



## FRANCHISE DISCLOSURE DOCUMENT

SERVICEMASTER CLEAN/RESTORE SPE LLC

A Delaware Limited Liability Company One

Glenlake Parkway, 14<sup>th</sup> Floor

Atlanta, Georgia 30328

Phone: 800-756-5656

smfranchiseinfo@smclean.com

www.servicemasterclean.com

You will operate a ServiceMaster Clean<sup>®</sup> business (a “**Clean Franchise**”). Clean Franchises provide to management or tenants of commercial or institutional buildings contracted janitorial services on a continuing basis and carpet, furniture and other periodical non-janitorial cleaning and maintenance.

The total investment necessary to begin operation of a ServiceMaster Clean<sup>®</sup> franchise ranges from \$87,675 to \$125,200. This total investment includes \$37,250 that must be paid to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Sales office at One Glenlake Parkway, 14<sup>th</sup> Floor, Atlanta, Georgia 30328 or at 800-756-5656.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information of 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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information.

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

The issuance date of this disclosure document is 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>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only ServiceMaster business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a ServiceMaster franchisee?</b>	Item 20 or Exhibits D and E lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

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

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

**NOTICE REQUIRED BY STATE OF MICHIGAN**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (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 of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than five (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 six (6) months advance notice of the franchisor's intent 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.

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

- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right to first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification 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 franchisee. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to:

Michigan Department of Attorney  
General Consumer Protection  
Division  
G. Mennen Williams Building  
1<sup>st</sup> Floor, 525 West Ottawa  
Lansing, Michigan 48913  
(517) 335-7567

## TABLE OF CONTENTS

	<u>PAGE</u>
ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	8
ITEM 2: BUSINESS EXPERIENCE.....	19
ITEM 3: LITIGATION.....	20
ITEM 4: BANKRUPTCY.....	23
ITEM 5: INITIAL FEES.....	23
ITEM 6: OTHER FEES.....	24
ITEM 7: ESTIMATED INITIAL INVESTMENT.....	29
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	31
ITEM 9: FRANCHISEE'S OBLIGATIONS.....	34
ITEM 10: FINANCING.....	35
ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	35
ITEM 12: TERRITORY.....	41
ITEM 13: TRADEMARKS.....	42
ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	44
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	45
ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	45
ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	45
ITEM 18: PUBLIC FIGURES.....	48
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS.....	48
ITEM 20: OUTLETS AND FRANCHISEE INFORMATION.....	53
ITEM 21: FINANCIAL STATEMENTS.....	61
ITEM 22: CONTRACTS.....	61
ITEM 23: RECEIPTS.....	62

### EXHIBITS:

- A FRANCHISE AGREEMENT AND RELATED AGREEMENTS
- B FINANCIAL STATEMENTS AND GUARANTY
- C LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS
- D LIST OF FRANCHISEES
- E LIST OF FORMER FRANCHISEES
- F STATE ADDENDA TO DISCLOSURE DOCUMENT AND TO FRANCHISE AGREEMENT  
(where applicable)
- G OPERATIONS MANUAL TABLE OF CONTENTS
- H CONVERSION RAMP-UP AMENDMENT
- I STATE EFFECTIVE DATE AND FDD RECEIPTS

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

To simplify the language in this disclosure document (the “**Disclosure Document**”), “**we**,” “**us**,” “**our**,” or “**Franchisor**” means ServiceMaster Clean/Restore SPE LLC, the franchisor. “**You**,” “**your**,” or “**Franchisee**” means the person or entity purchasing a franchise. If you are a corporation, partnership, limited liability company or other entity, “**you**” includes your owners.

### **The Franchisor**

We are a Delaware limited liability company formed in October 2020. Our principal business address is One Glenlake Parkway, 14<sup>th</sup> Floor, Atlanta, Georgia 30328. We do business under the names ServiceMaster Clean and ServiceMaster Restore. Our agents for service of process are listed in Exhibit C.

We have offered Clean Franchises since March 2021. In addition, since March 2021, we have offered franchises under the ServiceMaster Restore<sup>®</sup> and ServiceMaster Recovery Management<sup>®</sup> brands, which provide disaster services directly to residential and commercial customers following a fire, flood, earthquake or storm (“**Restore Franchises**”). We offer Restore Franchises under a separate disclosure document. As of December 31, 2022, there were 2,157 Restore Franchises (including ServiceMaster Recovery Management franchises). Except as disclosed in this paragraph, we have never offered franchises of any type other than the offers included in this Disclosure Document nor do we engage in any other line of business.

### **Parents**

We are a direct subsidiary of ServiceMaster Systems LLC (“**SM Systems**”), a Delaware limited liability company with a principal address of One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. SM Systems guarantees the performance of our obligations under our franchise agreements and offers and sells certain products to our franchisees.

We are an indirect subsidiary of ServiceMaster OpCo Holdings LLC (“**SM Manager**”), a Delaware limited liability company with a principal address of One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. SM Manager provides management and support services to us and our franchisees.

SM Manager is a direct subsidiary of RW Purchaser LLC (“**RW Purchaser**”), a Delaware limited liability company with a principal address of 1180 Peachtree Street, N.E., Suite 2500, Atlanta, Georgia 30309. RW Purchaser acquired SM Manager and became our indirect parent in an acquisition that occurred on October 1, 2020 (the “**Acquisition**”).

RW Purchaser is indirectly owned by RW Parent LLC (“**RW Parent**”), a Delaware limited liability company with a principal address of 1180 Peachtree Street, N.E., Suite 2500, Atlanta, Georgia 30309, which is our ultimate parent. RW Parent is owned by private equity funds managed by Roark Capital Management LLC, an Atlanta-based private equity firm.

### **Predecessors**

Our predecessors began performing professional cleaning services in 1929. Our immediate predecessor, ServiceMaster Residential/Commercial Services Limited Partnership (“**Predecessor**”), a Delaware limited partnership, offered ServiceMaster Clean, ServiceMaster Restore, and ServiceMaster Recovery Management franchises from December 1990 to December 2020. Predecessor did not offer franchises in any other line of business, except it offered and sold approximately 14 franchises in home companionship services under the name “ServiceMaster Caring Companions” from late 1996 through mid-1998. The principal address of Predecessor is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328.

Prior to the Acquisition, SM Manager (and its subsidiaries, including Predecessor) had been indirectly owned by The ServiceMaster Company LLC (“**Former Parent**”) and indirectly owned by ServiceMaster Global Holdings, Inc., a publicly-traded company.



## **Securitization Transaction**

RW Parent and its subsidiaries were restructured as part of a secured financing transaction that closed on December 9, 2020 (the “**Securitization Transaction**”). As part of the Securitization Transaction, (i) we became the franchisor of the ServiceMaster® system; (ii) Predecessor assigned to us all existing ServiceMaster® franchise agreements and related agreements; and (iii) ServiceMaster IPCo LLC (“**SM IP**”), an affiliate of Parent, assigned ownership of all Marks (as defined in Item 13) and certain intellectual property relating to the operation of franchises to us. RW Parent and its subsidiaries may enter into other secured financing transactions in the future.

At the time of the closing of the Securitization Transaction, we entered into a management agreement with SM Manager for SM Manager to provide the required support and services to franchisees under their franchise agreements. SM Manager also acts as our franchise sales agent. We will pay management fees to SM Manager for these services. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise Agreement or other agreement you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

## **Affiliates**

We have no affiliates (other than our parents) that currently offer products or services to our franchisees.

*Our affiliates under the control of RW Parent that currently offer other franchises include:*

Merry Maids SPE LLC (“**Merry Maids**”), a Delaware limited liability company, franchises residential house cleaning businesses under the Merry Maids® mark. The principal address for Merry Maids is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. Merry Maids and its predecessors began business and started offering franchises in 1980. As of December 31, 2022, Merry Maids had 967 franchises in the United States. The ServiceMaster® franchises that we sell offer heavy-duty, disaster cleaning for homes and businesses, office cleaning and, in some cases, the cleaning of homes, which would also be candidates for cleaning by Merry Maids and its franchisees. In some instances, the customers served by ServiceMaster® franchisees and Merry Maids franchisees may require or desire the same cleaning services, and the franchisees for both brands may compete with each other for such customers.

Two Men and a Truck SPE LLC (“**Two Men and a Truck**”), a Delaware limited liability company, franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck™ mark. The principal address for Two Men and a Truck is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. Two Men and a Truck’s predecessor began offering Two Men and a Truck franchises in February 1989. Two Men and a Truck will begin offering Two Men and a Junk Truck franchises in 2023. As of December 31, 2022, there were 293 Two Men and a Truck franchises and three company-owned locations operating in the United States. As of December 31, 2022, there were not any Two Men and a Junk Truck franchises or company-owned locations in operation.

ServiceMaster of Canada Limited (“**SM Canada**”) offers ServiceMaster Clean®, ServiceMaster Restore®, and Merry Maids® franchises in Canada. SM Canada also offered AmeriSpec® and Furniture Medic® franchises through April 2023. The principal address for SM Canada is 2275 Upper Middle Road East, Suite #200, Oakville, Ontario, L6H 0C3. As of December 31, 2022, there were approximately 339 franchises in Canada under the ServiceMaster Clean®, ServiceMaster Restore®, and Merry Maids® trade names and trademarks serving residential and commercial customers throughout Canada.

ServiceMaster Limited (“**SM UK**”) offers ServiceMaster Clean®, ServiceMaster Restore®, Merry Maids®, TruGreen®, and Rosemary Bookkeeping® franchises in Great Britain. SM UK also offered Furniture Medic®

franchises through April 2023. The principal address for SM UK is ServiceMaster House, Tigers Road, Wigston, Leicester, The United Kingdom. As of December 31, 2022, there were approximately 407 franchises in Great Britain that operate using the ServiceMaster Clean®, ServiceMaster Restore®, Merry Maids®, Furniture Medic®, TruGreen®, and Rosemary Bookkeeping® trade names and trademarks.

Merry Maids, Two Men and a Truck, SM Canada, and SM UK have never offered franchises in any line of business (except as provided above), have never conducted a business of the type you will operate (except as provided above), and do not provide products or services to our franchisees.

In this Disclosure Document, we refer to Merry Maids, Two Men and a Truck, and us collectively as the “**SM Franchisors.**”

### **Other Affiliated Franchise Programs**

Through control with private equity funds managed by Roark Capital Management, LLC, an Atlanta-based private equity firm, we are affiliated with the following franchise programs (“**Affiliated Programs**”). None of these affiliates operate a ServiceMaster® franchise.

**Focus Brands Inc.** (“**Focus Brands**”) is the indirect parent company to seven franchisors, including: Auntie Anne’s Franchisor SPV LLC (“**Auntie Anne’s**”), Carvel Franchisor SPV LLC (“**Carvel**”), Cinnabon Franchisor SPV LLC (“**Cinnabon**”), Jamba Juice Franchisor SPV LLC (“**Jamba**”), McAlister’s Franchisor SPV LLC (“**McAlister’s**”), Moe’s Franchisor SPV LLC (“**Moe’s**”), and Schlotzsky’s Franchisor SPV LLC (“**Schlotzsky’s**”). All seven Focus Brands franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

**Auntie Anne’s** franchises Auntie Anne’s® shops that offer soft pretzels, lemonade, frozen drinks and related foods and beverages. In November 2010, the Auntie Anne’s system became affiliated with Focus Brands through an acquisition. Auntie Anne’s predecessor began offering franchises in January 1991. As of December 31, 2022, there were approximately 1,135 franchised facilities and 11 affiliate-owned facilities in the United States and approximately 775 franchised facilities operating outside the United States.

**Carvel** franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with Focus Brands in November 2004. Carvel’s predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2022, there were 326 domestic retail shoppes (including 1 shoppe co-branded in a Schlotzsky’s restaurant operated by our affiliate), 30 international retail shoppes, and 2 foodservice locations operated by independent third parties that offer Carvel® ice cream and frozen desserts including cakes and ice cream novelties.

**Cinnabon** franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle’s Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with Focus Brands through an acquisition. Cinnabon’s predecessor began franchising in 1990. As of December 31, 2022, franchisees operated 950 Cinnabon retail outlets in the United States and 918 Cinnabon retail outlets outside the United States and 178 Seattle’s Best Coffee units outside the United States.

**Jamba** franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with Focus Brands through an acquisition. Jamba’s predecessor began franchising in 1991. As of December 31, 2022, there were approximately 735 Jamba franchised stores

and 3 affiliate-owned Jamba stores in the United States and 54 franchised Jamba stores outside the United States.

**McAlister's** franchises McAlister's Deli® restaurants which offer a line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with Focus Brands in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2022, there were 492 domestic franchised McAlister's restaurants and 32 affiliate-owned restaurants operating in the United States.

