, including assumed exercise of renewal options at December 31, 2022 were as follows:

(in thousands)	
2023	93,779
2024	70,739
2025	52,123
2026	32,551
2027	16,124
Thereafter	49,943
<b>Total Future Minimum Lease Payments</b>	<b>315,259</b>
Less: Amount representing interest	(33,828)
<b>Total future minimum lease payments, net of interest</b>	<b>\$ 281,431</b>

Future commitments presented in the table above include lease payments in renewal periods for which it is reasonably certain that the Company will exercise the renewal option. Total future minimum lease payments for operating leases, including the amount representing interest, are comprised of \$163.2 million for building leases and \$152.1 million for vehicle leases. As of December 31, 2022, the Company had additional future obligations of \$9.5 million for leases that had not yet commenced.

**7. GOODWILL**

Goodwill represents the excess of the purchase price over the fair value of net assets of businesses acquired. The carrying amount of goodwill was \$846.7 million as of December 31, 2022 and \$786.5 million as of December 31, 2021. Goodwill increased for the year ended December 31, 2022 primarily due to acquisitions. The carrying amount of goodwill in foreign countries was \$97.4 million as of December 31, 2022 and \$82.1 million as of December 31, 2021.

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The changes in the carrying amount of goodwill for the twelve months ended December 31, 2022 and 2021 were as follows:

Goodwill:		
Balance at December 31, 2020	\$	717,861
Additions		69,264
Adjustments due to currency translation		(621)
Balance at December 31, 2021		786,504
Additions		64,997
Measurement adjustments		(9)
Adjustments due to currency translation		(4,788)
Balance at December 31, 2022	\$	846,704

The carrying amount of goodwill as of December 31, 2021 and 2020 reflects the adjustment of \$64,685 to correct prior periods. See Note 1, Basis of Presentation, for further information on the prior period adjustments recorded.

## 8. CUSTOMER CONTRACTS, TRADENAMES AND TRADEMARKS, AND OTHER INTANGIBLE ASSETS

Customer contracts are amortized on a straight-line basis as this best approximates the ratio that current revenues bear to the total of current and anticipated revenues based on the estimated lives of the assets. In accordance with the FASB ASC Topic 350 "Intangibles - Goodwill and other", the expected lives of customer contracts were analyzed, and it was determined that customer contracts should be amortized over a life of 7 to 20 years dependent upon customer type.

The carrying amount and accumulated amortization for customer contracts were as follows:

December 31, (in thousands)	2022	2021
Customer contracts	\$ 502,689	\$ 479,294
Less: accumulated amortization	(204,130)	(177,380)
Customer contracts, net	\$ 298,559	\$ 301,914

The carrying amount of customer contracts as of December 31, 2021 reflects the impact of adjustments to correct prior periods. See Note 1, Basis of Presentation, for further information on the prior period adjustments recorded. The net carrying amount of customer contracts in foreign countries was \$46.1 million as of December 31, 2022 and \$42.1 million as of December 31, 2021.

Trademarks and tradenames are amortized on a straight-line basis over the period of their useful lives. The Company has determined these assets have useful lives between 7 and 20 years with non-amortizable, indefinite-lived tradenames of \$104.3 million and \$102.7 million as of December 31, 2022 and 2021, respectively.

The carrying amount and accumulated amortization for trademarks and tradenames were as follows:

December 31, (in thousands)	2022	2021
Trademarks and tradenames	\$ 121,655	\$ 115,468
Less: accumulated amortization	(10,009)	(6,492)
Trademarks and tradenames, net	\$ 111,646	\$ 108,976

The net carrying amount of trademarks and tradenames in foreign countries was \$4.2 million as of December 31, 2022 and \$2.9 million as of December 31, 2021.

Other intangible assets include non-compete agreements and patents. Non-compete agreements are amortized on a straight-line basis over periods ranging from 3 to 20 years and patents are amortized on a straight-line basis over 15 years.

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The carrying amount and accumulated amortization for other intangible assets were as follows:

December 31, (in thousands)	2022	2021
Other intangible assets	\$ 25,357	\$ 24,448
Less: accumulated amortization	(16,814)	(12,769)
Other intangible assets, net	\$ 8,543	\$ 11,679

The net carrying amount of other intangible assets in foreign countries was \$0.7 million as of December 31, 2022 and 2021.

Included in the table above are non-amortizable, indefinite-lived Internet domain names of \$2.2 million at December 31, 2022 and 2021, respectively.

Total amortization expense was approximately \$55.7 million in 2022, \$46.0 million in 2021 and \$38.7 million in 2020.

Estimated amortization expense for the existing carrying amount of customer contracts and other intangible assets for each of the five succeeding fiscal years are as follows:

(in thousands)	
2023	\$ 59,281
2024	55,950
2025	47,140
2026	43,622
2027	39,958

## 9. FAIR VALUE MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, trade receivables, financed and notes receivable, accounts payable, other short-term liabilities, and debt. The carrying amounts of these financial instruments approximate their respective fair values. The Company also has derivative instruments as discussed in Note 11 and financial instruments related to its defined benefit pension plan and deferred compensation plan detailed in Note 12.

The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs, and Level 3 includes fair values estimated using significant non-observable inputs.

As of December 31, 2022 and 2021, the Company had investments in international bonds of \$10.7 million and \$12.6 million, respectively. These bonds are accounted for as available for sale securities and are level 2 assets under the fair value hierarchy. At December 31, 2021, the entire investment was recorded in other current assets. Management reassessed their intentions on the investment and at December 31, 2022, \$0.5 million was included in other current assets and \$10.2 million was included in other assets. The bonds are recorded at fair market value with unrealized losses of \$1.0 million included in other comprehensive income during the year ended December 31, 2022.

At December 31, 2022 and 2021, respectively, the Company had \$13.5 million and \$25.2 million of acquisition holdback and earnout liabilities with the former owners of acquired companies. Acquisition earnouts are generally earned by achieving certain levels of revenue growth while maintaining certain profit margins. The earnout liabilities are discounted to reflect the expected probability of payout, and both earnout and holdback liabilities are discounted to their net present value on the Company's books and are considered Level 3 liabilities.

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The table below presents a summary of the changes in fair value for these liabilities.

(in thousands)

Acquisition holdback and earnout liabilities at December 31, 2020	\$	35,744
New acquisitions		14,516
Payouts		(22,809)
Interest on outstanding contingencies		855
Charge offset, forfeit and other		(3,150)
Acquisition holdback and earnout liabilities at December 31, 2021		25,156
New acquisitions		10,178
Payouts		(17,334)
Interest on outstanding contingencies		398
Charge offset, forfeit and other		(4,902)
Acquisition holdback and earnout liabilities at December 31, 2022	\$	13,496

## 10. DEBT

In April 2019, the Company entered into a Revolving Credit Agreement with Truist Bank N.A. (formerly SunTrust Bank N.A.) and Bank of America, N.A. (the "2019 Credit Agreement") for an unsecured revolving commitment of up to \$175.0 million, which includes a \$75.0 million letter of credit subfacility and a \$25.0 million swingline subfacility (the "Revolving Commitment"), and an unsecured variable rate \$250.0 million term loan (the "Term Loan"). On January 27, 2022, the Company entered into an amendment (the "Amendment") to the Credit Agreement with Truist Bank and Bank of America, N.A. whereby additional term loans in an aggregate principal amount of \$252.0 million were advanced to the Company. The Amendment also replaced LIBOR as the benchmark interest rate for borrowings with the Bloomberg Short-Term Bank Yield Index rate ("BSBY") and reset the amortization schedule for all term loans under the Credit Agreement. The maturity of all loans made under the Credit Agreement prior to the Amendment remains unchanged at April 29, 2024 and all other terms of the Credit Agreement remain unchanged in all material respects. In addition, the Credit Agreement has provisions to extend the term of the Revolving Commitment beyond April 29, 2024, as well as the right at any time and from time to time to prepay any borrowing under the Credit Agreement, in whole or in part, without premium or penalty.

As of December 31, 2022, the Company had outstanding borrowings of \$54.9 million under the Term Loan and there were no outstanding borrowings under the Revolving Commitment. The aggregate effective interest rate on the debt outstanding as of December 31, 2022 was 5.123%. The effective interest rate is comprised of the BSBY plus a margin of 75.0 basis points as determined by the Company's leverage ratio calculation. As of December 31, 2021, the Revolving Commitment had outstanding borrowings of \$107.0 million and the Term Loan had outstanding borrowings of \$48.0 million with an effective interest rate of 0.85%.

The Company maintains approximately \$71.3 million in letters of credit as of December 31, 2022. These letters of credit are required by the Company's insurance companies, due to the Company's high deductible insurance program, to secure various workers' compensation and casualty insurance contracts coverage and were increased from \$37.2 million as of December 31, 2021. The Company believes that it has adequate liquid assets, funding sources and insurance accruals to accommodate potential future insurance claims.

In order to comply with applicable debt covenants, the Company is required to maintain at all times a leverage ratio of not greater than 3.00:1.00. The leverage ratio is calculated as of the last day of the fiscal quarter most recently ended. The Company remained in compliance with applicable debt covenants at December 31, 2022.

## 11. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

### Risk Management Objective of Using Derivatives

The Company is exposed to certain interest rate risks on our outstanding debt and foreign currency risks arising from our international business operations and global economic conditions. The Company enters into certain derivative financial instruments to lock in certain interest rates, as well as to protect the value or fix the amount of certain obligations in terms of its functional currency, the U.S. dollar.