**Moe's** franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with Focus Brands through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2022, there were 636 franchised Moe's Southwest Grill restaurants operating in the United States and one franchised restaurant operating outside the United States.

**Schlotzsky's** franchises Schlotzsky's® quick-casual restaurants which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with Focus Brands through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2022, there were 299 franchised Schlotzsky's restaurants and 27 affiliate-owned restaurants operating in the United States.

**Inspire Brands** ("**Inspire Brands**") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to six franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("**Arby's**"), Baskin-Robbins Franchising LLC ("**Baskin-Robbins**"), Buffalo Wild Wings International, Inc. ("**Buffalo Wild Wings**"), Dunkin' Donuts Franchising LLC ("**Dunkin'**"), Jimmy John's Franchisor SPV, LLC ("**Jimmy John's**"), and Sonic Franchising LLC ("**Sonic**"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("**Inspire International**"), DB Canadian Franchising ULC ("**DB Canada**"), DDBR International LLC ("**DB China**"), DD Brasil Franchising Ltda. ("**DB Brasil**"), DB Mexican Franchising LLC ("**DB Mexico**"), and BR UK Franchising LLC ("**BR UK**"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

**Arby's** is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. As of January 1, 2023, there were approximately 3,415 Arby's restaurants operating in the United States (2,305 franchised and 1,110 company-owned), and 174 franchised Arby's restaurants operating internationally. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed.

**Buffalo Wild Wings** is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under Buffalo Wild Wings® name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of January 1, 2023, there were 1,189 Buffalo Wild Wings Sports Bars operating in the United States (530 franchised and 659 company-owned) and 75 Buffalo Wild Wings or B-Dubs restaurants operating outside the United States (63 franchised and 12 company-owned). As of January 1, 2023, there were 41 BWW-GO

Restaurants operating in the United States (4 franchised and 37 company-owned).

**Sonic** is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of January 1, 2023, there were 3,546 Sonic Drive-Ins (3,221 franchised and 325 company-owned) in operation.

**Jimmy John's** is a franchisor of restaurants operating under the Jimmy John's® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. Jimmy John's and its predecessor have been franchising since 1993 and, as of January 1, 2023, had 2,637 restaurants operating in the United States (2,597 franchised and 40 affiliate-owned).

**Dunkin'** is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of January 1, 2023, there were 8,087 single-branded franchised Dunkin' restaurants operating in the United States and an additional 3,872 operating in 37 countries.

**Baskin-Robbins** franchises Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of January 1, 2023, there were 1,001 single-branded franchised Baskin-Robbins restaurants in the United States and an additional 5,349 operating internationally in 37 countries and Puerto Rico. As of January 1, 2023, there were 1,252 Dunkin' and Baskin-Robbins combo restaurants in the United States.

**Inspire International** has, directly or through its predecessors, offered and sold franchises for the following brands: Arby's restaurants (since May 2016), Buffalo Wild Wings sports bars (since October 2019), Jimmy John's restaurants (since November 2022), and Sonic restaurants outside the United States (since November 2019). **DB Canada** was formed in May 2006 and has, directly or through its predecessors, offered and sold Baskin-Robbins franchises in Canada since January 1972. **DB China** has offered and sold Baskin-Robbins franchises in China since its formation in March 2006. **DB Brasil** has offered and sold Dunkin' and Baskin-Robbins franchises in Brazil since its formation in May 2014. **DB Mexico** has offered and sold Dunkin' franchises in Mexico since its formation in October 2006. **BR UK** has offered and sold Baskin-Robbins franchises in the UK since its formation in December 2014. The restaurants franchised by the international franchisors are included in the brand-specific disclosures above.

**Primrose School Franchising SPE, LLC ("Primrose")** is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988 and as of December 31, 2022, had 483 franchised facilities. Primrose has not offered franchises in any other line of business.

**ME SPE Franchising, LLC ("Massage Envy")** is a franchisor of businesses that offers professional therapeutic massage services, facial services and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2022, there were 1,083 Massage Envy locations operating in the United States, including 1073 operated as total body care Massage

Envy businesses and 10 operated as traditional Massage Envy businesses. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2022, there were 10 regional developers operating 12 regions in the United States. Massage Envy has not offered franchises in any other line of business.

**CKE Inc. ("CKE")**, through two indirect wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.<sup>®</sup> and Hardee's<sup>®</sup> trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger<sup>®</sup> sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee's Restaurants offer Green Burrito<sup>®</sup> Mexican food products through a Dual Concept Restaurant. A small number of Carl's Jr. Restaurants offer Red Burrito<sup>®</sup> Mexican food products through a Dual Concept Restaurant. CKE Inc.'s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee. In December 2013, CKE Inc. became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961. As of January 30, 2023, there were 195 company-operated Hardee's restaurants, including 4 Hardee's/Red Burrito Dual Concept restaurants, and there were 1,512 domestic franchised Hardee's restaurants, including 146 Hardee's/Red Burrito Dual Concept restaurants. Additionally, there were 429 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984. As of January 30, 2023, there were 48 company-operated Carl's Jr. restaurants, and there were 1,020 domestic franchised Carl's Jr. restaurants, including 266 Carl's Jr./Green Burrito Dual Concept restaurants. In addition, there were 620 franchised Carl's Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

**Driven Holdings, LLC ("Driven Holdings")** is the indirect parent company to 10 franchisors, including Meineke Franchisor SPV LLC ("**Meineke**"), Maaco Franchisor SPV LLC ("**Maaco**"), Drive N Style Franchisor SPV LLC ("**DNS**"), Merlin Franchisor SPV LLC ("**Merlin**"), Econo Lube Franchisor SPV LLC ("**Econo Lube**"), 1-800-Radiator Franchisor SPV LLC ("**1-800-Radiator**"), CARSTAR Franchisor SPV LLC ("**CARSTAR**"), Take 5 Franchisor SPV LLC ("**Take 5**"), ABRA Franchisor SPV LLC ("**ABRA**") and FUSA Franchisor SPV LLC ("**FUSA**"). In April 2015, Driven Holdings and its franchised brands at the time (Meineke, Maaco, DNS, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, ABRA and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, DNS, Econo Lube, Merlin, CARSTAR, Take 5, ABRA and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510. All 10 franchisors have not offered franchises in any other line of business.

**Meineke** franchises automotive centers which offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 31, 2022, there were 703 Meineke centers, 22 Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

**Maaco** and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 31, 2022, there were 397 franchised Maaco

centers and no company-owned Maaco centers in the United States.

**DNS** is the franchisor of 3 franchise systems: Drive N Style® franchises, AutoQual® franchises and Aero Colours® franchises. DNS and its predecessors have offered Drive N Style franchises since October 2006. A Drive N Style business offers both interior and exterior reconditioning and maintenance services, exterior paint repair and refinishing services and interior and exterior protection services for consumer vehicles. As of December 31, 2022, there were 30 Drive N Style franchises and no company-owned Drive N Style businesses in the United States. DNS and its predecessors have offered AutoQual franchises since February 2008. AutoQual businesses offer various services relating to the interior of automotive vehicles, including, among other things, cleaning, deodorizing, dyeing, and masking of carpets, seats, and trim. As of December 31, 2022, there were 5 AutoQual franchises and no company-owned AutoQual businesses in the United States. DNS and its predecessors have offered Aero Colours franchises since 1998. Aero Colours businesses offer various services related to the exterior of automotive vehicles, including paint touch-up, repair and refinishing that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. As of December 31, 2022, there was 1 Aero Colours franchise and no company-owned Aero Colours businesses in the United States.

**Merlin** franchises shops which provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December 31, 2022, there were 24 Merlin franchises and no company-owned Merlin shops located in the United States.

**Econo Lube** offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 31, 2022, there were 10 Econo Lube N' Tune franchises and 12 Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

**1-800-Radiator** franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 31, 2022, there were 196 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 31, 2022, owned and operated 1 1-800-Radiator warehouse in the United States.

**CARSTAR** offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 31, 2022, there were 445 franchised CARSTAR facilities and no company-owned facilities operating in the United States.

**Take 5** franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 31, 2022, there were 228 franchised Take 5 outlets operating in the United States. An affiliate of Take 5 currently operates approximately 575 Take 5 outlets and outlets that operate under other brands, many of which may be converted to the Take 5 brand and operating platform in the future.

**ABRA** franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. ABRA and its predecessor have offered ABRA franchises since 1987. As of December 31, 2022, there were 58 franchised ABRA repair centers and no company-owned repair centers operating in the United States.

**FUSA** franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 31, 2022, there were 180 franchised Fix Auto repair shops operating in the United States, 9 of which are operated by FUSA's affiliate pursuant to a franchise agreement with FUSA.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) **Meineke Canada SPV LP** and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) **Maaco Canada SPV LP** and its predecessors have offered Maaco center franchises in Canada since 1983; (3) **1-800-Radiator Canada, Co.** has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) **Carstar Canada SPV LP** and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) **Take 5 Canada SPV LP** and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) **Driven Brands Canada Funding Corporation** and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) **Go Glass Franchisor SPV LP** and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) **Star Auto Glass Franchisor SPV LP** and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012. These franchisors have not offered franchises in any other line of business.

As of December 31, 2022, there were: (i) 25 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 21 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 8 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 319 franchised CARSTAR facilities and no company-owned CARSTAR facilities in Canada; (v) 30 franchised Take 5 outlets and 7 company-owned Take 5 outlets in Canada; (vi) 38 franchised UniglassPlus businesses, 31 franchised UniglassPlus/Ziebart businesses, and no franchised Uniglass Express businesses in Canada, and 4 company-owned UniglassPlus businesses and 1 company-owned UniglassPlus/Ziebart business in Canada; (vii) 7 franchised VitroPlus businesses, 62 franchised VitroPlus/Ziebart businesses, and 4 franchised Vitro Express businesses in Canada, and 4 company-owned VitroPlus businesses and no company-owned VitroPlus/Ziebart businesses in Canada; (viii) 33 franchised Docteur du Pare Brise businesses and no company-owned Docteur du Pare Brise businesses in Canada; (ix) 10 franchised Go! Glass & Accessories businesses and 1 franchised Go! Glass business in Canada, and 8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

**NBC Franchisor LLC** ("NBC") franchises gourmet bakeries which offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 4560 Belt Line Road, Suite 350, Addison, Texas 75001. As of December 31, 2022, there were 459 Nothing Bundt Cake franchises and 16 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

**Mathnasium Center Licensing, LLC** ("Mathnasium") franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium began offering franchises in late 2003. Mathnasium became an Affiliated Program through an acquisition in November 2021. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2022, there were 952 Mathnasium franchises in the United States and its parent company operated three Mathnasium centers in the United States. Mathnasium has never offered franchises in any other

line of business. Affiliates of Mathnasium Center Licensing, LLC also offer franchises for operation outside the United States.

**Mathnasium Center Licensing Canada, Inc.** has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2022, there were 87 franchised Mathnasium centers in Canada. **Mathnasium International Franchising, LLC** has offered franchises outside the United States and Canada since May 2015. As of December 31, 2021, there were 65 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing, LLC, Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC have a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

**i9 Sports, LLC (“i9”)** franchises businesses that operate, market, sell and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 became an Affiliated Program through an acquisition in September 2021. i9 has a principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2022, there were 218 i9 Sports franchises and one company-owned location. i9 has never offered franchises in any other line of business.

**SafeSplash Brands, LLC** (also known as “**Streamline Brands**”) offers franchises under the SafeSplash Swim School® brand and operates under the SwimLabs® and Swimtastic® brands, all of which provide “learn to swim” programs for children and adults, birthday parties, summer camps, other swimming-related activities. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand since August 2015 through March 2023 and under the SwimLabs brand from February 2017 through March 2023. Streamline Brands became an Affiliated Program through an acquisition in June 2022 and has a principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As of December 31, 2022, there were 110 franchised and company-owned SafeSplash Swim School outlets (included 12 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, 11 franchised Swimtastic swim schools and one dual-branded Swimtastic and SwimLabs swim school operating in the United States. Streamline Brands has never offered franchises in any other line of business.

None of the affiliated franchisors are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors, or affiliates that must be included in this Item.

### **The Franchise Offering**

If we offer a franchise to you, you will sign a franchise agreement (a “**Franchise Agreement**”) which will grant you the right to establish and operate a Clean Franchise under the ServiceMaster Clean® mark (the “**SM Clean Mark**”) within a territory specified in the Franchise Agreement (the “**Territory**”) that will operate under a certain type of SM License (as defined below). A sample of the Franchise Agreement is provided as Exhibit A to this Disclosure Document.

The “**SM Licenses**” include the following license types: (i) Cleaning Services License, (ii) Small Market Services License, (iii) Floor Care Services License, (iv) Commercial Services License, and (v) Small Business Services Licenses. There are minor operational differences between the Licenses, as some focus on certain services or markets or have different contractual terms, but all Clean Franchises are otherwise substantially similar. The SM Licenses are each described in greater detail below.

If you are a new franchisee, we only offer you the opportunity to operate a Clean Franchise operating under a Cleaning Services License (which we refer to as a “**Cleaning Services Franchise**”). A Cleaning Services



Franchise is required to provide the following Core Janitorial Services, Core Specialty Commercial Services, and Supplemental Services, which we may modify from time to time in the Operations Manual (collectively, the “**Core Services**”):

“**Core Janitorial Services**” include janitorial services (housekeeping, cleaning, and disinfection) rendered on a recurring frequency pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Janitorial Services may be delivered through humans or autonomous equipment and include, but are not limited to, cleaning services, sanitization, disinfection, sterilization, trash removal, restroom cleaning, vacuuming, regular floor maintenance, dusting, wiping flat surfaces, general maintenance of spaces, repairs to wall/other flat surfaces/items, duct cleaning, facility maintenance consulting, and other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services we may specify from time to time in our sole discretion.

“**Core Specialty Commercial Services**” include proprietary certified services or other specialized services that are rendered on a recurring frequency or a non-recurring basis pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Specialty Commercial Services may be delivered through humans or autonomous equipment and include, but are not limited to, facility maintenance services, post-construction cleaning, facility repairs, carpet cleaning, tile and grout cleaning, hard surface floor care/cleaning, furniture/upholstery cleaning, window cleaning, power washing, duct cleaning, commercial kitchen cleaning, other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services we may specify from time to time in our sole discretion.

“**Supplemental Services**” currently include the following services, which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services) to residential customers: (i) carpet and upholstery services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, and power washing); (ii) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (iii) washing windows (interior and exterior), blinds, and chandeliers; and (iv) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

The following SM Licenses are no longer offered to new franchisees but are available only through renewal or transfer of an existing franchise:

1. Small Market Services License: Clean Franchises operating under a Small Market Services License (“**Small Market Franchises**”) provide the Core Services in smaller markets (generally, a town with a population of 12,000 or less that is situated 20 miles or more from another town with a population of more than 12,000).
2. Floor Care Services License: Clean Franchises operating under a Floor Care Services License (“**Floor Care Franchises**”) provide certain services on a non-recurring basis (and not in conjunction with contracted janitorial or housekeeping services), including (i) carpet and hard surface floor cleaning and maintenance, furniture cleaning, and other heavy cleaning services to management or tenants of any commercial or institutional buildings and (ii) carpet and upholstery cleaning and maintenance services; wall, floor, ceiling, window, blinds, contents, chandelier, kitchen, and bathroom, and other heavy cleaning services; and power washing services to residential customers.
3. Commercial Services License: Clean Franchises operating under a Commercial Services License (“**Commercial Franchises**”) provide the Core Services (other than the Supplemental Services) on a non-recurring basis (and not in conjunction with contracted janitorial services) to

management companies or tenants of any commercial facilities, multi-unit residential facilities, or institutional buildings.

4. Small Business Services License: Clean Franchises operating under a Small Business Services License (“**Small Business Franchises**”) provide the Core Services (other than the Supplemental Services) to small offices and institutional buildings totaling less than 5,000 square feet.

From time to time, and at our sole discretion, we may allow our franchisees to convert their existing SM Licenses to become Cleaning Services Franchises. This changeover is dependent upon our determination that the current market could accommodate the larger franchise and the payment by the franchisee of the price difference between the current Initial Franchise Fee charged for the larger franchise. We do not allow Cleaning Services Franchises to convert to a different SM License.

**Conversion Franchises.** If you currently operate a business offering the same or similar services as a Clean Franchise, you will be required to convert your existing business to a Clean Franchise (a “**Conversion Franchise**”). The Conversion Franchise offer differs slightly from the start-up offering described in this Disclosure Document to the extent that certain considerations can be made to enable a smoother transition of the business’ operations to a Clean Franchise. These considerations are described throughout this Disclosure Document. If you operate a Conversion Franchise, we may require you to sign the Conversion Franchise Cleaning Ramp-Up Amendment that is attached as Exhibit H to this Disclosure Document.

**National Accounts.** We (or our affiliates) may enter into agreements with commercial customers that have locations in multiple markets (“**National Accounts**”). National Account customers needing Core Services are referred to us, and we may assign accounts for local fulfilment by franchisees or non-ServiceMaster subcontractors in our sole discretion. There is no guaranty that you will receive leads through the National Account program. We may reallocate or reassign National Accounts anytime for any reason.

If you participate in any existing or future National Accounts programs, you must adhere to the terms and conditions set out in the National Account agreements that we or our affiliates have negotiated with the customer and our minimum quality standards outlined in the confidential ServiceMaster Clean® Franchise Operations Manual (the “**Operations Manual**”). National Accounts programs and procedures may be added, changed or removed, as detailed in the Operations Manual from time to time. You may be required to be in good standing under your Franchise Agreement to participate in National Accounts programs.

Under our current National Account program rules, you have the option of declining a sales lead, referral or work from a National Account but any lead, referral or work you decline must be referred back to us. We have the right to require you to service National Accounts in the future.

### **Competitors**

Your competitors are national and regional companies that operate similar businesses and their franchisees, and individuals, companies, and partnerships of varying sizes and scopes that offer janitorial and cleaning services, which, as further explained in Item 12, may include other franchisees or affiliates.

### **Distributors**

In some areas, we have area representatives, which we refer to as “**Distributors**,” which serve as instructors for and liaisons with franchisees in certain territories. They are independent contractors. They may also act as recruiters on our behalf in connection with the original placement of a Clean Franchise. Below is a list of our current Distributors and their salespersons. You will sign a Partial Assignment of Rights (“**PAR**”) with your Franchise Agreement if you are in a Distributor’s territory. A PAR is included in Exhibit A-2 to this Disclosure Document.

**TERRITORY: NORTH CAROLINA, SOUTH CAROLINA**

ServiceMaster Distributor of the Carolinas  
George B. McBride, Sr., President. Mr. McBride, Sr. has been associated with ServiceMaster Distributor of the Carolinas since 1997.  
George B. McBride, Jr., Business Services Support. Mr. McBride, Jr., joined ServiceMaster Distributor of the Carolinas in 2010.

**TERRITORY: NORTH CAROLINA, SOUTH CAROLINA, VIRGINIA**

ServiceMaster Associates of Virginia, Inc.

David Meyer, President. Mr. Meyer has been with ServiceMaster Associates of Virginia since 1985.

**Industry-Specific Regulations**

We are not aware of any laws or regulations that are specifically applicable to the cleaning services offered in this Disclosure Document except as noted here. Franchisees should be mindful of environmental laws, such as NESHAP (National Emissions Standards for Hazardous Air Pollutants) and OSHA (Occupational Safety and Health Administration) regulations, as well as those laws and regulations surrounding work in buildings with lead paint. Some products used in our System contain ingredients regulated by the Environmental Protection Agency (EPA). We have registered our products that contain these ingredients with the EPA. Certain states may require licensing and certification requirements for applying disinfectants, sanitizers and other microbials that are EPA registered. You will need to contact your state and local authorities to determine whether there are any local regulations or ordinances that apply to your Clean Franchise.

**Referrals**

We pay existing Clean Franchisees a referral fee for referred candidates who acquire a franchise within 12 months of the referral, but we can change this policy at any time. Franchisees who receive financial incentives for such referrals may be required to register as franchise brokers under applicable state laws. (See State-Specific Addenda attached as Exhibit F to this Disclosure Document).

**ITEM 2: BUSINESS EXPERIENCE**

**Chief Executive Officer: Greg Weller**

Mr. Weller has been the Chief Executive Officer for us, each of the other SM Franchisors, SM Manager, RW Purchaser, and a number of other related entities since December 2022. He has also been a Manager of RW Parent since December 2022. From December 2022 to April 2023, he served as Chief Executive Officer for AmeriSpec SPE LLC (“**AmeriSpec**”) and Furniture Medic SPE LLC (“**Furniture Medic**”). From March 2015 to December 2022, Mr. Weller served in various positions for SiteOne Landscape Supply in Atlanta, Georgia, including Division President from October 2021 to December 2022, Executive Vice President of Operations from February 2020 to October 2021, and Senior Vice President - Operations from May 2019 to February 2020, and Senior Vice President - Supply Chain, Real Estate and Operations Excellence from January 2017 to May 2019. Mr. Weller serves in his present capacities in Atlanta, Georgia.

**President of ServiceMaster Clean: Joshua Ussiri**

Mr. Ussiri has been our President of ServiceMaster Clean since February 2023. From August 2021 to February 2023, he was our Senior Director North America Operations. From June 2016 to October 2021, he was the owner of JMC Serve, Inc., a ServiceMaster Clean franchisee in Champaign, Illinois. Mr. Ussiri serves in his present capacities in Atlanta, Georgia.

Chief Legal & Compliance Officer: Tricia Kinney

Ms. Kinney has been the Chief Legal & Compliance Officer for (i) us, each of the other SM Franchisors (except Two Men and a Truck), SM Manager, RW Parent, RW Purchaser, and a number of other related entities since March 2021 and (ii) Two Men and a Truck since August 2021. From March 2021 to April 2023, she also served as Chief Legal & Compliance Officer for AmeriSpec and Furniture Medic. From September 2020 to March 2021, she worked with various non-profit organizations. From July 2019 to August 2020, she served as Vice President and Deputy General Counsel - Kimberly-Clark Professional® and Global Supply Chain for Kimberly-Clark Corporation in Roswell, Georgia. From January 2015 to July 2019, she served as Vice President and Deputy General Counsel - Kimberly-Clark Professional® for Kimberly-Clark Corporation in Roswell, Georgia. Ms. Kinney serves in her present capacities in Atlanta, Georgia.

Senior Vice President of Development: Daniel Laughlin

Mr. Laughlin has been the Senior Vice President of Development for us, each of the other SM Franchisors, SM Manager, RW Parent, RW Purchaser, and a number of other related entities since April 2023. From December 2021 to March 2023, he worked as Vice President of Corporate Development at Marcone Supply in St. Louis, Missouri. From May 2021 to November 2021, he served as Senior Vice President of Corporate Development for Hydrobuilder Holdings LLC in Greenwood Village, Colorado. From December 2014 to April 2021, he served as Vice President Strategy and Corporate Development for SiteOne Landscape Supply, LLC in Atlanta, Georgia. Mr. Laughlin serves in his present capacities in Charlotte, North Carolina.

Vice President of Franchise Development: Timothy Arpin

Mr. Arpin has served as the Vice President of Franchise Development for us and each of the other SM Franchisors since April 2022. From April 2022 to April 2023, he also served as Vice President of Franchise Development for AmeriSpec and Furniture Medic. From October 2021 to April 2022, he served as Head of Franchising for Tim Hortons, USA in Miami, Florida. From August 2019 to October 2021, Mr. Arpin served as Vice President, Franchise Recruitment for Scooters Coffee, LLC in Omaha, Nebraska. And, from October 2008 to August 2019, he served as Vice President, Franchise Development for Self Esteem Brands, LLC in Woodbury, Minnesota. Mr. Arpin serves in his present capacities in Woodbury, Minnesota.

Franchise Development Manager: Amber James

Ms. James has been a Franchise Development Manager for us since February 2022. From February 2021 to February 2022, she was a Sr. Franchise Business Consultant for Another Broken Egg of America Franchising, LLC in Atlanta, Georgia. From January 2017 to February 2021, she was an Operations Service Manager for Double R Restaurant Group, LLC in Atlanta, Georgia. Ms. James serves in her present capacities in Atlanta, GA.

### **ITEM 3: LITIGATION**

**Disclosures Related to Predecessor**

W&P Enterprises, et al v. ServiceMaster Residential/Commercial Services Limited Partnership, et al;  
U.S.D.C (W.D. TN) Case 2:14-cv-02292-JTF

Suit was filed April 23, 2014 by a franchisee seeking to enjoin Predecessor from selling additional franchises in Tulsa and Creek counties in Oklahoma. The franchisee disputed Predecessor's termination of its exclusivity addendum as a result of the franchisee's breach of the addendum. A temporary injunction was issued; then the franchisee agreed to arbitrate the issues. The parties engaged in settlement discussions and resolved the matter. The parties agreed to the reinstatement of the franchise agreement with a modified exclusivity

addendum; agreed to a more clearer definition of the terms of the Franchise Agreement; that Predecessor would waive the franchisee's non-compliance with growth requirements for 2012 and 2013; that the addendum, once reinstated and as modified, would remain in full force and effect and be subject to termination by Predecessor after the effective date; and that each party would pay their own attorney fees. Stipulation of dismissal with prejudice was entered with the Court on June 13, 2014.