### Cash Flow Hedges of Interest Rate Risk

The Company uses interest rate swap arrangements to manage or hedge its interest rate risk. Notwithstanding the terms of the swaps, the Company is ultimately obligated for all amounts due and payable under the Credit Facility. The Company does not use interest rate swaps for speculative or trading purposes.

On June 19, 2019, the Company entered into a floating-to-fixed interest rate swap for an aggregate notional amount of \$100.0 million in order to hedge a portion of the Company's floating rate indebtedness under the Credit Facility. The Company designated the swap as a cash flow hedge. The swap required the Company to pay a fixed rate of 1.94% per annum on the notional amount. The cash flows from the swap began June 30, 2019 and ended on December 31, 2021. Realized gains and losses in connection with each required interest payment were reclassified from Accumulated other comprehensive income ("AOCI") to interest expense during the period of the cash flows. During 2021 and 2020, \$0.4 million and \$0.7 million was reclassified into interest expense.

### Hedges of Foreign Exchange Risk

The Company is exposed to fluctuations in various foreign currencies against its functional currency, the US dollar. We use foreign currency derivatives, specifically foreign currency forward contracts ("FX Forwards"), to manage our exposure to fluctuations in the USD-CAD and USD-AUD exchange rates. FX Forwards involve fixing the foreign currency exchange rate for delivery of a specified amount of foreign currency on a specified date. The FX Forwards are typically settled in US dollars for their fair value at or close to their settlement date. We do not currently designate any of these FX Forwards under hedge accounting, but rather reflect the changes in fair value immediately in earnings. We do not use such instruments for speculative or trading purposes, but rather use them to manage our exposure to foreign exchange rates. Changes in the fair value of FX Forwards are recorded in other income/expense and were equal to net income of \$1.1 million for the twelve months December 31, 2022, and net losses of \$0.4 million for each of the twelve months ended December 31, 2021 and 2020. The fair values of the Company's FX Forwards were recorded as a net asset of \$0.3 million in Other Current Assets as of December 31, 2022 and a net obligation of \$0.05 million in Other Current Liabilities as of December 31, 2021.

As of December 31, 2022, the Company had the following outstanding FX Forwards (in thousands except for number of instruments):

FX Forward Contracts	Number of Instruments	Sell Notional	Buy Notional
Sell AUD/Buy USD Fwd Contract	20	2,700	\$ 1,888
Sell CAD/Buy USD Fwd Contract	20	20,000	15,264
Total	40		\$ 17,152

The financial statement impact related to these derivative instruments was insignificant for the years ended December 31, 2022, 2021, and 2019, respectively.

## 12. EMPLOYEE BENEFIT PLANS

### *Defined Benefit Pension Plans*

The Company has sponsored noncontributory tax-qualified defined benefit pension plans covering employees meeting certain age and service requirements, the most significant of which was the Rollins, Inc. Plan, which was terminated in 2018. The Company funds its plans with at least the minimum amount required by ERISA.

#### Waltham Services, LLC Hourly Employee Pension Plan (the “Waltham Plan”)

The Company sponsors the Waltham Plan, which covers less than 80 participants as of December 31, 2022. The Waltham Plan was amended, effective September 1, 2018, to freeze future benefit accruals for all participants. The Company accounts for all defined benefit plans in accordance with the FASB ASC Topic 715 “Compensation Retirement Benefits,” and engages an outside actuary to calculate obligations and costs. With the assistance of the actuary, the Company evaluates the significant assumptions used on a periodic basis, including the estimated future return on plan assets, the discount rate, and other factors, and makes adjustments to these liabilities as necessary. As of December 31, 2022, the fair value of Waltham Plan assets were \$1.2 million, with a projected liability of \$1.9 million and an unfunded status of \$0.7 million. At December 31, 2022 the plan’s assets were comprised of listed common stocks and U.S government and corporate securities and are classified as Level 1 and Level 2 in the fair value hierarchy.

### *Defined Contribution 401(k) Savings Plan*

The Company sponsors a defined contribution 401(k) Savings Plan (“the Plan”) that is available to a majority of the Company’s full-time employees the first day of the calendar quarter following completion of three months of service. The Plan is available to non-full-time employees the first day of the calendar quarter following one year of service upon completion of 1,000 hours in that year. The Plan provides for a matching contribution of one dollar (\$1.00) for each one dollar (\$1.00) of a participant’s contributions to the Plan that do not exceed 3 percent of his or her eligible compensation (which includes commissions, overtime, and bonuses) and fifty cents (\$0.50) for each one dollar (\$1.00) of a participant’s contributions to the Plan over the initial 3 percent that do not exceed 6 percent of his or her eligible compensation (which includes commissions, overtime and bonuses). The charge to expense for the Company match was approximately \$29.9 million, \$25.7 million and \$27.4 million for the years ended December 31, 2022, 2021 and 2020, respectively. At December 31, 2022, 2021, and 2020 approximately, 30.6%, 28.7%, and 34.9%, respectively, of the plan assets consisted of Rollins, Inc. common stock. Total administrative fees paid by the Company for the Plan were less than \$0.1 million for each of the years ended December 31, 2022, 2021 and 2020.

### *Nonqualified Deferred Compensation Plan*

The Deferred Compensation Plan provides that participants may defer up to 50% of their base salary and up to 85% of their annual bonus with respect to any given plan year, subject to a \$2 thousand per plan year minimum. The Company may make discretionary contributions to participant accounts but has not done so since 2011.

Accounts will be credited with hypothetical earnings, and/or debited with hypothetical losses, based on the performance of certain “Measurement Funds.” Account values are calculated as if the funds from deferrals and Company credits had been converted into shares or other ownership units of selected Measurement Funds by purchasing (or selling, where relevant) such shares or units at the current purchase price of the relevant Measurement Fund at the time of the participant’s selection. Deferred Compensation Plan benefits are unsecured general obligations of the Company to the participants, and these obligations rank in parity with the Company’s other unsecured and unsubordinated indebtedness. The Company has established a “rabbi trust,” which it uses to voluntarily set aside amounts to indirectly fund any obligations under the Deferred Compensation Plan. To the extent that the Company’s obligations under the Deferred Compensation Plan exceed assets available under the trust, the Company would be required to seek additional funding sources to fund its liability under the Deferred Compensation Plan.

Generally, the Deferred Compensation Plan provides for distributions of any deferred amounts upon the earliest to occur of a participant’s death, disability, retirement or other termination of employment (a “Termination Event”). However, for any deferrals of salary and bonus (but not Company contributions), participants would be entitled to designate a distribution date which is prior to a Termination Event. Generally, the Deferred Compensation Plan allows a participant to elect to receive distributions under the Deferred Compensation Plan in installments or lump-sum payments.

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At December 31, 2022, the Deferred Compensation Plan had 75 life insurance policies with a net face value of \$45.8 million compared to 75 policies with a face value of \$53.1 million at December 31, 2021. The cash surrender value of these life insurance policies was \$23.2 million and \$27.2 million at December 31, 2022 and 2021, respectively. These policies are valued using the NAV practical expedient.

The following table presents our non-qualified deferred compensation plan assets using the fair value hierarchy as of December 31, 2022 and 2021.

(in thousands)	Level 1	Level 2	Level 3	NAV	Total
December 31, 2022	\$ 25	\$ —	\$ —	\$ 23,246	\$ 23,271
December 31, 2021	\$ 25	\$ —	\$ —	\$ 27,211	\$ 27,236

Cash and cash equivalents, which are used to pay benefits and deferred compensation plan administrative expenses, are held in money market funds.

Total expense related to deferred compensation was \$1.1 million, \$0.3 million, and \$0.3 million in 2022, 2021, and 2020, respectively. The Company had \$23.3 million and \$27.2 million in deferred compensation assets as of December 31, 2022 and 2021, respectively, included within other assets on the Company's consolidated statements of financial position and \$19.0 million and \$23.6 million in deferred compensation liability as of December 31, 2022 and 2021, respectively, located within other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position. The amounts of assets were marked to fair value.

### 13. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company and its subsidiaries are involved in, and will continue to be involved in, various claims, arbitrations, contractual disputes, investigations, and regulatory and litigation matters relating to, and arising out of, our businesses and our operations. These matters may involve, but are not limited to, allegations that our services or vehicles caused damage or injury, claims that our services did not achieve the desired results, and claims related to acquisitions and allegations by federal, state or local authorities of violations of regulations or statutes. In addition, we are parties to employment-related cases and claims from time to time, which may include claims on a representative or class action basis alleging wage and hour law violations. We are also involved from time to time in certain environmental matters primarily arising in the normal course of business. We evaluate pending and threatened claims and establish loss contingency reserves based upon outcomes we currently believe to be probable and reasonably estimable in accordance with ASC 450.

The Company retains, up to specified limits, certain risks related to general liability, workers' compensation and auto liability. The estimated costs of existing and future claims under the retained loss program are accrued based upon historical trends as incidents occur, whether reported or unreported (although actual settlement of the claims may not be made until future periods) and may be subsequently revised based on developments relating to such claims. The Company contracts with an independent third party to provide the Company an estimated liability based upon historical claims information. The actuarial study is a major consideration in establishing the reserve, along with management's knowledge of changes in business practice and existing claims compared to current balances. Management's judgment is inherently subjective as a number of factors are outside management's knowledge and control. Additionally, historical information is not always an accurate indication of future events. The accruals and reserves we hold are based on estimates that involve a degree of judgment and are inherently variable and could be overestimated or insufficient. If actual claims exceed our estimates, our operating results could be materially affected, and our ability to take timely corrective actions to limit future costs may be limited.