ServiceMaster by Jones, Inc. v. ServiceMaster Residential/Commercial Services Limited Partnership; Tennessee Chancery Court, 30<sup>th</sup> District, No. CH-14-1845

A suit was filed on December 29, 2014, in Memphis Tennessee, alleging misrepresentation and fraud in the inducement, and unfair and deceptive trade practices by Predecessor with regard to Predecessor's sale of a franchise to Plaintiff. Plaintiff requests rescission of the franchise agreement, payment of damages, and punitive damages. Predecessor denies any wrongdoing. On February 25, 2016, Predecessor filed a Motion to Stay the proceedings and Compel Arbitration under the terms of the party's Franchise Agreement. Predecessor's Motion was granted at the April 1, 2016, hearing. Predecessor agreed to pay \$20,000 but denied any wrongdoing. As part of the settlement, the parties agreed to an early termination of the franchise agreement. Jones agreed to comply with a post-termination non-compete and non-solicitation requirement as well as other customary post-termination obligations. The lawsuit was dismissed with prejudice per the settlement agreement on October 5, 2016.

Mary Fernimos v. ServiceMaster Residential/Commercial Services Limited Partnership (United States District Court for the Eastern District of Michigan, Case No. 2:18-cv010083-SJM-EAS)

On January 9, 2018, Mary Fernimos filed an action against Predecessor alleging breach of a settlement agreement relating to the sale and transfer of certain licenses and fraud by bad faith promise relating to the denial of proposed transfers of the licenses under the settlement agreement. On February 7, 2018, Predecessor filed an answer denying any wrongdoing. On April 2, 2018, Predecessor filed a motion to dismiss the proceeding and compel arbitration under the terms of the parties' franchise agreements. On May 23, 2018, the parties reached a settlement by mediation. Predecessor agreed to pay Mary Fernimos \$17,500 and allow her a one-year time period in which to sell one of her former ServiceMaster franchise agreements to an approved buyer in a specific region in Michigan. The district court litigation was dismissed with prejudice on June 26, 2018.

Express Restoration Corporation v. ServiceMaster Residential/Commercial Services Limited Partnership and SM Clean, LLC, United States District Court for the Central District of California (Case No. 18-cv-10569-JFW-MRW)

On December 20, 2018, a former franchisee, Express Restoration Corporation ("**Express**"), filed a complaint against ServiceMaster Global Holdings Inc. alleging violation of the California Franchise Relations Act, the California Unfair Practices Act, breach of contract and breach of the implied covenant of good faith and fair dealing. Plaintiff alleged damages of approximately \$1.5 million. The claims arise out of Predecessor's termination of the franchise agreement after learning that Express failed to disclose that it was a current Servpro franchisee at the time it applied to become a ServiceMaster® franchisee. Predecessor immediately terminated the franchise agreement for making materially false statements relating to the acquisition of a franchise, as allowed under California law. On March 18, 2019, Express filed a second amended complaint removing reference to ServiceMaster Global Holdings Inc. and identifying the defendants as Predecessor and SML. After several months of discovery and motion practice, the parties agreed to a settlement whereby Predecessor paid the plaintiff \$75,000 and the plaintiff and its owners agreed that they will never in any way own, operate, consult with, be employed by or associated with any individual or entity that is associated with any ServiceMaster Franchise. The case was dismissed with prejudice on January 31, 2020.

Faster Than Sound, Inc. v. ServiceMaster Residential/Commercial Services Limited Partnership, SM Clean LLC, ServiceMaster Clean/Restore SPE, LLC, and ServiceMaster Systems, LLC, American Arbitration Association Case No. 01-20-0007-2597.

On June 3, 2021, Faster Than Sound (“FTS”) filed a claim (the “**Claim**”) against us, our Predecessor, our SM Systems, and SM Clean LLC (together, “**Respondents**”) alleging violations of the Florida Deceptive and Unfair Trade Practices Act (FDUTPA) and the Florida Franchise Act (FFA); breaches of contract, fiduciary duty, and covenant of good faith and fair dealing; and various other civil claims arising out of the resale of a ServiceMaster franchise in Brevard County, Florida. In 2019, FTS explored the option of selling its franchise. After receiving unsatisfactory offers, FTS alleged that Respondents had devalued its franchise and disclosed private financial records, among other things. FTS sought rescission of the December 1, 2017 Franchise Agreement between the parties (the “**FTS Agreement**”) or, in the alternative, monetary damages.

Respondents strongly refuted the allegations and, on August 9, 2021, Respondents brought a cross-claim for breach of contract and breach of guaranty (the “**Cross-Claim**”) against FTS and its guarantors (Edwin Todd Cleveland and Wendy K. Cleveland) to recover damages incurred from FTS’s breach of the FTS Agreement. On February 14, 2022, the parties entered into a Confidential Settlement Agreement (the “**Settlement**”), in which neither party admitted any wrongdoing and both parties released all known and unknown claims against the other party. The parties agreed that FTS would have ninety (90) days following the execution of the Settlement to transfer its business. No payment was required to be made by Respondents nor was any payment made on their behalf. An order dismissing the proceedings with prejudice was entered on February 22, 2022 as to both the Claim and the Cross-Claim.

### **Disclosures Regarding Affiliated Programs**

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

The People of the State of California v. Arby’s Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby’s Restaurant Group, Inc. (“**ARG**”), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other’s employees. The states alleged that the use of these provisions violated the states’ antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

The People of the State of California v. Dunkin’ Brands, Inc. (California Superior Court, Los Angeles County, Case No. E25636618, filed on March 19, 2019). On March 14, 2019, our affiliate, Dunkin Brands, Inc. (“**DBI**”), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of “no-poaching” provisions in Dunkin’ restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin’ system prohibit Dunkin’ franchisees from hiring the employees of other Dunkin’ franchisees and/or DBI’s employees. A larger number of franchise agreements in the Dunkin’ system contain a no-poaching provision that prevents Dunkin’ franchisees and DBI from hiring each other’s employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching

provision or assist Dunkin’s franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin’ franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law and, furthermore, that the settlement agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties’ stipulation of judgment.

New York v. Dunkin’ Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General (“NYAG”) filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals’ credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin’ gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG’s allegations, DBI and the NYAG entered into a consent agreement to resolve the State’s complaint. Under consent order, DBI agreed to pay \$650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

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

#### **ITEM 4: BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

#### **ITEM 5: INITIAL FEES**

##### **Initial Franchise Fee**

If you purchase a new Clean Franchise, you must pay us an initial franchise fee equal to \$32,500 (the “**Initial Franchise Fee**”) upon execution of the Franchise Agreement. If you are renewing or purchasing an existing franchise, you will not pay an Initial Franchise Fee. The Initial Franchise Fees are considered fully earned and non-refundable upon execution of the Franchise Agreement, except that if we are unable, in our sole discretion, to accept the Franchise Agreement, your money will be refunded.

We may offer incentives of cash, equipment, materials, supplies or related items which will in effect lower the Initial Franchise Fee or investment to prospective franchisees. The availability of each incentive may be subject to a time limit. We reserve the right to offer, change or cancel an incentive at any time. Also, for existing ServiceMaster® franchisees that buy one or more additional Clean Franchises, there may be a discount for training or other items received in connection with their previous purchase of a Clean Franchise.

You may be eligible for certain discounts to the Initial Franchise Fee. You may take advantage of only one of the other discounts described below:

- (1) A 5% Industry Experience Discount is available to any franchisee that has at least two years’ experience owning or being employed by any business offering the services franchised by us.
- (2) A 20% Military Discount is available to individuals honorably discharged from the United States Armed Forces who have full operational control of the business and are otherwise eligible to purchase the Clean Franchise.

(3) A 10% Minority-Owned Business Discount is available to a business which is at least 51% owned by an individual (or individuals) who is (or are) African American, Hispanic, Native American, Asian or other similar minority race designation, who have full operational control of the business, and who are otherwise eligible to purchase the Clean Franchise.

(4) A 10% Woman-Owned Business Discount is available to a business which is at least 51% owned by a woman (or women) who have full operational control of the business and who are otherwise eligible to purchase the Clean Franchise.

(5) A 15% Affiliate Discount is available to any existing ServiceMaster® franchisee, owners of franchises granted by our affiliates, and to any employee of us or any of its affiliates. This discount is not available to current employees of ServiceMaster® franchisees, unless they are referred to us by their employing franchisee. We will pay the employing franchisee a \$5,000 referral fee for a Clean Franchise sold to each employee they refer to us.

(6) A 15% Conversion Franchise Discount is available to Conversion Franchises.

During 2022, we collected one Initial Franchise Fee, which was equal to \$26,933.

**Online Marketing Fund Deposit**

In addition to the Initial Franchise Fee, if you are opening a new Cleaning Services Franchise, you must pay us in a lump sum an online marketing fund deposit of \$4,750 upon signing the Franchise Agreement (the “**Online Marketing Fund Deposit**”), which we will pay to a vendor to generate leads in your Territory through online marketing. Any portion of these monies not utilized during your first year of operation may be, at our sole discretion, applied to offset your accounts with us or our affiliates. If you are an existing franchisee or a transferee, you will not be required to pay the Online Marketing Fund Deposit.

**All Fees**

Except as disclosed above, you are not required to pay any other fees or payments to us or our affiliates for services or goods before your Clean Franchise begins operating. The initial fees are not refundable. We do not offer direct or indirect financing to franchisees for any of these fees.

**ITEM 6: OTHER FEES**

Unless otherwise noted for specific SM Licenses, the following fees apply to all Clean Franchises.

<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalties	CLEANING SERVICES FRANCHISES: The greater of \$250 or a percentage of monthly Gross Service Sales on a graduated scale declining from 7% to 4% depending on your monthly Gross Service Sales. See Note 4.  ALL, EXCEPT CLEANING SERVICES FRANCHISES: The greater of \$250 or 10% of monthly Gross Service Sales	Monthly, currently by the 20 <sup>th</sup>	See Note 2 for the definition of “ <b>Gross Service Sales.</b> ” The minimum royalty does not apply for the first four calendar months of the term for new Clean Franchises. See Note 3 regarding Royalties, generally. See Note 5 for the Royalties for Conversion Franchises. If a Distributor is located in your Territory, they will receive a portion of the Royalties from us.
Advertising Fund Contribution	CLEANING SERVICES AND SMALL BUSINESS FRANCHISES: The greater of \$20 or 0.5% of monthly Gross	Monthly, currently by the 20 <sup>th</sup>	See Note 2 for the definition of “ <b>Gross Service Sales.</b> ” The National Advertising Fund Contribution (the “ <b>Ad Fund Contribution</b> ”) is



Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
	Services Sales  SMALL MARKET, FLOOR CARE, AND COMMERCIAL FRANCHISES: The greater of \$20 or 1.0% of monthly Gross Services Sales		contributed to the National Advertising Fund (the “Ad Fund”) applicable to your Clean Franchise. The Ad Fund Contribution counts towards your Local Advertising Commitment, as described in Item 11.
Delinquent Report Fee	\$50 per delinquent report	The day after the report is due	Payable if you fail to timely submit any required reports.
Interest on Overdue Payments	1.5% per month or the maximum permitted by law, whichever is less	When overdue amount is paid	Payable on, and in addition to, any overdue amounts from the date that the payment was originally due.
Transfer Fee	\$7,000, except (i) \$3,500 if the transfer is to an owner’s adult child who is at least 18 years of age or to a qualified manager of the franchise (as specified in the Operations Manual), (ii) no fee if the transfer is to a spouse of an existing owner, and (iii) \$500 if the transfer is to an existing owner of the franchise	At closing of the transfer	Payable by you or the buyer when you transfer 50% or more ownership of the Franchise Agreement or the ServiceMaster Franchise to one or more owners. Transferees must also pay the cost of Initial Training and must purchase their own laptop and software.
Initial Training for Additional Persons and Transferees	\$3,850 per person for a 2-week program	Due at closing for transfers; due before training for all other trainees	Payable for additional trainees, subsequent trainees, or transferees. Price includes training and some meals. The Initial Training fee for one person to attend the Initial Training for a new Clean Franchise is included in the Initial Franchise Fee. See Note 5.
Certification Fees	Currently, \$1,500 – \$2,500 per person per License	As incurred	Payable to us or third parties for certifications we may require you to obtain to participate in optional programs (such as servicing National Accounts, providing cleaning to specialized industries (such as IT and healthcare), and offering certain sales programs), as specified in the Operations Manual. Currently, such certifications must be renewed and you must pay the then-current fee every two years. In addition, we require Clean Franchises to obtain Cleaning Industry Management Standard (CIMS) certification after reaching certain sales levels.
Ongoing Training Programs	The then-current registration fees, which are currently from \$50 to \$300 for regional meetings; other training shall be specified from time to time.	Due upon registration	Payable if you attend our Spring and Fall Regional Meetings and other training programs that we require or offer. You are responsible for all travel, hotel costs, and some meal costs that you or your trainees incur while attending training. See Item 11.
Customer Acquisition Fee	Currently, \$12.50 per customer lead that we generate and a one-time charge of 1% to 2% of such customer’s initial bill.	As incurred	Payable if you choose to receive additional sales support from us. We may, in our sole discretion, offer additional sales support to assist you in generating and acquiring customers. We may modify this fee and the support that we provide from time to time.
Convention Attendance Fee	The then-current fees, which are currently up to \$1,000 per Clean Franchise per year	Due upon registration	Payable for you to attend our annual convention. We may increase the fees from time to time. You are responsible for all travel, hotel costs, and some meal costs that you or your trainees incur while attending any conventions.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Renewal Fee	The then-current fee. Currently, \$2,000 per Franchise Agreement.	When Franchise Agreement is renewed	Payable for you to enter into a renewal term for each Franchise Agreement.
Lead Fee	\$10,000	At closing of the transfer	Payable if we refer a qualified lead to an existing franchise owner and such lead purchases the franchise owner's interest within 18 months of our referral of such lead. See Note 6.
Change Fee	The then-current fee. Currently, \$500 per change per Franchise Agreement.	As incurred	<p>Payable if adding, deleting, or changing an owner's name (other than an owner's spouse); reallocating ownership interests between existing owners; changing business entity name; changing DBA (doing business as) name; or changing form of entity. No charge to change DBA name or form of entity during first year of initial term.</p> <p>If any changes are being made in conjunction with a transfer of 50% or more ownership of the Clean Franchise, the Transfer Fee shall apply, instead of the Change Fee. For non-controlling transfers, the Change Fee shall apply per person, per transfer, and per Franchise Agreement.</p>
Audit	Cost of audit	Upon demand	Payable only if an audit shows an understatement of at least 5% of Gross Service Sales for any given month. Also, must pay the Interest Fee on the overdue amount.
Insurance Coverage Fee	Our actual costs and expenses	As incurred	If you fail to obtain or maintain the required insurance coverage, we may procure insurance coverage on your behalf and charge you our actual costs and expenses.
Customer Complaint Management Fee	Our actual costs and expenses	As incurred	If you, in our sole discretion, fail to manage a customer complaint, we may manage or settle the dispute on your behalf and charge you our actual costs and expenses.
Inspection Fee	Our actual costs and expenses	Upon demand	Payable if we conduct a follow-up inspection to confirm that you have corrected any deficiencies identified in another inspection
Non-approved Product or Equipment Evaluation Testing Fees	\$500 per cleaning product and \$1,000 per equipment product	At time of submission of request	Payable if you request our approval of a non-approved product or equipment item that you want to use in your Clean Franchise. You also must pay for shipping and handling charges to ship the products to us and back to you. See Item 8 for a description of the approval process.
Technology Fee	The then-current fee. Currently, \$275 per month (\$360 per month after 1/1/25) if annual Gross Service Sales are \$750,000 or less; \$430 per month if annual Gross Service Sales are \$750,001 to \$2,000,000; \$545 per month if annual Gross Service Sales are \$2,000,001 to \$7,000,000; and \$750 per month if annual Gross Service Sales are over \$7,000,000.	Monthly, currently by the 20 <sup>th</sup>	We may charge a Technology Fee for various technology-related products and services that we develop or obtain for you, which we shall specify in the Operations Manual. Currently, the Technology Fee offsets some of the costs of the management software that we have designated (the " <b>Management Software</b> "). We may change the related products and services and the fee and method for calculating the fee from time to time. The applicable monthly fee due during each year will be determined by your Gross Service Sales in the prior calendar year. If you have not operated for a full calendar year, the applicable monthly fee due will change as you cross each sales threshold during your first year of operation

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
			and will be determined in your second year of operation (until you have completed one full calendar year of operation) by your total Gross Service Sales in your first 12 months of operation.
Local Marketing Support and Resource Fee	The then-current fee, which is currently \$250 per month per office location.	Monthly, currently by the 20 <sup>th</sup>	Payable to us or third-party vendors, for social media, digital media, and the maintenance, protection and operation of our then-current marketing and business intelligence platform(s) and website(s). We may change the related products and services and the fee from time to time.
Indemnification	Varies by nature of claims	On demand	You must indemnify us and our affiliates in connection with your operation of the Clean Franchise.
Attorneys' Fees	Our cost	On invoice	You must pay us any attorneys' fees we incur related to you, your Owners, or your Clean Franchise (other than those we incur in response to your efforts to enforce the Franchise Agreement or in the defense of any claim we assert against you on which you substantially prevail in court or other formal legal proceedings). 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.
Liquidated Damages	The average monthly amount of Royalties and Ad Fund Contributions that you owed us during the past 12 months times the lesser of remainder of term of Franchise Agreement or 24 months.	Within 7 days of termination of your Franchise Agreement	Payable if we terminate the Franchise Agreement due to your default (or if you purport to terminate the Franchise Agreement). If less than 12 months have passed since opening and termination, the amount will be the average monthly Royalties and Ad Fund Contributions during the time between opening and termination, times the lesser of the remainder of term of the Franchise Agreement or 24 months.
Appraiser's Fee	50% of appraiser's fee for the first appraiser; 100% of appraiser's fee for the second and third appraiser	On invoice	You must pay this fee only if we elect to purchase your assets on termination or expiration of the Franchise Agreement, and we cannot agree with you on the purchase price.

Notes to Item 6

1. All fees are imposed by and are payable to us. None of these fees or payments are refundable. Unless we agree otherwise in writing, you must participate in an electronic funds transfer program under which monthly fees, such as Royalties, Ad Fund Contributions, and Technology Fees (“**Monthly Fees**”) will be deducted by auto draft or paid electronically from your bank account (the “**Account**”) on the day of the month we specify in the Operations Manual (currently, the 20<sup>th</sup> of each month) based on the Gross Services Sales reported to us (which reports are currently due by the 10<sup>th</sup> of each month). We may permit you to initiate payments via a system that we establish or approve or, at our option, require you to authorize us to initiate debit and/or credit entries and/or credit correction entries to your bank account for payment of Monthly Fees, and products and other items purchased

through us or our affiliates on forms that we prescribe. If you have not reported Gross Service Sales to us for any reporting period, we may debit the Account in an amount equal to the greater of the non-reported payment (if we can reasonably estimate or determine the owed amount) 120% of the last reported Royalties. If at any time we determine that you have under-reported the Gross Service Sales or underpaid Monthly Fees, we may initiate immediately a debit to the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after we and you determine that such credit is due. We may apply payments we receive to any of your past due indebtedness, in our sole discretion, regardless of how you designate a particular payment to be applied. In addition, we may offset any amount otherwise due to you against any amount owed to us. Finally, we may retain any amounts received for your or your affiliates' account (such as rebates from suppliers, national account or program work payments, or other payments) as payment against any amounts owed to us. We can exercise any of the foregoing rights in connection with amounts owed to or from us or our affiliates.

2. **“Gross Service Sales”** means **(X)** all charges and/or revenues which are billed, received, or earned by you, your affiliates, your owners, any related parties (including your officers and family members), and/or your subcontractors:
- A. by, at, or in connection with the Clean Franchise or the use of any of the Marks;
  - B. relating to the kinds of goods or services available now or in the future through the Clean Franchise and/or distributed in association with the Marks or the licensed system of operations;
  - C. relating to the operation of any similar businesses (that offers, is otherwise involved in, or deals with goods and services similar to those offered by Clean Franchises);
  - D. with respect to any co-branding activities (including goods or services provided under, or in conjunction with, a mark other than the Marks); and/or
  - E. with respect to any other revenues of any kind received from third parties related to the operation of the Clean Franchise, including any revenue received from us or our affiliates (such as revenue we or our affiliates collect directly from customers that is related to work performed by you) or from vendors (such as rebates or referral fees); **less**

**(Y)** any approved adjustments that may be deducted in accordance with the royalty remittance policy in the Operations Manual, as such policy may be revised from time to time. Unless otherwise specified in the Operations Manual or by us in writing, Gross Service Sales includes all revenue at the time billed and must be reported monthly on an accrual basis in the month the work was billed to the customer, regardless of when and if such revenue is collected by you. Unless otherwise specified in the Operations Manual, any expenses related to goods or services provided to you or customers by any parties related to you (acting as a subcontractor, vendor, or otherwise) are not deductible as adjustments from Gross Service Sales.

3. Royalties are generally understood to be the fees the franchisee pays to use something that someone else created (i.e. the franchise business idea and trademarks and branding). Franchisees use our ideas, trademarks and branding to create sales, and a percentage of the Gross Service Sales is paid to us as a royalty fee in exchange for permission to use our proprietary trademarks and processes.
4. For a Cleaning Services Franchise, Royalties shall be determined as follows: (i) if Gross Service Sales are between \$1 to \$10,500 in a given month, the Royalties shall be 7% of Gross Service Sales in such month; (ii) if Gross Service Sales are between \$10,501 to \$25,500 in a given month, the Royalties shall be \$735 plus 6% of Gross Service Sales over \$10,500 in such month; (iii) if Gross Service Sales are between \$25,501 to \$85,000 in a given month, the Royalties shall be \$1,635 plus 5% of Gross Service Sales over \$25,500 in such month; and (iv) if Gross Service Sales are over \$85,000 in a given month, the Royalties shall be \$4,610 plus 4% of Gross Service Sales over \$85,000 in such month. These amounts increase annually each April 1 in accordance with the Consumer Price Index or 3%, whichever is greater

For a Cleaning Services Franchise, certain special royalty percentages apply in the following situations: (a) for services that are not rendered on a recurring basis (such as services provided to a prospective customer), the Royalties shall be 10% of Gross Service Sales from such services; (b) for recurring services where carpet cleaning makes up more than 20% of the total revenue, the Royalties shall be 10% of Gross Service Sales from such carpet cleaning services.

5. For a Conversion Franchise, the Royalties will not initially be owed on total Gross Service Sales. We will take into account the level of existing sales for the Conversion Franchise before joining the System and we will, in our sole discretion, phase in the Royalties on an increasing percentage of total Gross Service Sales. For your existing accounts, you will pay the same mutually agreed upon Royalties for so long as you keep the existing account at the same location.
6. A qualified lead is defined as someone who has passed our screening process, our background check, credit check, and at a minimum a phone interview of the prospective franchisee. We are not responsible for locating leads and do not represent that we will do so. The Lead Fee also covers our advertising and marketing costs and administrative costs of such information sharing and gathering. The Lead Fee is not a Transfer Fee.

## ITEM 7: ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount of Expenditure (Note 1)		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee (Note 2)	\$32,500	\$32,500	Lump sum	Upon signing Franchise Agreement	Us
Equipment (Note 3)	\$10,000	\$20,000	As incurred	Before opening	Vendors
Vehicles (Note 4)	\$3,975	\$5,500	As incurred	Before opening	Vendors
Travel and Other Expenses while at Initial Training (Note 5)	\$1,200	\$3,000	As incurred	Before opening	Vendors
Insurance (Note 6)	\$3,750	\$6,500	As arranged	Before opening	Insurance provider(s)
Local Advertising (Note 7)	\$500	\$1,500	As arranged	As incurred	Vendors
Online Marketing Fund Deposit (Note 8)	\$4,750	\$4,750	Lump sum	Upon signing Franchise Agreement	Us
Miscellaneous Opening and Real Estate Expenses (Note 9)	\$1,000	\$4,200	As incurred	As incurred	Vendors
Professional Fees (Note 10)	\$5,000	\$15,000	As incurred	As incurred	Lawyer and CPA
Additional Funds – first 3 months (Note 11)	\$25,000	\$32,250	As incurred	As incurred	Employees, Us, Suppliers, Utilities, and Government Agencies
<b>Total (Note 12)</b>	<b>\$87,675</b>	<b>\$125,200</b>			