Management does not believe that any pending claim, proceeding or litigation, regulatory action or investigation, either alone or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or liquidity; however, it is possible that an unfavorable outcome of some or all of the matters could result in a charge that might be material to the results of an individual quarter or year.



## 14. STOCK-BASED COMPENSATION

### *Stock Compensation Plans*

#### **Time-Lapse Restricted Shares and Restricted Stock Units**

Time-lapse restricted awards and restricted stock units (“restricted shares”) have been issued to officers and other employees under the Company’s Employee Stock Incentive Plan. The Company recognizes compensation expense for the unvested portion of awards outstanding over the remainder of the service period. The compensation cost recorded for these awards is based on their closing stock price at the grant date less the cost of estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods to reflect actual forfeitures.

Restricted shares provide for the issuance of a share of the Company’s common stock at no cost to the holder and generally vest after a certain stipulated number of years from the grant date, depending on the terms of the issue. The 2022 grant of restricted shares vest in 20 percent increments over five years from the date of grant. Prior grants vest over six years from the date of grant. In some cases, the Company may issue restricted shares that vest in greater increments over a shorter period of time. During these years, grantees receive all dividends declared and retain voting rights for the granted shares. The agreements under which the one-time grant of restricted stock is issued provide that shares awarded may not be sold or otherwise transferred until restrictions established under the plans have lapsed.

The Company issued time lapse restricted shares of 0.9 million, 0.8 million, and 0.9 million for the years ended December 31, 2022, 2021, and 2020, respectively.

The Company issues new shares from its authorized but unissued share pool. At December 31, 2022, approximately 5.9 million shares of the Company’s common stock were reserved for issuance. In accordance with the FASB ASC Topic 718, “*Compensation – Stock Compensation*,” the Company recognizes the fair value of the award on a straight-line basis over the service periods of each award. The Company estimates restricted share employee forfeiture rates based on its historical experience.

The following table summarizes the components of the Company’s stock-based compensation programs recorded as expense (\$ in thousands):

(in thousands)	2022	2021	2020
Restricted shares:			
Pre-tax compensation expense	\$ 20,816	\$ 14,865	\$ 20,850
Tax benefit	(4,660)	(3,208)	(3,752)
Restricted share expense, net of tax	<u>\$ 16,156</u>	<u>\$ 11,657</u>	<u>\$ 17,098</u>

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As of December 31, 2022 and 2021, \$52.3 million and \$49.8 million, respectively, of total unrecognized compensation cost related to time-lapse restricted shares are expected to be recognized over a weighted average period of approximately 3.5 years and 4.0 years at December 31, 2022 and 2021, respectively.

The following table summarizes information on unvested restricted shares outstanding as of December 31, 2022, 2021 and 2020.

<i>(number of shares in thousands)</i>	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2019	3,465	\$ 17.23
Forfeited	(59)	17.11
Vested	(1,397)	15.29
Granted	861	24.53
Unvested as of December 31, 2020	2,870	\$ 20.36
Forfeited	(191)	25.34
Vested	(861)	16.67
Granted	778	37.04
Unvested as of December 31, 2021	2,596	\$ 26.16
Forfeited	(90)	26.37
Vested	(675)	19.99
Granted	854	30.12
Unvested as of December 31, 2022	2,685	\$ 28.97

**Employee Stock Purchase Plan**

On April 26, 2022, shareholders approved the Rollins, Inc. 2022 Employee Stock Purchase Plan (“ESPP”) which provides eligible employees with the option to purchase shares of Company common stock, at a discount, through payroll deductions. Initially, a maximum of 1,000,000 shares of the Company’s common stock are authorized for issuance under the ESPP. Under the ESPP, shares of common stock may be purchased by eligible participants during defined purchase periods at 90% of the lesser of the closing price of the Company’s common stock on the first day or last day of each purchase period. The first purchase period for the ESPP began on July 1, 2022 and ended on December 30, 2022. The Company recorded compensation expense of \$0.4 million associated with the purchase period which is included in cost of services provided and sales, general and administrative expenses for the year ended December 31, 2022.

## 15. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consists of the following (in thousands):

	Pension Liability Adjustment	Foreign Currency Translation	Interest Rate Swaps	Available for Sale Securities	Total
Balance at December 31, 2019	\$ (195)	\$ (20,637)	\$ (277)	\$ —	\$ (21,109)
Change during 2020:					
Before-tax amount	(173)	10,443	(141)	—	10,129
Tax benefit	46	—	37	—	83
Other comprehensive (loss) income	(127)	10,443	(104)	—	10,212
Balance at December 31, 2020	(322)	(10,194)	(381)	—	(10,897)
Change during 2021:					
Before-tax amount	—	(5,895)	516	—	(5,379)
Tax expense	—	—	(135)	—	(135)
Other comprehensive (loss) income	—	(5,895)	381	—	(5,514)
Balance at December 31, 2021	(322)	(16,089)	—	—	(16,411)
Change during 2022:					
Before-tax amount	—	(14,215)	—	(936)	(15,151)
Other comprehensive loss	—	(14,215)	—	(936)	(15,151)
Balance at December 31, 2022	\$ (322)	\$ (30,304)	\$ —	\$ (936)	\$ (31,562)

## 16. INCOME TAXES

The Company's income tax provision consisted of the following:

For the years ended December 31, (in thousands)	2022	2021	2020
Current:			
Federal	\$ 92,793	\$ 87,888	\$ 67,861
State	26,786	24,131	18,381
Foreign	9,144	10,480	8,869
Total current tax	128,723	122,499	95,111
Deferred:			
Federal	(333)	1,735	(12)
State	2,011	1,795	312
Foreign	(83)	(109)	549
Total deferred tax	1,595	3,421	849
Total income tax provision	\$ 130,318	\$ 125,920	\$ 95,960

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The primary factors causing income tax expense to be different than the federal statutory rate for 2022, 2021 and 2020 are as follows:

For the years ended December 31, (in thousands)	2022	2021	2020
Income tax at statutory rate	\$ 104,773	\$ 101,485	\$ 76,555
State income tax expense (net of federal benefit)	20,560	19,135	14,393
Foreign tax expense	1,907	2,837	2,341
Foreign tax credit	(292)	(273)	(240)
Executive compensation	2,281	2,786	5,557
Restricted stock adjustments	(1,422)	(3,468)	(3,927)
Other	2,511	3,418	1,281
Total income tax provision	<u>\$ 130,318</u>	<u>\$ 125,920</u>	<u>\$ 95,960</u>

Other includes the release of deferred tax liabilities, tax credits, valuation allowance, disallowed deductions, and other immaterial adjustments.

The provision for income taxes resulted in effective tax rates of 26.1%, 26.1% and 26.5% on income before income taxes for the years ended December 31, 2022, 2021 and 2020, respectively. The effective rates differ from the annual federal statutory rate primarily because of state and foreign income taxes and certain other disallowed deductions.

During 2022, 2021 and 2020, the Company paid income taxes of \$119.6 million, \$119.8 million and \$81.2 million, respectively, net of refunds.

Deferred income taxes reflect the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2022 and 2021 are as follows:

December 31, (in thousands)	2022	2021
<b>Deferred tax assets:</b>		
Insurance and contingencies	\$ 21,695	\$ 18,258
Unearned revenues	12,930	12,051
Compensation and benefits	14,528	13,546
State and foreign operating loss carryforwards	—	1,234
Bad debt reserve	4,301	3,873
Foreign tax credit	3,562	4,775
Termite accrual	813	642
Net pension liability	169	195
Other	1,648	3,371
Valuation allowance	—	(192)
Total deferred tax assets	<u>59,646</u>	<u>57,753</u>
<b>Deferred tax liabilities:</b>		
Depreciation and amortization	(22,663)	(24,261)
Intangibles and other	(59,346)	(55,300)
Total deferred tax liabilities	<u>\$ (82,009)</u>	<u>\$ (79,561)</u>
<b>Net deferred taxes</b>		
Deferred tax assets	\$ 1,792	\$ 2,948
Deferred tax liabilities	\$ (24,154)	\$ (24,757)

Deferred tax assets are included in Other assets and deferred tax liabilities are included in Other long-term accrued liabilities on the balance sheet.

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Analysis of the valuation allowance:

December 31, (in thousands)	2022	2021
Valuation allowance at beginning of year	\$ 192	\$ 144
(Decrease) increase in valuation allowance	(192)	48
Valuation allowance at end of year	\$ —	\$ 192

As of December 31, 2022, the Company has net operating loss carryforwards for foreign and state income tax purposes of approximately \$22.9 million, which are expected to be fully utilized when filing the 2022 income tax returns. If not used, these carryforwards will expire between 2022 and 2032. Because management believes that the loss carryforwards will be fully utilized, the valuation allowance decreased by \$0.2 million due to the dissolution of the foreign subsidiary carrying the losses. The Company has a foreign tax credit carryforward of \$3.6 million which if not fully utilized will expire in 2028.