### NOTES TO ITEM 7 TABLE:

1. **General Item 7 Notes.** Except as otherwise noted, each of the fees in the chart and notes below relate to all Clean Franchises. None of these fees or payments are refundable unless otherwise noted below. We and our affiliates do not offer financing for these expenses.
2. **Initial Franchise Fee.** The Initial Franchise Fee is refundable only if we, in our sole discretion, do not accept the Franchise Agreement. The Initial Franchise Fee may vary depending upon whether you are eligible for any of the discounts listed in Item 5 or if you are a Conversion Franchise. The Initial Franchise Fee includes the Initial Training for one person and the initial setup of some of the required hardware and software.
3. **Opening Package or Equipment.** You are not required to purchase an Opening Package, but we offer various optional equipment packages as described in the Operations Manual, which vary based on your SM License.
4. **Vehicles.** You may purchase or lease used or new vehicles for use in your Clean Franchise. All vehicles that you use must be mechanically sound, in good repair, clean and neat in appearance without any dents or rust, and in compliance with your state's safety requirements. All vehicles used in this Clean Franchise must display the applicable ServiceMaster® colors and decals according to our guidelines contained in the Operations Manual. We do not mandate a specific vehicle or type of vehicle, but the vehicle you choose must accommodate the equipment necessary to operate your Clean Franchise. The amount listed is the estimated down payment, plus payments during first 90 days, and does not include applicable taxes, titling and licensing. The estimate also includes the cost of purchasing and installing our vehicle graphics.
5. **Travel and Living Expense During Training.** This estimate is the cost for one person to attend Initial Training for Clean Franchises. Initial Training will be held in Atlanta, Georgia, Memphis Tennessee, or any other location designated by us. The cost of the training, as well as some meals, are included in the Initial Franchise Fee, but you must pay an additional per person fee if you would like additional trainees to attend. You are responsible for the travel and living expenses, wages, and other expenses incurred by your trainees during the program, which is reflected in the estimate. Your actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices. In certain periods of time, we may require you to attend our Initial Training remotely online via ServiceMaster Learn. In such periods, you will not incur travel expenses.
6. **Insurance.** You must obtain the types and amounts of insurance that we specify from time to time. The current minimum requirements are specified in Item 8.
7. **Local Advertising.** Your advertising costs will likely include such items as promotional materials and advertisements used to generate sales before opening. This estimate does not include Ad Fund Contributions, which will vary based on your Gross Service Sales.
8. **Online Marketing Fund Deposit.** This amount will be collected from you and paid by us to vendors to be used to attempt to generate leads in your Territory through online marketing. If you are an existing franchisee purchasing another territory or a transferee, you will not pay this fee. See Item 5.
9. **Miscellaneous Opening and Real Estate Expenses.** You will incur various miscellaneous costs to open your business. These costs include your business license, security deposits, utility deposits, and registration fees for your entity. While we do not require you to rent office space outside of your home, we have included in the estimate the cost of security and utility deposits for a small office.
10. **Professional Fees.** You may incur costs in seeking legal and accounting advice to assist you with

the formation of your entity, your lease negotiation, your review of this Disclosure Document and related agreements, the development of your business plan, and your employee or independent contractor hiring practices.

11. **Additional Funds – First 3 Months.** This estimates the additional funds you may need to cover additional expenses you will incur before your Clean Franchise opens and in its first three months of operation. These expenses may include, without limitation, employee salaries, wages, benefits, employee uniforms, payroll taxes, various licenses, telephone/Internet and utility bills, ongoing vehicle payments, taxes and licensing of vehicles, bank charges, taxes, additional advertising expenses, three months of Technology Fees, miscellaneous supplies and equipment, and other miscellaneous items. You may incur other categories of expenses or expenses in excess of this estimate. We have based these figures on our and our Predecessor's experience franchising ServiceMaster Franchises.
12. **Total Initial Investment.** These figures are estimates based on our and our Predecessor's many years of experience franchising ServiceMaster Franchises. Your actual investment and expenditures and initial cash outlay may vary from the amounts shown depending on the choices you make, your local market, and the size of your Territory and its geographical and topographical make-up. If you choose to purchase additional equipment, products, supplies, and vehicles, your expenses may be higher.

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

You must purchase your ongoing supplies, including cleaning solutions and compounds from us, our affiliates, or an approved vendor. We have approved vendors for specialty promotional items, equipment, vehicle graphics, insurance, and uniforms as well as stationery items. You must purchase your equipment and other specialty items from us, our affiliates, or an approved vendor.

You may, but are not required to, purchase an opening package of equipment and supplies from us or our affiliates or in accordance with our specifications. In addition, the Operations Manual lists other specifications, including standards for customer satisfaction and performance that require you to render services that meet or exceed any given customer's reasonable expectations for such services. Our specifications, which are subject to change from time to time, are general in nature and are designed to assure that you meet our goal of total customer satisfaction.

If there are non-approved products or equipment in a Conversion Franchise or a transferred franchise Clean Franchise, the products should be discontinued immediately and the equipment depleted and replaced through attrition with approved equipment.

We or our affiliates are approved vendors for ongoing supplies, including cleaning solutions and compounds and equipment for all Core Services. We may add to, delete, or otherwise modify the Core Services from time to time in the Operations Manual.

**Vehicles.** You are required to lease or purchase a van or pick-up truck for the operation of your Clean Franchise, to transport equipment, cleaning solutions, products, and employees. We do not mandate a specific vehicle or type of vehicle. We do require that the vehicle you choose must accommodate the equipment of your business type, that the vehicle passes or meets your state's safety requirements, and that the vehicle is clean, neat in appearance without any dents or rust, and displays the ServiceMaster® Clean colors and decals in accordance with the Operations Manual.

**Insurance.** You must acquire by the deadline that we specify and maintain the insurance coverage in the amounts, covering the risks, and containing only the exceptions and exclusions that we specify from time to time in the Operations Manual or otherwise in writing. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we may specify from time to time). All

coverage must be on an “occurrence” basis, except for the employment practices liability insurance coverage, which is on a “claims made” basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. We may periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

All such liability insurance policies shall name us and our affiliates as additional insureds and shall provide that we receive 30 days’ prior written notice of termination, expiration, or cancellation of any such policy. You must submit to us annually a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy. If you at any time fail or refuse to maintain in effect any insurance coverage required by us or to provide evidence of such insurance, we may, at our option, obtain such insurance coverage on your behalf, and you must reimburse us for any costs and premiums incurred by us and charges imposed by us for obtaining such insurance.

Currently, we require the following coverage:

- (1) Commercial General Liability with limits of \$1,000,000 per occurrence, \$1,000,000 personal and advertising injury, and \$2,000,000 aggregate. Coverage must provide for waiver of subrogation in favor of us and must not have exclusions for workmanship or work performed by subs.
- (2) Business Automobile Liability with \$1,000,000 in coverage for owned, hired, and non-owned vehicles or coverage for any auto.
- (3) Umbrella Liability with a \$1,000,000 limit for \$0 to \$3 million in Gross Service Sales and a \$2,000,000 limit for \$3 million or more in Gross Services Sales. Gross Services Sales is aggregated for all franchises in your ServiceMaster® enterprise.
- (4) Workers’ Compensation and Other State-Required Insurance with a \$500,000 minimum for employer’s liability. You must have stop gap coverage required if you or your employees are in OH, ND, WA, and WY and must provide for waiver of subrogation in favor of us and our affiliates. You also must acquire any other coverage required by your state.

In addition to the above requirements, we strongly recommend that you obtain the following insurance coverage:

- (1) Care, Custody and Control Insurance to insure damage to customer property caused directly by your work with a \$150,000 minimum as needed based on the value of contents held.
- (2) Property Insurance with limits as needed for property coverage for building, contents and equipment breakdown; business income; equipment that leaves premise; property of others; business income/dependent properties, warehouse legal liability; electronic data processing/computer coverage; flood/earthquake; lost key/replacement lock coverage (\$10,000 limit); utility interruption; and property coverage enhancement.
- (3) Umbrella Coverage (in addition to the required coverage listed above) with a \$5,000,000 limit for \$5 million to \$10 million in revenue and an additional \$1,000,000 in coverage for each additional \$5 million in revenue.
- (4) Crime Policy with a recommended \$25,000 limit. You must obtain coverage for theft of client’s property. You may have mysterious disappearance coverage in lieu of theft of client property coverage.
- (5) Employment Practices Liability Insurance with third party and wage and hour coverage. We recommend coverage for a stand-alone EPLI policy ranging from \$250,000 to \$1,000,000 depending on the number of employees that you have.
- (6) Sexual Abuse and Molestation Coverage with a \$1,000,000 per occurrence limit.
- (7) Cybersecurity/Privacy Policy with a \$250,000 limit for \$0 to \$5 million in revenue; \$500,000 limit for \$5 million to \$10 million in revenue; and \$1,000,000 limit for more than \$10 million in revenue.

**Officer Interests.** Our officers own indirect ownership interests in us, and we are an approved supplier. Other



than these interests, our officers do not have any ownership in any approved suppliers.

**Approval Process.** If we do not have a product or equipment in a specialty area of service for you to purchase from us, our affiliates, or our approved vendors, the item must be submitted us for approval prior to your using it. Or, if a customer requires use of a specific product, you must contact us with documentation and information detailing the customer's requirement prior to your performing the service.

You must submit to us for approval any cleaning products, equipment and supplies not provided by us or that we have not previously approved. You may request approval by letter for any item you would like us to consider. You must submit to us a representative sample sufficient for end-use evaluation, together with the manufacturer's product identification and specifications and other information that we reasonably require. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), any adverse economic impact on us, our affiliates, or the franchise network, and/or other criteria. We will notify you within a reasonable time whether we approve such products, supplier, and/or distributor. You must pay us \$500 to test each cleaning product and \$1,000 to test each equipment product that you propose to use. We may periodically re-inspect the products and services of any approved or designated supplier or distributor, and we may revoke our approval of any supplier, distributor, product or service that does not continue to meet our criteria.

An approved supplier's products are evaluated on safety of ingredients, environmental stewardship performance, and damage to substrate. If product is superior or equivalent to comparable ServiceMaster® product in all of these areas, approval allowing franchise owner to use the product in their business only will be granted. Re-approval is required every two years. An approved supplier's equipment will be evaluated on brand identity, safety certifications, performance, durability and maintenance. If submitted equipment is superior or equivalent to comparable ServiceMaster® equipment in all of these areas, approval allowing franchise owner to use the equipment in their business only will be granted. After testing, equipment will be shipped back to you at your cost. Evaluation ranges from 20 days to 150 days. Once evaluation is completed, a letter of approval or disapproval will be sent to you.

**Revenue Earned from Purchases.** We and our affiliates are entitled to receive and retain any and all allowances, commissions, and rebates paid to us or our affiliates by manufacturers, suppliers, and distributors of products and services to the System and franchisees, including all payments made in connection with products and services purchased by System franchisees. We and our affiliates may use all such amounts without restriction for any purposes that we or they deem appropriate.

Currently, some approved vendors provide our affiliates with revenue based on sales made to you. This revenue ranges from 1% to 8% of the total revenue they receive from sales to you. We do not provide any special benefit or incentive to you for your purchases from these vendors.

In the year ending on December 31, 2022, SM Systems derived \$3,217,952 in revenue from its direct sale and its vendors' sales of supplies to Clean Franchises, including cleaning solutions and compounds, equipment and specialty items. This revenue figure has been sourced from SM Systems' unaudited financial statements.

In the year ending on December 31, 2022, we did not receive any revenue from the required purchases of goods or services by our franchisees.

**Percentage Subject to Specifications.** Your purchase of supplies in accordance with our specifications will represent 3% to 4% (depending on the type of ServiceMaster Franchise you buy) of your total purchases to establish and operate your Clean Franchise. Your purchases of equipment in accordance with our specifications represent 10% to 15% (depending on the type of ServiceMaster Franchise you buy) of your total purchases in connection with the establishment of your Clean Franchise.

**Purchasing or Distribution Cooperatives.** As of December 31, 2022, we did not have any purchasing or distribution cooperatives.

**Purchase Arrangements.** We have negotiated special franchise pricing with some vendors. For some purchases, we and you may receive volume discounts in the form of manufacturer and wholesaler rebates, based on the total purchases by the ServiceMaster® system.

**Material Benefits or Incentives.** We do not provide any material benefits or incentives to you for your purchases of certain products or services or your use of certain suppliers.

## ITEM 9: FRANCHISEE’S OBLIGATIONS

### FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1.1 and Exhibit A	Item 11
b. Pre-opening purchases/leases	6.2	Items 7 and 8
c. Site development and other pre-opening requirements	3.1, 5.1, and Exhibit A	Items 7 and 11
d. Initial and ongoing training	5.1, 5.13, and Exhibit A	Item 11
e. Opening	N/A	Item 11
f. Fees	2.2.2.8, 3.5, 4, 5.1, 5.3, 6.2, 11.3, 12.2.4.9, 14.12, 24.10, and Exhibit A	Items 5 and 6
g. Compliance with standards and policies/operating manual	5 and 7	Item 11
h. Trademarks and proprietary information	6.1 and 8	Items 13 and 14
i. Restrictions on products/services offered	1.2, 5.2, and 5.3 and Exhibit A	Items 8, 9 and 16
j. Warranty and customer service requirements	5.2 and 5.4	Item 11
k. Territorial development and sales quotas	5.2.10 and 5.17	Item 12
l. Ongoing product/service purchases	5.2 and 5.3	Item 8
m. Maintenance, appearance and remodeling requirements	5.4	Item 11
n. Insurance	11	Items 6 and 7
o. Advertising	10	Items 6, 7 and 11
p. Indemnification	17.3	N/A
q. Owner’s participation/management/staffing	15.1	Item 15
r. Records and reports	9	Item 6
s. Inspections and audits	3.5 and 9.6	Items 6 and 11
t. Transfer	12	Item 17
u. Renewal	2.2	Item 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
v. Post-termination obligations	14	Item 17
w. Non-competition covenants	15	Item 17
x. Dispute resolution	24	N/A
y. Personal Guaranty	5.5.1 and Personal Guaranty Attachment	Item 15

## **ITEM 10: FINANCING**

We and our affiliates do not offer direct or indirect financing arrangements for any purpose in establishing or operating your Clean Franchise. We and our affiliates do not guarantee your promissory note, lease, or any other obligation you may make to others.

We have relationships with certain banks and third-party lenders in different regions and may be able to refer you to a preferred source of financing for Initial Franchise Fees and franchise growth initiatives, but we do not have any arrangements with such lenders and do not receive any benefits from such lenders if you obtain financing from them.

We participate in the SBA's Franchise Directory. We may modify the Franchise Agreement, if necessary, to comply with SBA requirements for you to participate in certain SBA loan programs.

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

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

As noted in Item 1, we have entered into a management agreement with SM Manager for the provision of support and services to Clean Franchises. SM Manager may provide the training, support, marketing, and other services described in this Item 11 to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement. Though we may delegate any of our rights or responsibilities to SM Manager, we remain ultimately responsible for all of the support and services required under the Franchise Agreement.

Before you open your business, we will:

1. Designate your non-exclusive Territory. (Franchise Agreement – Section 1.1 and Exhibit A);
2. Approve your office locations. Beginning in January 2023, you must maintain as many office locations within the Territory as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by us from time to time). We may modify this policy from time to time in the Operations Manual. We will not participate in site selection, other than reviewing your proposed office locations to ensure compliance with our policies. We do not review your construction, remodeling or decorating plans and will not lease any premises to you. (Franchise Agreement – Section 1.1 and Exhibit A);
3. Provide to you, at your expense, certain approved materials, supplies, equipment, products, forms, etc. once you are ready to commence business (Franchise Agreement – Section 3.6);
4. Within six months of the Franchise Agreement, provide you with Initial Training preparation materials and train you at the Initial Training (Franchise Agreement – Section 3.1). Training

support will be provided to you in English; and

5. If this is the purchase of a new Clean Franchise or a Conversion Franchise, provide you a laptop computer with the Management Software and any other required software that we designate (Franchise Agreement – Section 3.4). If you choose to purchase software that we recommend or require in the future, we will provide reasonable assistance in installation of the software. This is not applicable to an existing ServiceMaster® franchisee purchasing another type of Clean Franchise or additional territory.

During the operation of the Clean Franchise, we will:

1. Continue to provide advisory assistance in English in the operation of the Clean Franchise (Franchise Agreement – Section 3.2);
2. Give you access to our intranet site known as ServiceConnection to access the Operations Manual which contains both mandatory and suggested specifications, standards, and procedures. Access to ServiceConnection is password-protected and must be limited to franchisees and their key employees only. We will modify ServiceConnection and the Operations Manual, and you will be required to conduct the Clean Franchise in accordance with any modifications. The Operations Manual Table of Contents is listed in Exhibit G to this Disclosure Document. This manual contains a total of 97 pages. (Franchise Agreement – Section 3.4);
3. Through your Distributor or ServiceMaster Business Development Consultant, provide instructions regarding improvements and developments for your business, pricing, administrative, bookkeeping, accounting, inventory control procedures and operating problems. (Franchise Agreement Sections 3.2 and 3.3); and
4. If you are participating in the National Accounts Program:
  - a. distribute leads, in our sole discretion, to participating Clean Franchises; there is no guarantee that you will receive any leads under these programs; and
  - b. make payments to you, upon receipt of payment for services from participating insurers or program participants in accordance with program guidelines.

### Advertising and Promotion

Our Advertising. We or our designee will from time to time formulate, develop, produce and conduct marketing and promotional programs in the form and media as we or our designee determines to be most effective. ServiceMaster® services may, from time to time, be advertised nationally, regionally, and locally on various media, including television, radio, magazine, digital and social media, and newspaper advertising campaigns. Our in-house marketing department produces advertising literature, brochures, etc. for your use; however, we may, from time to time, employ an outside agency to produce our national, regional and local advertising. We are not obligated to spend any amount on advertising in your market or Territory.

National Ad Fund. We have established the Ad Fund for Clean Franchises. You must contribute into the Ad Fund on a monthly basis the Ad Fund Contribution, which is the greater of 0.5% of your monthly Gross Service Sales or \$20 per month for Cleaning Services and Small Business Franchises and the greater of 1.0% of your monthly Gross Service Sales or \$20 per month for Small Market, Floor Care, and Commercial Franchises.

The Ad Fund may be used to meet any and all costs of maintaining, administering, directing and preparing advertising and promoting the programs, products and services offered by Clean Franchises including, without limitation, the cost of (i) preparing and conducting digital and social marketing activities, television, radio, magazine and newspaper advertising campaigns and other sales, marketing, sponsorships, promotional and public relations activities; (ii) producing and maintaining marketing systems and tools; (iii)

employing advertising agencies; (iv) employee salaries, salesperson commissions and other related costs and expenses; (v) the costs relating to any toll-free number maintained by us and used in advertising and marketing campaigns; (vi) providing promotional brochures and other marketing materials to franchisees; (vii) monitoring and/or managing social media relating to the brand; and (viii) such other costs and expenses as we, in our sole discretion, deem appropriate and in the best interests of all or any of our franchisees. All sums paid by franchisees to the Ad Fund shall be maintained in one of our accounts and tracked on a separate profit and loss statement. The Ad Fund shall not be used to defray any of our general operating expenses, except for such reasonable administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the Ad Fund and advertising programs including, without limitation, conducting market research, preparing marketing, promotional and advertising materials, and collecting and accounting for assessments for the Ad Fund.

In 2022, the Ad Fund was allocated towards the Ad Fund was allocated towards digital advertising (68.3%); non-digital advertising (1.6%); creative development (13.1%); cooperative advertising (6.3%); and administrative costs (10.6%).

We have established the National Advertising Council (the “NAC”), which provides guidance, counsel and communication as it relates to the creation and administration of advertising programs funded through the Ad Fund. The NAC serves in advisory role, as these advertising programs are subject to our final approval. The NAC is comprised of franchisees that we select. We may change or dissolve the NAC in our sole discretion.

If all of the advertising contributions in the Ad Fund are not spent in the year they are accrued, the remaining accounts are carried over to the next year. We do not receive payment for providing goods to the Ad Fund but may be reimbursed for the services of certain employees who provide services exclusively benefiting the Ad Fund and its goals. We are not required to spend any Ad Fund amounts on advertising in your Territory. None of the Ad Fund is used for the solicitation for the sale of Clean Franchises. If we operate any company-owned businesses, they will also contribute to the Ad Fund on the same basis as franchisees.

A financial review of the operation of the Ad Fund will be prepared annually by us. Upon your written reasonable request, a copy of the financial review will be sent to you. The National Franchise Council (“NFC”) may request an audit of the Ad Fund by an independent certified public accountant. The cost of such audit will be charged to the Ad Fund.

Online Marketing Fund. If you operate a new Cleaning Services Franchise, in your first year of operation, if you are a new franchisee, we will collect from you the Online Marketing Fund Deposit (which is \$3,000) that we will pay to a vendor to generate leads in your Territory through online marketing. We will assist you in using these funds during the first year of operation of your Cleaning Services Franchise, at times mutually agreed upon. Any portion of this fund not utilized during your first year of operation may be, at our sole discretion, applied to offset your accounts with us or our affiliates. If you are an existing franchisee or a transferee, you will not be required to pay the Online Marketing Fund Deposit.

Your Local Advertising. You are required to spend a minimum amount of your monthly Gross Service Sales on local advertising (the “**Local Advertising Commitment**”) in each month. The Local Advertising Commitment is (i) 1% of monthly Gross Service Sales for Cleaning Services and Small Business Franchises and (ii) 4% of monthly Gross Service Sales for Small Market, Floor Care, and Commercial Franchises. Your Ad Fund Contributions shall count towards meeting this obligation.

You must participate in all marketing and promotions as we determine to be appropriate for the benefit of the System. Local advertising, sales activity, and other marketing activities are subject to our approval and must be consistent with the then current sales and marketing guidelines (which will be updated from time to time, as we deem necessary). You must submit to us for approval samples of all advertising and promotional plans and materials that you desire to use. You must conduct all such local advertising in a dignified manner and must conform to our requirements as set forth in the Operations Manual or otherwise

in writing.

You are not required to participate in a local or regional advertising cooperative.

**Digital Marketing.** We will reference your Clean Franchise on the website we develop for the System (the “**Website**”) so long as you are in full compliance with the Franchise Agreement. You will subscribe to all current digital marketing programs from time to time as set out in the Manual and must pay any related fees. Unless we consent otherwise, you may not establish a separate website or social media account to advertise, market, or promote the Clean Franchise, conduct commerce, or directly or indirectly offer or sell any products or services in connection with the Clean Franchise. You may not use the Marks or any words or designations similar to the Marks in a domain name, search engine keyword, or metatag in connection with the Clean Franchise.

If we agree to allow you to establish a website or social media account, (i) we will have the right to review the substance and content of the website or account and may require you to modify your website or account, (ii) you will be required to comply with our website and social media policies as set forth in the Operations Manual, (iii) you will be required to obtain our approval before linking to any other websites, including our Website, and (iv) any content must be accurate and not misleading, not infringe third-party rights, not be offensive, and not cause harm or damage. We may, at any time, modify our policies with regard to domain names, social media accounts, and websites.

We will control all advertising and listings for you and our other franchisees in online directories, including, but not limited to, Google My Business, Yelp, and Facebook, in order to maintain proper search engine optimization practices. We may grant you editable rights in the content of such online advertising and listings upon your written request.

### **Computer Hardware and Software System Requirements**

If this is a new Clean Franchise or a Conversion Franchise, we will provide you with a laptop computer with required software installed. Otherwise, we have no obligation to provide or to assist you in obtaining any hardware or software. We will publish in the Operations Manual our minimum recommendations for any hardware necessary to operate the software that we specify. Currently, we recommend that you use a modern laptop using the Windows® operating system, a laser printer, a high-speed Internet service provider, and a high-speed wireless Internet service provider.

We have designated a specific Management Software that you must use in the operation of your Franchised Business. The Management Software currently includes customer relationship management, inventory management, work order management, payment processing, and operational management components. Currently, we provide the Management Software to you as part of the services provided through your payment of the Technology Fee. As described in Item 6, the Technology Fee will vary from \$275 to \$750 per month based on your annual Gross Service Sales, but we may increase the Technology Fee from time to time.

In the future, we may require you to acquire a replacement to the current Management Software and may require you to purchase the Management Software or its replacement directly from the software licensor at your expense. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute, and pay any fees associated with, any software license agreements that we or the licensor of the software require.

In addition, we require you to use the accounting application software prescribed by us for your Franchised Business and any other related entities, which we may change from time to time. The software we currently specify is owned and developed by a third party and allows you to invoice jobs, pay vendors, run payroll, do job costing, and prepare financial statements. We lease the software from an authorized hosting provider, which you are required to use. You must pay a monthly fee to the vendor for such software. As part of the

Initial Franchise Fee, we will provide you with access to an online e-learning tutorial on how to use the accounting software.

You must install and maintain a software connection to enable accurate and complete transmittal of accounting data from you to us at the times and in the manner specified by us. We must have independent access to the information generated and stored in your computer systems. You must update master file records to comply with changes to the accounting practices as prescribed by us. You must electronically transmit to us all data stored on your accounting application daily. The technical support for the software will be provided by the accounting application hosting vendor.

We have no obligation to upgrade your hardware. You have no contractual obligation to upgrade hardware components, but you should upgrade your individual systems if you wish to take full advantage of the speed and improvements of the software packages. Additionally, if you choose to run hardware that does not meet our minimum standards for running software that causes conflicts, we will not be able to provide you with support.

You are responsible for installing anti-virus software on all your Clean Franchise computers and mobile equipment and must enable firewalls on all internet modems accessed by the Clean Franchise computer and mobile equipment.

### **Opening**

If you are opening a new Cleaning Services Franchise, you typically will open your Clean Franchise 60 to 120 days after you sign the Franchise Agreement, or 30 days after you successfully complete the Initial Training. Factors that affect the length of this time period usually include obtaining a satisfactory office location, financing arrangements, completion of the Initial Training program, and hiring and training employees. Within six months after the purchase of your Clean Franchise, you or your manager must complete and attend the applicable training and complete all required Initial Training to our satisfaction.

If you have acquired your Clean Franchise through a transfer of an existing franchise business, your business is already open and operating by trained employees and, depending upon the agreement you have with the former owner, perhaps some assistance from the former owner.