Earnings from continuing operations before income tax included foreign income of \$32.9 million in 2022, \$32.5 million in 2021 and \$25.3 million in 2020. The Company's international business is expanding, and we intend to continue to grow the business in foreign markets in the future through reinvestment of foreign deposits and future earnings as well as acquisition of unrelated companies. The Company has historically asserted that the undistributed earnings of our foreign subsidiaries are permanently reinvested. However, in the fourth quarter of 2022, the Company has partially changed this assertion and expects to repatriate unremitted foreign earnings from our foreign subsidiaries. The Company asserts that we continue to be permanently reinvested with respect to our investments in our foreign subsidiaries.

The total amount of unrecognized tax benefits at December 31, 2022 that, if recognized, would affect the effective tax rate is \$1.4 million. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

December 31, (in thousands)	2022	2021
Unrecognized tax benefits at beginning of year	\$ 1,018	\$ 844
Additions for tax positions of prior years	376	174
Unrecognized tax benefits at end of year	\$ 1,394	\$ 1,018

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company's material foreign jurisdictions include Canada, the United Kingdom and Australia. In addition, the Company has subsidiaries in various state and international jurisdictions that are currently under audit for years ranging from 2016 through 2020. With few immaterial exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S., income tax examinations for years prior to 2016.

It is reasonably possible that the amount of unrecognized tax benefits will decrease in the next 12 months.

The Company's policy is to record interest and penalties related to income tax matters in income tax expense. Accrued interest and penalties were \$0.2 million, \$0.2 million and \$0.7 million as of December 31, 2022, 2021 and 2020, respectively.

## 17. RELATED PARTY TRANSACTIONS

Transactions with RPC, Inc.

The Company provides certain administrative services to RPC, Inc. ("RPC") (a company of which Mr. Gary W. Rollins was Chairman and currently serves as a Director). The service agreements between RPC and the Company provide for the provision of services on a cost reimbursement basis and are terminable on six months' notice. The services covered by these agreements include administration of

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certain employee benefit programs and other administrative services. Charges to RPC (or to corporations which are subsidiaries of RPC) for such services and rent totaled approximately \$0.1 million for each of the years ended December 31, 2022, 2021, and 2020.

### Transactions with LOR, Inc.

#### *Purchase of Gulfstream III Aircraft*

During the year ended December 31, 2021, the Company purchased a Gulfstream III aircraft (“Gulfstream”) from LOR Inc. (“LOR”), a company controlled by Gary W. Rollins and certain members of his family) to be used as the Company’s primary airplane. The Company purchased the Gulfstream for \$0.5 million and paid the applicable taxes of forty thousand dollars. The purchase of the Gulfstream was approved by the Company’s Nominating and Corporate Governance Committee and the Committee was presented with an independent appraisal of the aircraft supporting the purchase. The Gulfstream was subsequently sold to a non-related third party in October 2022.

#### *Pilot Sharing Agreement*

The Company entered into a Pilot Sharing Agreement with LOR whereby the Company’s employee pilots may be used by LOR from time to time to operate the LOR aircraft and LOR will reimburse the Company for 50% of the costs of the pilots, including salary, benefits and training. In addition, LOR and the Company are each responsible for their own fuel costs. The Pilot Sharing Agreement was approved by the Company’s Nominating and Corporate Governance Committee. Charges to LOR under the Pilot Sharing Agreement total \$0.6 million and \$0.8 million for the years ended December 31, 2022 and 2021, respectively.

#### *Administrative Services Agreement*

The Company also provides certain administrative services to LOR and rents office, hanger and storage space to LOR. Charges to LOR (or corporations which are subsidiaries of LOR) for rent and administrative services totaled \$0.8 million, \$0.6 million and \$1.0 million for the years ended December 31, 2022, 2021 and 2020, respectively.

### Lear Lease Agreement

In 2014, P.I.A. LLC, a company then owned by our late Chairman of the Board of Directors, R. Randall Rollins, purchased a Lear Model 35A jet and entered into a lease arrangement with the Company for company use of the aircraft for business purposes. P.I.A. LLC is now owned by a trust for the benefit of the late Mr. Rollins’ family. The lease is terminable by either party on 30 days’ notice. The Company pays \$100 per month in rent for the leased aircraft, and pays all variable costs and expenses associated with the leased aircraft, such as the costs for fuel, maintenance, storage and pilots. The Company has the priority right to use of the aircraft on business days, and Rollins family members and guests have the right to use the aircraft for personal use through the terms of an Aircraft Time Sharing Agreement with the Company. The amounts paid by the Company for the Rollins family and guests to use the aircraft for personal use will be disclosed in the Summary Compensation Table and the Director Compensation Table to be included in the Company’s 2022 Proxy Statement. During the years ended December 31, 2022, 2021 and 2020, the Company paid approximately \$0.3 million, \$0.3 million, and \$0.6 million in rent and operating costs under the Aircraft Time Sharing Agreement, respectively. The foregoing related party transactions were previously approved by the Company’s Nominating and Governance Committee of the Board of Directors.

### Related Party Franchise Agreement

On December 1, 2019, Orkin, a subsidiary of the Company entered into a franchise agreement with Wilson Pest Management, Inc. The franchise is owned 100% by John Wilson IV. During the years ended December 31, 2022, 2021 and 2020, the Company received a total of approximately \$0.2 million, \$0.1 million and \$0.1 million, respectively. During the year ended December 31, 2019 the Company received \$0.8 million which included payment for the franchise and an initial franchise fee of seventy-five thousand dollars in connection with the transaction. The franchise agreement provides for a monthly royalty fee of 9.0% of the franchisee’s reported revenue. John Wilson IV is the son of John F. Wilson, Vice Chairman of the Company. The Company approved the agreement in accordance with its Related Party Transactions policy.

**18. SUBSEQUENT EVENTS**

*Quarterly Dividend*

On January 23, 2023, the Company's Board of Directors declared a regular quarterly cash dividend on its common stock of \$0.13 payable March 10, 2023 to stockholders of record at the close of business February 10, 2023. The Company expects to continue to pay cash dividends to the common stockholders, subject to the earnings and financial condition of the Company and other relevant factors.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.**

None.

**ROLLINS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2023, AND DECEMBER 31, 2022**  
**(in thousands except share data)**  
(unaudited)

	March 31, 2023	December 31, 2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 112,503	\$ 95,346
Trade receivables, net of allowance for expected credit losses of \$12,476 and \$14,073, respectively	150,426	155,759
Financed receivables, short-term, net of allowance for expected credit losses of \$1,935 and \$1,768, respectively	38,599	33,618
Materials and supplies	30,859	29,745
Other current assets	35,479	34,151
<b>Total current assets</b>	<b>367,866</b>	<b>348,619</b>
Equipment and property, net of accumulated depreciation of \$339,885 and \$333,298, respectively	124,117	128,046
Goodwill	852,800	846,704
Customer contracts, net	296,494	298,559
Trademarks & tradenames, net	111,353	111,646
Other intangible assets, net	7,402	8,543
Operating lease right-of-use assets	274,540	277,355
Financed receivables, long-term, net of allowance for expected credit losses of \$3,541 and \$3,200, respectively	62,962	63,523
Other assets	41,352	39,033
<b>Total assets</b>	<b>\$ 2,138,886</b>	<b>\$ 2,122,028</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 39,073	\$ 42,796
Accrued insurance - current	40,816	39,534
Accrued compensation and related liabilities	67,761	99,251
Unearned revenues	167,564	158,092
Operating lease liabilities - current	83,981	84,543
Current portion of long-term debt	—	15,000
Other current liabilities	68,161	54,568
<b>Total current liabilities</b>	<b>467,356</b>	<b>493,784</b>
Accrued insurance, less current portion	40,582	38,350
Operating lease liabilities, less current portion	194,860	196,888
Long-term debt	62,432	39,898
Other long-term accrued liabilities	85,904	85,911
<b>Total liabilities</b>	<b>851,134</b>	<b>854,831</b>
Commitments and contingencies (see Note 11)		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, without par value; 500,000 shares authorized, zero shares issued	—	—
Common stock, par value \$1 per share; 800,000,000 shares authorized, 492,787,005 and 492,447,997 shares issued and outstanding, respectively	492,787	492,448
Additional paid in capital	115,018	119,242
Accumulated other comprehensive loss	(31,303)	(31,562)
Retained earnings	711,250	687,069
<b>Total stockholders' equity</b>	<b>1,287,752</b>	<b>1,267,197</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,138,886</b>	<b>\$ 2,122,028</b>

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



**ROLLINS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**  
**(in thousands except per share data)**  
**(unaudited)**

	Three Months Ended March 31,	
	2023	2022
<b>REVENUES</b>		
Customer services	\$ 658,015	\$ 590,680
<b>COSTS AND EXPENSES</b>		
Cost of services provided (exclusive of depreciation and amortization below)	326,842	295,378
Sales, general and administrative	196,431	178,785
Depreciation and amortization	22,502	23,127
Total operating expenses	545,775	497,290
OPERATING INCOME	112,240	93,390
Interest expense, net	465	568
Other (income), net	(4,714)	(1,279)
CONSOLIDATED INCOME BEFORE INCOME TAXES	116,489	94,101
PROVISION FOR INCOME TAXES	28,255	20,335
NET INCOME	<u>\$ 88,234</u>	<u>\$ 73,766</u>
NET INCOME PER SHARE - BASIC AND DILUTED	\$ 0.18	\$ 0.15
Weighted average shares outstanding - basic	492,516	492,213
Weighted average shares outstanding - diluted	492,701	492,325
DIVIDENDS PAID PER SHARE	\$ 0.13	\$ 0.10

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

**ROLLINS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**  
**(in thousands)**  
**(unaudited)**

	Three Months Ended March 31,	
	2023	2022
<b>NET INCOME</b>	<b>\$ 88,234</b>	<b>\$ 73,766</b>
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	97	3,127
Unrealized gain (loss) on available for sale securities	162	(590)
Other comprehensive income (loss), net of tax	259	2,537
Comprehensive income	<b>\$ 88,493</b>	<b>\$ 76,303</b>

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

**ROLLINS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**  
**(in thousands)**  
**(unaudited)**

	Common Stock		Paid-in-Capital	Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total
	Shares	Amount				
<b>Balance at December 31, 2022</b>	<b>492,448</b>	<b>\$ 492,448</b>	<b>\$ 119,242</b>	<b>\$ (31,562)</b>	<b>\$ 687,069</b>	<b>\$ 1,267,197</b>
Net Income					88,234	88,234
Other comprehensive income / (loss), net of tax:						
Foreign currency translation adjustments	—	—	—	97	—	97
Unrealized gain on available for sale securities	—	—	—	162	—	162
Cash dividends	—	—	—	—	(64,053)	(64,053)
Stock compensation	601	601	5,346	—	—	5,947
Employee stock buybacks	(262)	(262)	(9,570)	—	—	(9,832)
<b>Balance at March 31, 2023</b>	<b>492,787</b>	<b>\$ 492,787</b>	<b>\$ 115,018</b>	<b>\$ (31,303)</b>	<b>\$ 711,250</b>	<b>\$ 1,287,752</b>

	Common Stock		Paid-in-Capital	Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total
	Shares	Amount				
<b>Balance at December 31, 2021</b>	<b>491,911</b>	<b>\$ 491,911</b>	<b>\$ 105,629</b>	<b>\$ (16,411)</b>	<b>\$ 530,088</b>	<b>\$ 1,111,217</b>
Net Income					73,766	73,766
Other comprehensive income / (loss), net of tax:						
Foreign currency translation adjustments				3,127		3,127
Unrealized loss on available for sale securities				(590)		(590)
Cash dividends					(49,205)	(49,205)
Stock compensation	757	757	5,381	—	—	6,138
Employee stock buybacks	(207)	(207)	(6,227)	—	—	(6,434)
<b>Balance at March 31, 2022</b>	<b>492,461</b>	<b>\$ 492,461</b>	<b>\$ 104,783</b>	<b>\$ (13,874)</b>	<b>\$ 554,649</b>	<b>\$ 1,138,019</b>

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

**ROLLINS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**  
**(in thousands)**  
**(unaudited)**

	Three Months Ended March 31,	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 88,234	\$ 73,766
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,502	23,127
Stock-based compensation expense	5,947	6,138
Provision for expected credit losses	3,896	4,257
Gain on sale of assets, net	(4,714)	(1,279)
Provision for deferred income taxes	6,929	2,445
Changes in operating assets and liabilities:		
Trade accounts receivable and other accounts receivable	1,533	(1,440)
Financing receivables	(4,421)	(707)
Materials and supplies	(1,043)	151
Other current assets	(1,501)	(3,629)
Accounts payable and accrued expenses	(17,548)	(16,934)
Unearned revenue	8,656	11,294
Other long-term assets and liabilities	(7,697)	(9,657)
Net cash provided by operating activities	<u>100,773</u>	<u>87,532</u>
<b>INVESTING ACTIVITIES</b>		
Acquisitions, net of cash acquired	(15,480)	(13,223)
Capital expenditures	(7,636)	(7,995)
Proceeds from sale of assets	8,886	1,290
Other investing activities, net	640	—
Net cash used in investing activities	<u>(13,590)</u>	<u>(19,928)</u>
<b>FINANCING ACTIVITIES</b>		
Payment of contingent consideration	(4,098)	(3,051)
Borrowings under term loan	—	251,783
Borrowings under revolving commitment	180,000	11,000
Repayments of term loan	(55,000)	(4,000)
Repayments of revolving commitment	(115,000)	(118,000)
Payment of dividends	(64,053)	(49,205)
Cash paid for common stock purchased	(11,443)	(6,434)
Other financing activities, net	(1,488)	—
Net cash (used in) provided by financing activities	<u>(71,082)</u>	<u>82,093</u>
Effect of exchange rate changes on cash	1,056	3,340
Net increase in cash and cash equivalents	17,157	153,037
Cash and cash equivalents at beginning of period	95,346	105,301
Cash and cash equivalents at end of period	<u>\$ 112,503</u>	<u>\$ 258,338</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 429	\$ 753
Cash paid for income taxes, net	\$ 12,572	\$ 11,962
Non-cash additions to operating lease right-of-use assets	\$ 20,828	\$ 17,937

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

**EXHIBIT 9-B  
ROLLINS GUARANTEE**

## GUARANTEE OF PERFORMANCE

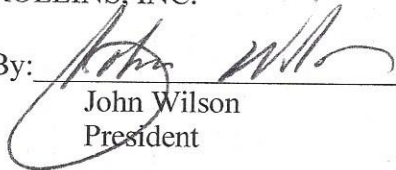
FOR VALUE RECEIVED, Rollins, Inc., a Delaware corporation ("Rollins"), located at 2170 Piedmont Road, N.E., Atlanta, Georgia 30324, absolutely and unconditionally guarantees the performance by Orkin Systems, LLC, a Delaware limited liability company ("Orkin Systems"), successor-in-interest to Orkin Systems, Inc., located at 2170 Piedmont Road, N.E., Atlanta, Georgia 30324, of all of the obligations of Orkin Systems (i) under all state franchise registration laws to which it is subject and (ii) to all of the franchisees under Orkin Systems' Franchise Agreements. This guarantee ("Guarantee") continues until all obligations of Orkin Systems under such state franchise registration laws and to the franchisees under Orkin Systems' Franchise Agreements are satisfied.

This Guarantee does not extend to the duties, obligations and liabilities that Orkin Systems may have to any third parties, including without limitation to the customers, employees, suppliers and landlords of the franchisees of Orkin Systems. There are no third-party beneficiaries under this Guarantee. Before seeking redress from Rollins under this Guarantee, each claiming franchisee shall prosecute its action against Orkin Systems until it receives a nonappealable final judgment by a judge in its favor or a final ruling by an arbitrator in its favor, and Orkin Systems is unable to comply with such judgment or ruling.

Rollins is not discharged from liability if a claim by a franchisee against Orkin Systems remains outstanding. Rollins shall have the right to assert any and all defenses that Orkin Systems may assert in the event of a claim by a franchisee or any other party. Notice of acceptance is waived. Notice of default on the part of Orkin Systems is not waived. Upon the default of Orkin Systems under the Orkin Systems' Franchise Agreement, the claiming franchisee shall deliver written notice to Rollins of such default and provide Rollins with the right, but not the obligation, to cure the default. Rollins does not waive any rights to subrogation. This Guarantee is binding on Rollins and its successors and assignees. Rollins hereby executes this Guarantee at 2170 Piedmont Road, N.E., Atlanta, Georgia 30324 effective as of the 1<sup>st</sup> of January, 2016.

ROLLINS, INC.

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

  
John Wilson  
President

**EXHIBIT 10  
CONTRACTS**

1. Franchise Agreement (See Exhibit 1)
2. Rollins Promissory Note (attached to this Exhibit 10)
3. Guaranty and Non-Compete Agreement (See Exhibit F-1 to the Franchise Agreement)
4. Assignment of Contracts (See Exhibit D to the Franchise Agreement)
5. Master Agreement for Assignment of Contracts (attached to this Exhibit 10)
6. Covenant of Compliance with Orkin Standards (See Exhibit H to the Franchise Agreement)
7. Sub-License Agreement (See Exhibit E to the Franchise Agreement)
8. Telephone Service Transfer Request (See Exhibit J to the Franchise Agreement)

## PROMISSORY NOTE



**PROMISSORY NOTE****[\$AMOUNT]**

Date: [DATE]

FOR VALUE RECEIVED [FRANCHISEE ENTITY], a [STATE] [ENTITY TYPE] ("Maker"), hereby promises to pay to the order of **Rollins Acceptance Company, LLC**, a Delaware limited liability company (together, with any subsequent holder hereof, hereinafter referred to as the "Holder"), in lawful money of the United States of America, at 2170 Piedmont Road, N.E., Atlanta, Georgia 30324, or at such other place or to such other party as the Holder may from time to time designate by written notice, the principal sum of [AMOUNT] and [XX]/100 Dollars (**[\$AMOUNT]**) together with interest on the principal balance of this Note outstanding from time to time at a per annum rate equal to [PERCENT] Percent (**[XX]%**), in [INSTALLMENTS] (**[XX]**) equal monthly installment payments of principal and interest of [AMOUNT] and [XX]/100 Dollars (**[\$AMOUNT]**) commencing on [DATE], and continuing on the [first] day of each month thereafter, through and including [DATE].

1. This Note may be prepaid at any time or from time to time in whole or in part, without penalty or premium. All payments shall be made in good, commercially available funds by personal check, cashier's check, money order or wire transfer only. Holder shall not accept payments made by credit card or debit card. All payments shall be applied first to fees, expenses and costs provided for herein, next to accrued but unpaid interest and then to principal in the inverse order of maturity.
2. This Note represents [CHOOSE OPTION AT RIGHT]. Maker acknowledges and agrees that, to secure the payment of this Note, the Holder shall have the benefit of the security interest and lien granted by Maker in all of Maker's Receivables, Customer Lists and Customer Contracts, as defined in the Franchise Agreement (the "Collateral"), pursuant to Section [11.10] of the Franchise Agreement, (or the then-current franchise agreement by and between Orkin Systems and Maker), and that the Holder is a secured party with respect to the Collateral.
3. All of the indebtedness evidenced by this Note and remaining unpaid balances of interest and expenses shall, at the option of the Holder, without demand and upon delivery of written notice to Maker by the Holder, become immediately due and payable upon the happening of any of the events listed below. Failure to exercise such option shall not constitute a waiver of the right to exercise such option if Maker is in default hereunder past any applicable grace periods.
  - a. Failure by Maker to pay within five (5) business days of becoming due the principal of or interest on the indebtedness evidenced by this Note.
  - b. The termination of the Franchise Agreement (or the then-current franchise agreement by and between Orkin Systems and Maker) for any reason.
  - c. The levy of any attachment, execution or any other process against all or any part of the assets of Maker.
  - d. Failure by Maker to pay, withhold, collect or remit any tax or tax deficiency when due.
  - e. The suspension of the business of Maker, or the making of a general assignment for the benefit of creditors, or the commencement of proceedings for dissolution or

- liquidation, or the commencement of proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law or statute of the federal or state governments, or the adjudication as a bankrupt or insolvent, or the appointment of a receiver, or the making of a bulk sale or the giving of notice of intention to do so.
- f. The transfer by Maker to any third party of its interest in the Franchise Agreement (or the then-current franchise agreement by and between Orkin Systems and Maker), the sale of all or substantially all of the assets of Maker or a change in control of Maker.
  - g. In addition to other available remedies and the continuing accrual of interest, there will also be a 5% late charge imposed by the Holder on any payments made by Maker beyond any applicable grace period.
4. Time is of the essence of this Note and all other obligations of Maker to the Holder. No amendment to or waiver of any provision hereof shall be effective unless in writing signed by the Holder.
  5. Maker waives demand, presentment for payment, notice of dishonor, protest and notice of protest, and expressly agrees that this Note and any payment coming due under it may be extended from time to time without in any way affecting its liability hereunder.
  6. It is the intention of the parties hereto to conform strictly to applicable usury laws as presently in effect. Accordingly, if the transactions contemplated hereby would be usurious under applicable law (including the laws of the United States of America and the State of Georgia), then, in that event, notwithstanding anything to the contrary in this Note or in any other document, it is agreed that: (i) the aggregate of all consideration that constitutes interest under applicable law that is contracted for, charged or received under this Note or under any other documents or agreements, or otherwise in connection with the indebtedness evidenced by this Note, shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited against the indebtedness evidenced by this Note by the Holder (or, if such indebtedness shall have been paid in full, refunded to Maker); and (ii) in the event that the maturity of the indebtedness evidenced by this Note is accelerated by reason of an election of the Holder resulting from any default under this Note or otherwise, or in the event of any required or permitted prepayments, then such consideration that constitutes interest may never include more than the maximum amount allowed by applicable law and excess interest, if any, provided for in this Note, or otherwise, shall be cancelled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the indebtedness evidenced by this Note (or, if such indebtedness shall have been paid in full, refunded to Maker).
  7. All payments made by Maker under this Note shall be unconditional and shall be made without set-off, counterclaim or reduction in any amount for any reason whatsoever.
  8. This Note shall be construed according to and governed by the internal laws of the State of Georgia, without regard to conflict of law principles.
  9. Maker agrees to pay, and save the Holder harmless against, any liability for the payment of any costs and expenses, including reasonable attorney's fees, arising or incurred in connection with the enforcement by the Holder of any rights under this Note.

10. This Note and the rights and obligations specified herein shall be binding upon and shall inure to the benefit of Maker and the Holder and their respective successors and assigns.

IN WITNESS WHEREOF, Maker has executed this Note as of the day and year first above written.

**MAKER:**

[FRANCHISEE ENTITY]

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

Attested by Notary

State of \_\_\_\_\_

County of \_\_\_\_\_

Signed before me on \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_

\_\_\_\_ Personally Known

\_\_\_\_ Produced Identification

Type and # of ID: \_\_\_\_\_

Signature of Notary: \_\_\_\_\_

Name of notary, typed, stamped or printed: \_\_\_\_\_

Stamp/Seal

My commission expires: \_\_\_\_\_

## FORM OF MASTER AGREEMENT FOR ASSIGNMENT OF CONTRACTS

THIS MASTER AGREEMENT FOR ASSIGNMENT OF CONTRACTS (this "Agreement") is made and entered into as of [DATE], by and among Rollins Acceptance Company, LLC, a Delaware limited liability company ("RAC"), [FRANCHISEE ENTITY], a [STATE] [ENTITY TYPE] ("Franchisee"), and the undersigned individuals (the "Guarantors").

### WITNESSETH:

WHEREAS, Franchisee has entered into that certain Franchise Agreement dated as of [DATE] (the "Franchise Agreement") with Orkin Systems, LLC, an affiliate of RAC ("Orkin"), pursuant to which Franchisee has been granted a limited right and license to operate a Termite and Pest control business using the Orkin name and trademarks (the "Franchised Business"). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Franchise Agreement.

WHEREAS, as part of the Franchised Business, Franchisee may enter into certain installment contracts (the "Customer Contracts") to provide Termite control and reinspection services for customers located within Franchisee's Territory.

WHEREAS, the parties hereto desire to set forth herein the terms and conditions upon which Franchisee may transfer and assign, and RAC may purchase, all of Franchisee's right, title and interest in and to certain of Franchisee's Customer Contracts now existing or hereafter consummated.

NOW, THEREFORE, in consideration of the premises hereof, the covenants hereafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Assignment. If Franchisee desires to assign, transfer, set over, grant and convey to RAC all of its right, title and interest in and to certain of its Customer Contracts, it shall deliver to RAC a written notice summarizing the terms of such Customer Contracts and attaching copies of such Customer Contracts thereto, which notice shall also include such other information and have attached thereto such other documents which may be requested by RAC in connection with the proposed transfer. If RAC elects to purchase any or all of such Customer Contracts (such accepted Customer Contracts, the "Assigned Contracts"), it shall accept and acquire from Franchisee all of Franchisee's right, title and interest in and to the Assigned Contracts by delivery of a written notice to Franchisee stating RAC's acceptance thereof for the price specified therein (the "Purchase Price"). Notwithstanding the foregoing, Franchisee shall remain liable for and timely perform all of its obligations under the Assigned Contracts in compliance with the Franchise Agreement, all of Orkin's applicable standards, policies and manuals, and all applicable laws, rules and regulations. After such transfer and purchase, RAC shall hold all of the Assigned Contracts thereby assigned, transferred and conveyed unto RAC, its permitted successors and assigns, for its own use and behalf forever, subject to the terms of this Agreement.

2. Payment after Assignment. In the event that Franchisee receives any payment in connection with any of the Assigned Contracts after the date of assignment thereof, Franchisee will promptly inform RAC and transfer such payment to RAC at RAC's direction.

3. Warranty of Performance. Franchisee shall remain at all times liable for all customer warranty and other obligations extended by it in connection with the Assigned Contracts.

4. Franchisee Representations and Warranties. In connection with any assignment of the Assigned Contracts by Franchisee to RAC at any time, Franchisee agrees that it shall be deemed to represent and warrant to RAC at the time of each such assignment and with respect to each Assigned Contract that: (a) it has good and lawful right to assign, transfer, set over, grant and convey each of the Assigned Contracts to RAC, (b) each of the Assigned Contracts evidences a bona fide sale of services by Franchisee to the customer identified therein, (c) the services sold pursuant to the Assigned Contracts were authorized and performed in accordance with the terms of the Franchise Agreement, (d) the Assigned Contracts do not evidence a transaction for the purchase or lease of goods, equipment, materials or other personalty, (e) the Assigned Contracts are in full force and effect and are free and clear of any and all liens and encumbrances, (f) the assignment of the Assigned Contracts will not result in a breach or default under, or cause the cancellation or acceleration of, any of the Assigned Contracts, and if any consent, approval, action or filing of notice (a "Consent") is required in connection with the assignment of the Assigned Contracts, Franchisee has obtained such Consent, and (g) neither Franchisee nor any customer under the Assigned Contracts is in breach or default under any provision of the Assigned Contracts.

5. RAC's Remedies. In addition to any other remedies available to RAC under this Agreement or at law or equity, if Franchisee breaches this Agreement, RAC shall have the right to assign any previously Assigned Contracts back to Franchisee, and in connection therewith, demand the prompt repayment of an amount equal to the Purchase Price with respect to each such Assigned Contract, minus any payments received thereon by RAC.

6. Limited Obligation. RAC shall not be obligated to purchase any Customer Contracts proposed to be assigned by Franchisee hereunder, notwithstanding that such proposed Customer Contracts may conform to the terms of this Agreement.

7. Indemnity. Franchisee hereby agrees to indemnify, defend and hold harmless RAC from and against any and all claims, damages, losses, costs, expenses and liabilities relating to the Assigned Contracts that RAC may suffer or incur as a result of, or arising from, the events, acts, omissions, defaults, or negligence of Franchisee in its performance or non-performance relating to the Assigned Contracts, including without limitation any claim made by a customer under any warranty extended with respect thereto.

8. Acknowledgement. Franchisee acknowledges that any misrepresentation or breach of this Agreement may constitute grounds for termination of the Franchise Agreement by Orkin in Orkin's sole discretion.

9. Guarantor Obligations. In consideration of, and as an inducement to, the execution of this Agreement by RAC, each of the Guarantors under that certain Guaranty and Non-Compete Agreement, executed by the Guarantors in favor of Orkin, dated as of [DATE], hereby personally, jointly, severally and unconditionally agree to be personally bound by, and personally liable for each and every obligation and liability of Franchisee under this Agreement and the Assigned Contracts, and hereby make all of the covenants, representations and agreements of Franchisee set forth herein.

10. Reimbursement. Franchisee further agrees to reimburse RAC for all expenses incurred by RAC in connection with the enforcement of its rights under this Agreement, including reasonable attorney's fees.

11. Additional Covenants. Franchisee agrees that it will do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, transfers, assignments and

assurances, for the better conveying and confirming unto RAC, its successors and assigns, the entire right, title and interest in and to the Assigned Contracts as RAC may require at such time, subject to the terms of this Agreement.

12. Waiver. No failure by RAC to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by RAC of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of RAC as herein specified are cumulative and not exclusive of any other rights or remedies which RAC may otherwise have.

13. Severability. If any provision of this Agreement is prohibited by the laws of any jurisdiction as those laws apply to this Agreement, that provision shall be ineffective to the extent of such prohibition and/or shall be modified to conform with such laws, without invalidating the remaining provisions hereto.

14. Entire Agreement; Modification. This Agreement, together with all signed exhibits and addenda thereto, constitutes the entire agreement between the parties relating to the subject matter of this Agreement. There are no other terms, obligations, covenants, representations, statements, or conditions, other than those contained herein. This Agreement may not be changed or modified except in writing specifically referring to this Agreement and signed by the parties hereto.

15. Governing Law. This Agreement shall be governed by the laws of the State of Georgia, without regard to conflict of law principles, and shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns.

[SIGNATURES ON FOLLOWING PAGE]

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

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

**RAC:**

**FRANCHISEE:**

**ROLLINS ACCEPTANCE COMPANY, LLC**

**[FRANCHISEE ENTITY]**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

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

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

**GUARANTOR:**

**[NAME]**

BY: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

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

**EXHIBIT 11**  
**STATE-SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT**



**EXHIBIT 11-A**  
**ADDENDUM TO ORKIN SYSTEMS, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF CALIFORNIA**

In recognition of the requirements of the California Franchise Investment Law, California Corporations Code §§ 31000 - 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 - 20043, the franchise disclosure document for Orkin Systems in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. California Corporations Code § 31125 requires Orkin Systems to give you a disclosure document, in a form containing the information that the Commissioner of Business Oversight of the California Department of Business Oversight may by rule or order require, prior to a solicitation or a proposed material modification of an existing franchise.

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

3. Item 3, "Litigation," shall be amended by the addition of the following language:

Neither Orkin, Rollins, nor any person or franchise broker in Item 2 of the franchise disclosure document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in this association or exchange.

4. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:

The regulations of the California Department of Business Oversight require that the following information concerning provisions of the franchise agreement be disclosed to you:

The California Franchise Relations Act provides rights to you concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law, 11 U.S.C.A. §§ 101, *et seq.*

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise agreement. This provision may not be enforceable under California law.

The franchise agreement requires the application of the laws of Georgia. This provision may be unenforceable under California law.

The franchise agreement contains a waiver of punitive damages and a jury trial. These provisions may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in the metropolitan area in which the Orkin Systems' principal place of business is then located. These provisions may not be enforceable under California law. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws to the provisions of the franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires you to sign a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code § 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. California Corporations Code § 31512 voids a waiver of your rights under the California Franchise Investment Law. California Business and Professions Code § 20010 voids a waiver of your rights under the California Franchise Relations Act.

5. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at [WWW.DBO.CA.GOV](http://WWW.DBO.CA.GOV).

6. THE FRANCHISE HAS BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law and the California Franchise Relations Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-B  
ADDENDUM TO ORKIN SYSTEMS, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF HAWAII**

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes §§ 482E-1 – 482E-12, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

1. The State Cover Page shall be amended by the addition of the following paragraphs:

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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS 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 FRANCHISE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE FRANCHISE DISCLOSURE DOCUMENT CONTAIN 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 FRANCHISEE.

The name and address of Orkin Systems' agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

2. Item 20 "List of Outlets," shall be amended by the addition of the following paragraph:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

3. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii

Franchise Investment Law are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-C**  
**ADDENDUM TO ORKIN SYSTEMS, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 Illinois Compiled Statutes §§ 705/1 - 705/44, the franchise disclosure document for Orkin Systems in connection with the offer and sale of franchises for use in the State of Illinois shall be amended to include the following:

1. The “Summary” section of Item 17(v), entitled “Choice of forum,” shall be amended by the addition of the following language:

However, any provision in the franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under Section 4 of the current Illinois Franchise Disclosure Act of 1987 (as amended), although the franchise agreement may provide for arbitration in a forum outside of the State of Illinois.

2. The “Summary” section of Item 17(w), entitled “Choice of law,” shall be amended by the addition of the following language:

However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

3. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-D**  
**ADDENDUM TO ORKIN SYSTEMS, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF INDIANA**

In recognition of the requirements of the Indiana Franchise Act, Indiana Code §§23-2-2.5-1 through 51, the franchise disclosure document for Orkin Systems in connection with the offer and sale of franchises for use in the State of Indiana shall be amended to include the following:

1. The franchise agreement contains a covenant not to compete that extends beyond the termination of the franchise agreement. These provisions may not be enforceable under Indiana law.

2. Indiana law makes unilateral termination of a franchise unlawful unless there is a material violation of the franchise agreement and the termination is not done in bad faith.

3. If Indiana law requires the franchise agreement and all related documents to be governed by Indiana law, then nothing in the franchise agreement or related documents referring to Georgia law will abrogate or reduce any of your rights as provided for under Indiana law.

4. Item 8, "Restrictions on Sources of Products and Services," is amended by the addition of the following language:

Any benefits derived as a result of a transaction with suppliers for Indiana franchisees will be kept by us as compensation for locating suppliers and negotiating prices for you.

5. Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

6. Although the franchise agreement requires arbitration to be held in Atlanta, Georgia, arbitration held pursuant to the franchise agreement must take place in Indiana if you so request. If you choose Indiana, we have the right to select the location in Indiana.

7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-E  
ADDENDUM TO ORKIN SYSTEMS, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Maryland Code of Business Regulation §§ 14-201 - 14-233, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of Maryland shall be amended to include the following:

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

The general release language required as a condition of renewal, sale and/or assignment or transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Although the franchise agreement requires litigation to be held in a court in Georgia, you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, subject to the arbitration provisions of the franchise agreement.

The franchise agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11. U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

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

To the extent that any provisions of the franchise agreement require you to assent to any release, estoppel or waiver of liability as a condition to your purchasing a franchise, such provisions are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

2. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-F  
ADDENDUM TO ORKIN SYSTEMS, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes §§ 80C.01 - 80C.22, and of the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minnesota Rules §§ 2860.0100 - 2860.9930, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of Minnesota shall be amended to include the following:

1. The Risk Factors set forth on the State Cover Page shall be amended by the addition of the following paragraph:

MINNESOTA STATUTES § 80C.21 AND MINNESOTA RULES § 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF THE STATE OF MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR FRANCHISE AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA FRANCHISE ACT, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

2. Item 13, "Trademarks," shall be amended by the addition of the following language:

The franchisor will protect the franchisee's right to use the Licensed Marks or will indemnify the franchisee from any loss, costs or expenses arising out of any claim, suite or demand regarding the use of the name.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs:

With respect to franchisees governed by Minnesota law, we will comply with Minnesota Statutes § 80C.14, Subdivisions 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 of non-renewal of the franchise agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

Pursuant to Minnesota Rules § 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation, claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Act, and the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

Minnesota Statutes § 80C.21 and Minnesota Rules § 2860.4400J prohibit us from requiring litigation to be conducted outside of the State of Minnesota. In addition, nothing in the franchise disclosure document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Franchise Act, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the



Minnesota Franchise Act or the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-G  
ADDENDUM TO ORKIN SYSTEMS, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF NEW YORK**

In recognition of the requirements of Article 33 of the General Business Law of the State of New York, §§ 680 - 695, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of New York shall be amended to include the following:

1. The Risk Factors set forth on the State Cover Page shall be amended by the addition of the following paragraphs:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT 2 OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE 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 THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

THIS FRANCHISE DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENTS. THIS FRANCHISE DISCLOSURE DOCUMENT AND ALL CONTRACTS OR AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ALTHOUGH THESE FRANCHISES HAVE BEEN ACCEPTED FOR FILING, SUCH FILING UNDER ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE NEW YORK STATE DEPARTMENT OF LAW THAT THE INFORMATION PROVIDED HEREIN IS TRUE. THE DEPARTMENT'S REVIEW DID NOT INCLUDE A DETAILED EXAMINATION OF THE MATERIALS SUBMITTED. A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT MAY CONSTITUTE A VIOLATION OF BOTH FEDERAL AND STATE LAW, AND SHOULD BE REPORTED TO BOTH THE FEDERAL TRADE COMMISSION, WASHINGTON D.C. 20580 AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, NEW YORK, NEW YORK 10271.

ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THE STATE OF NEW YORK WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE AT THE EARLIER OF (A) THE FIRST PERSONAL MEETING BETWEEN THE FRANCHISOR OR ITS AGENT AND THE PROSPECTIVE FRANCHISEE, (B) AT LEAST 10 BUSINESS DAYS PRIOR TO THE EXECUTION OF A BINDING FRANCHISE OR OTHER AGREEMENT OR (C) AT LEAST 10 DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A FRANCHISE.

2. Item 3, "Litigation," is deleted in its entirety and replaced with the following:

**ITEM 3. LITIGATION**

Neither the franchisor, its predecessor, a person identified in Item 2, nor any affiliate offering franchises under the franchisor's principal trademark:

(a) 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) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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.

(c) 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. Item 4, "Bankruptcy," is deleted in its entirety and replaced with the following:

**ITEM 4. BANKRUPTCY**

Neither the franchisor, its affiliates, its predecessor, officers or general partner, during the 10-year period immediately before the date of the franchise disclosure document: (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 the officer or general partner of the franchisor held this position in the company or partnership.

4. Item 7, "Estimated Initial Investment," shall be amended by the addition of the following language:

THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS TO THE FRANCHISOR IN CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE.

5. The "Summary" section of Item 17(d), entitled "Termination by you," shall be amended by the addition of the following language:

You may terminate the franchise agreement on any grounds available by law.

6. The "Summary" section of Item 17(j), entitled "Assignment of contract by Orkin Systems," shall be amended by the addition of the following language:

However, no assignment will be granted except to an assignee who in the good faith judgment of the franchisor is willing and able to assume the franchisor's obligations.

7. The "Summary" section of Item 17(m), entitled "Conditions for Orkin Systems' approval of transfer by you," shall be amended by the addition of the following language:

The transferor must execute a general release, in a form prescribed by us, of any and all claims against Orkin Systems and our subsidiaries and affiliates, and our respective officers, directors, shareholders, agents, and employees, in their corporate and individual capacities; provided, however, that all rights enjoyed by you 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 provision that the non-waiver provisions of §§ 687.4 and 687.5 of Article 33 of the General Business Law of the State of New York be satisfied.

8. The "Summary" section of Item 17(w), entitled "Choice of law," shall be amended by the addition of the following language:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

9. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

10. THE FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

**EXHIBIT 11-H  
ADDENDUM TO ORKIN SYSTEMS, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA**

In recognition of the requirements of the North Dakota Franchise Investment Law, North Dakota Century Code §§ 51-19-01 - 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of North Dakota shall be amended to include the following:

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (North Dakota Century Code § 51-19-09):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to North Dakota Century Code § 9-08-06, without further disclosing that such covenants will be subject to the statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of the State of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota Franchise Investment Law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Franchise agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota applies.

J. Enforcement of Agreement: Franchise agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, and the policies of the office of the State of North Dakota

Securities Commission, are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-I**  
**ADDENDUM TO ORKIN SYSTEMS, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, Rhode Island Code §§ 19-28.1-1 - 19-28.1-34, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of Rhode Island shall be amended to include the following:

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

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

2. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-J**  
**ADDENDUM TO ORKIN SYSTEMS, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF SOUTH DAKOTA**

In recognition of the requirements of the South Dakota Franchise Act, South Dakota Codified Laws Chapter 37-5B, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of South Dakota shall be amended to include the following:

1. Except as may be described in Item 3 of this Franchise Disclosure Document, neither we nor any person identified in Item 2 of this Disclosure Document has any material arbitration proceeding pending, or has during the 10 year period immediately preceding the date of this Franchise Disclosure Document been a party to concluded material arbitration proceedings.
2. Although the franchise agreement requires all arbitration proceedings to be held in Atlanta, Georgia, the site of any arbitration started pursuant to the franchise agreement will be at a site mutually agreed upon by you and us.
3. We may not terminate the franchise agreement for a breach, for failure to meet performance standards and/or for failure to make royalty or advertising payments unless you receive 30 days prior written notice from us and you are provided with an opportunity to cure the defaults.
4. Covenants not to compete upon termination or expiration of the franchise agreement are generally unenforceable in the State of South Dakota.
5. The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the franchise agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Georgia.
6. Any provisions in the franchise agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.
7. Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.
8. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Franchise Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.



**EXHIBIT 11-K  
ADDENDUM TO ORKIN SYSTEMS, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Orkin Systems for use in the Commonwealth of Virginia shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause;" as that term is defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 11-L**  
**ADDENDUM TO ORKIN SYSTEMS, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF WASHINGTON**

The State of Washington has an act, the Washington Franchise Investment Protection Act, Revised Code of Washington §§ 19.100.010 – 19.100.940, which may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise.

In recognition of the requirements of the Washington Franchise Investment Protection Act, the Franchise Disclosure Document for Orkin Systems in connection with the offer and sale of franchises for use in the State of Washington shall be amended to include the following:

1. Item 3, “Litigation,” shall be amended by the addition of the following:

Washington Assurance of Discontinuance. The Attorney General of the State of Washington initiated an investigation (Case No. 19-2-32301-9 SEA) relating to Critter Control’s hiring practices, particularly with respect to restrictions on a franchisee’s ability to solicit and hire employees of other Critter Control locations (“No-Poaching Provisions”). The Attorney General has asserted that the No-Poaching Provisions constituted a contract, combination or conspiracy in the restraint of trade in violation of the Consumer Protection Act (RCW 19.86.030). Without admitting or denying the assertions made by the Attorney General, on December 9, 2019, Critter Control entered into an Assurance of Discontinuance with the Attorney General in which Critter Control agreed (1) not to include No-Poaching Provisions in any future franchise agreement, (2) not to enforce any No-Poaching Provisions in any outstanding franchise agreement, (3) to inform all franchisees of the entry into the Assurance of Discontinuance, and (4) to inform the Attorney General if it learns of any franchisee in Washington is attempting to enforce any No-Poaching Provisions.

2. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraphs:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor, including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

3. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**EXHIBIT 12**  
**STATE EFFECTIVE DATES AND TWO ACKNOWLEDGEMENTS OF RECEIPT**

## STATE EFFECTIVE DATES

This 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:

<b>State</b>	<b>Effective Date</b>
California	Pending
Florida	Pending
Hawaii	Pending
Illinois	Exempt
Indiana	Exempt
Kentucky	Exempt
Maryland	Pending
Michigan	Pending
Minnesota	Pending
Nebraska	Exempt
New York	Exempt
North Dakota	Pending
Rhode Island	Pending
South Dakota	Exempt
Texas	Exempt
Utah	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

**RECEIPT**  
**(To be retained by Franchisee)**

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 Orkin Systems, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that Orkin Systems, LLC provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, Orkin Systems, LLC or one of its affiliates in connection with the proposed sale. Michigan requires that Orkin Systems, LLC provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, Orkin Systems, LLC or one of its affiliates in connection with the proposed sale.

If Orkin Systems 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, DC 20580 and the state agency listed on Exhibit 2.

The name, principal business address, and telephone number of each franchise seller offering the franchise is as follows: Kevin Cronin, Director, Domestic Franchising, 2170 Piedmont Road NE, Atlanta, Georgia 30324, (404) 888-2000.

Orkin Systems, LLC, the seller of these franchises, authorizes the respective state agencies identified on Exhibit 3 to receive service of process for it in the particular state.

I, personally, and as a duly authorized officer of the prospective franchisee (if the franchisee is an entity), hereby acknowledge receipt from Orkin Systems, LLC of the Franchise Disclosure Document (to which this Receipt is attached) dated April 28, 2023.

This Disclosure Document included the following exhibits:

- |  |   |
|--|---|
| 1. Form of Franchise Agreement                                 | 7. Guidelines to be Used to Determine the Term of the Franchise Agreement |
| 2. State Administrators  | 8. Current and Former Franchisees   |
| 3. Agents for Service of Process                               | 9. Financial Statements   |
| 4. Description of Manuals                                      | 10. Contracts   |
| 5. Required and Recommended Package of Inventory and Equipment | 11. State-Specific Addenda  |
| 6. Approved Suppliers  | 12. State Effective Dates and Acknowledgement of Receipt                  |

\_\_\_\_\_  
Signature (individually and as an officer)

\_\_\_\_\_  
Date Disclosure Document Received

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

**PLEASE KEEP THIS PAGE FOR YOUR RECORDS**

\_\_\_\_\_  
Print Franchisee's Name (if an entity)

**RECEIPT**  
**(To be returned to Franchisor)**

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 Orkin Systems, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that Orkin Systems, LLC provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, Orkin Systems, LLC or one of its affiliates in connection with the proposed sale. Michigan requires that Orkin Systems, LLC provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, Orkin Systems, LLC or one of its affiliates in connection with the proposed sale.

If Orkin Systems 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, DC 20580 and the state agency listed on Exhibit 2.

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| 6. Approved Suppliers  | 12. State Effective Dates and Acknowledgement of Receipt                  |

\_\_\_\_\_  
Signature (individually and as an officer)

\_\_\_\_\_  
Date Disclosure Document Received

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

PLEASE MAIL THIS PAGE BACK TO:

\_\_\_\_\_  
Print Franchisee's Name (if an entity)

Orkin Systems, LLC  
2710 Piedmont Road NE  
Atlanta, Georgia 30324

OR EMAIL TO:

[orkinfranchising@orkin.com](mailto:orkinfranchising@orkin.com)