If you are a Conversion Franchise, your business is already operating. However, you will need to complete training as soon as possible and no later than six months of the purchase of your Clean Franchise.

### **Initial Training**

Initial Training is a school of intensified training and is two weeks long (which may not be consecutive and may include evenings and weekends). The Initial Training is offered approximately five times per year and is held in Atlanta, Georgia, Memphis, Tennessee, or any other site designated by us. At any time, we may provide all or part of the Initial Training, or any other training programs, virtually via ServiceMaster Learn or another online platform. Currently, Initial Training for Clean Franchises is held entirely online via ServiceMaster Learn. We may require you to complete some initial coursework prior to attending Initial Training.

The tuition and some meals for one person to attend the Initial Training are included in the Initial Franchise Fee. If you would like additional people to attend Initial Training, you must pay an additional per person fee. You must pay for travel and living expenses for all of your representatives attending in-person Initial Training.

If you purchase multiple Clean Franchises under different types of SM Licenses, all training must be completed within 6 months of you first attending Initial Training. If you do not attend all required training

for each SM License within this 6-month period, your remaining Initial Training Fee will be forfeited, and you will pay the then-current Initial Training Fee when you attend and complete Initial Training.

Initial Training is led by Pete Duncanson, our Senior Director of Training and Development. Mr. Duncanson has worked with us or our affiliates for over 35 years in a variety of roles, including as a ServiceMaster® franchise owner, and has been involved in various aspects of our training program for over two decades. In addition, he has served on the Board of Directors of the Institute of Inspection Cleaning and Restoration Certification from 2009 to 2020, including four years as Chairman. The individuals listed in Item 2, as well as other trainers and subject matter experts, including some certified instructors, also participate in portions of the training program. Our other trainers have between one and over 30 years of experience in the cleaning and restoration industries.

Our Initial Training consists of the following:

### TRAINING PROGRAM

Subject	Hours of Classroom Training <sup>2</sup>	Hours of On-The-Job Training	Location <sup>3</sup>
Introduction to ServiceMaster Clean; Organization; Getting Started	3	0	Online via ServiceMaster Learn or at Training Center in Atlanta, GA, Memphis, TN, or a location that we designate
General Business Start-up; Office Development	6	0	
Marketing and Sales	13	0	
Financial; Accounting	6	0	
Production; Technical <sup>4</sup>	38	0	
Software Systems	4.5	0	
<b>TOTAL</b>	<b>70.5</b>	<b>0</b>	

Notes to Training Program Chart:

1. Required training for Clean Franchises is provided in English. Small Business Franchises transferred to a new franchise owner who have not attended our Initial Training will be required to attend this Clean Franchises Initial Training.
2. Hours of classroom training include the following required self-study hours: (a) Introduction to ServiceMaster Clean; Getting Started (1 hour); (b) General Business Start-up; Office Development (2 hours); (c) Marketing and Sales (2 hours); and (d) Financial; Accounting (1 hour).
3. At any time, we may provide all or part of the Initial Training, or any other training programs via an online platform other than ServiceMaster Learn.
4. This includes preliminary Cleaning Industry Management Standard certification training.

Additional Training. We shall provide other training programs as each is developed and we deem appropriate. You are required, at your expense, to attend at least three seminars, workshops, conventions, conferences, regional meetings, or other equivalent meetings designated by us and offered by us during each year. We provide regional workshops, several training sessions and breakouts at our annual convention; we have webinars on various topics throughout the year for franchise owners; and we offer other training courses available online through ServiceMaster Learn with no applicable fee. We may also offer regional workshops from time to time in various regions. For regional workshops, you will be charged a registration fee from \$50



to approximately \$200 that includes some group meals. Currently, the convention registration fee may be up to \$1,000 which includes general sessions, training sessions and breakouts during the convention, some group meals, and access to the trade show. We may change the registration fees from time to time. You will be responsible for travel, hotel costs, and living expenses when you attend regional workshops and our convention.

## ITEM 12: TERRITORY

We will designate the Territory within which you will perform services and must locate your offices. We consider total population and relative affluence to determine your Territory; we do not offer a minimum territory. Currently, we determine territories using zip codes. You may not alter your Territory and must receive written permission from us before relocating your office within the Territory.

Beginning in January 2023, we will require you to maintain as many office locations within the Territory as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by us from time to time). We may modify this policy from time to time in the Operations Manual.

You will not receive an exclusive territory. You may face competition from other franchisees, from company-owned businesses, or from other channels of distribution or competitive brands that we control. We or our affiliates may conduct, or grant others the right to conduct, any business activities, under any name or trademark, using any system of operations, in any geographic area, and at any location, regardless of the proximity to or effect of such activities on the Franchised Business. For example, we and our affiliates may, among other things: (i) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) ServiceMaster® businesses, including Restore Franchises operating under any SM License (including the same type of SM License as yours) and any other ServiceMaster Clean® or ServiceMaster Restore® businesses; (ii) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) any retail or other businesses, including those offering the same, similar, or different products or services using the System or elements of the System under the Marks or any other trademarks, service marks or trade dress; (iii) solicit and sell any products or services to customers and prospective customers residing anywhere (including inside and outside the Territory), including by direct advertising over the Internet or other electronic means; and (iv) merge with, acquire, establish or become associated with any businesses or locations of any kind under other systems and/or other trademarks, which businesses and locations may offer or sell items, products and services that are the same as or similar to the services and products offered at or from the Franchised Business and which may be located anywhere (including inside and outside the Territory).

You may market and solicit outside your Territory only when marketing commercial or janitorial services to a property manager, group, or company whose office is located outside your Territory, but whose commercial facility is within your Territory. You are only allowed to service a customer outside your Territory in accordance with inter-territory consent rules as set out in the Operations Manual.

We may not modify your Territory during the term. However, you must maintain minimum monthly Gross Service Sales levels in order to continue to operate your Franchised Business. Beginning in the 13<sup>th</sup> full month of operation of your Clean Franchise, you must bill at \$4,000 in Gross Service Sales in each month (the “**Minimum Monthly Sales Requirement**”). In any subsequent renewal agreements, the Minimum Monthly Sales Requirement may be increased. We may terminate this Agreement if you fail to meet the Minimum Monthly Sales Requirement three times in any nine-month period (except in the event that local economic conditions and/or extenuating circumstances materially affect sales potential which, in our sole discretion, affects your ability to meet such sales levels).

You will not receive the right to acquire additional franchises within your area.




Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell.

Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1 and in the next paragraph. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates' franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

### ITEM 13: TRADEMARKS

If we grant you a franchise, we will grant you the right to operate such franchise under the SM Clean Mark, and any other trade names, trademarks, service marks, and logos that we specify in your Franchise Agreement or otherwise in writing from time to time (collectively, the "Marks"). We may add to, change, or remove Marks from time to time.

In the Securitization Transaction, we acquired the Marks from SM IP, which had acquired them from Former Parent or other former affiliates of Predecessor in the Acquisition. We, Former Parent, or our Predecessor's other former affiliates have registered the trademarks listed below on the Principal Register of the United States Patent and Trademark Office (the "USPTO") and filed all necessary affidavits and renewals for such trademarks. We are in the process of recording our ownership of the Marks with the USPTO.

Principal Marks	Registration No.	Date of Registration
<b>MARKS FOR ALL CLEAN FRANCHISES</b>		
SERVICEMASTER (word mark)	782,584	December 29, 1964
Color Yellow As Applied To A Vehicle	2,085,318	August 5, 1997
SERVICEMASTER CLEAN (word mark)	2,254,065	June 15, 1999
SERVICEMASTER CLEAN (word mark)	2,414,270	December 19, 2000
 SERVICEMASTER CLEAN	2,503,865	November 6, 2001
 SERVICEMASTER CLEAN	3,418,024	April 29, 2008
SERVICEMASTER CLEAN (word mark)	3,444,272	June 10, 2008
SERVICEMASTER CLEAN (word mark)	3,469,170	July 15, 2008
<b>MARKS FOR CERTAIN SMALL MARKET AND FLOOR CARE FRANCHISES ONLY</b>		
SERVICEMASTER RESTORE (word mark)	3,716,787	November 24, 2009
 SERVICEMASTER RESTORE	3,834,551	August 17, 2010

There are no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court involving our principal trademarks. There is no pending infringement, opposition or cancellation proceeding. We have not been involved in any infringement,

opposition, or cancellation proceedings in which the franchisor unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by us.

There are no agreements currently in effect which significantly limit our right to use or license franchisees to use the Marks. There are no infringing uses actually known to us which could materially affect your use of such Marks.

You must use the Marks as the sole service mark identification of the Clean Franchise. You may not use any Mark or any words confusingly similar to any Mark (i) as part of any corporate name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you by us), (iii) in any modified form, (iv) in connection with the sale of any unauthorized product or service, (v) on forms, uniforms, materials and supplies not approved by us, (vi) in any domain names, or (vii) in any other manner not explicitly authorized in writing by us. You must observe all requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of your Clean Franchise as we may direct in writing from time to time.

Your non-exclusive licensed use of the Marks under the Franchise Agreement does not give you any ownership interest or other interest in and/or to the Marks. Any and all goodwill associated with the Marks inures exclusively to our benefit without any compensation to you. Any unauthorized use of the Marks by you shall constitute an infringement of the Marks and our rights. You must not commit or aid in committing any act of infringement or misuse of the Marks, either during or after the term of the Franchise Agreement.

You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business. You must notify us immediately if you learn about an apparent infringement of, challenge to, or claim by any person related to your use of our Marks. We have no contractual obligation to defend you or to prosecute any legal action against others with respect to any infringement, unfair competition or other claim in any way related to your use of our trade name or trademark. We and our affiliates will take whatever action, if any, we deem appropriate and have the right to exclusively control any litigation or proceeding arising out of any such infringement, challenge, or claim or otherwise relating to any Marks.

You must execute any and all instruments and documents, and to do such acts and things as may, in the opinion of our counsel, be necessary or advisable to obtain protection for the Marks, protect and maintain the continued validity or enforceability of the Marks, and protect the interests of us or our affiliates in any litigation or proceeding. If it becomes advisable or desirable at any time in our judgment for you to modify or discontinue use of any Mark, and/or use one or more additional or substitute Marks, including the primary Mark and/or color scheme under which the Clean Franchise is operating, you must do so at your expense.

We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark pursuant to and in compliance with the Franchise Agreement, provided (i) you provide us with prompt written notice of any potential claim, (ii) allow us to control the defense and settlement of the indemnified proceeding, and (iii) continue to comply with the terms and conditions of the Franchise Agreement. You and your owners may not settle any claim that could result in such an indemnified claim without our prior written consent.

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

In the Securitization Transaction, we acquired ownership of the following patents that had been registered by Former Parent with the USPTO:

<b>Registration No.</b>	<b>Patent</b>	<b>Date Registered</b>
7,845,047	Cleaning Brush	December 7, 2010
8,083,860	Capture and Removal Cleaning System	December 27, 2011

We do not own any other patents that are relevant to the franchise.

We or our affiliates claim copyright protection of the information in the Operations Manual and all of the manuals, advertising and promotional materials, forms and related materials that we produce, although these materials may not have been registered with the Copyright Office of the Library of Congress. The materials are proprietary and confidential and are considered our property. You may use them only as long as you are a franchisee and are authorized by us to do so and only as provided in the Operations Manual or the Franchise Agreement.

There are currently no effective determinations of the Copyright Office of the Library of Congress or any court regarding any of our copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will include information contained in our manuals, and in materials separately provided to you. You may use these materials, in the manner we approve, in the operation of your business during the term of the Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of any other person or entity. These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. This includes information about our sources of supply, and our recommendations on pricing. You may disclose this information to your employees, but only to the extent necessary to operate your business while the Franchise Agreement is in effect. You are responsible for restricting your employees from improperly using or disclosing our confidential information. You must also promptly tell us when you learn about any unauthorized use of this proprietary information. We may require you to, at your expense, remediate such breach or unauthorized access.

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

We do not require that you personally supervise the Clean Franchise. If you do not personally supervise the business, or if you are a corporation, partnership, or limited liability company, you must employ a manager who will be responsible for direct, on-premises supervision of the business. The manager must have successfully completed the Initial Training program but need not have an ownership interest if you are a corporation, partnership, or limited liability company. You or one of your owners, however, may be a manager. You are responsible for restricting your managers from improperly using or disclosing our confidential information

If you are a corporation, partnership, or limited liability company, we will require any owners that own directly or indirectly 15% or more of the ownership interests in your entity to sign the “Personal Guaranty and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement” attached to the Franchise Agreement. All of your owners will be required to sign the confidentiality agreement that is attached to the Franchise Agreement. Your owners will also be required to sign the Item 23 Receipt attached to this Disclosure Document prior to signing a Franchise Agreement.

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

You must offer and provide the services we require for your specific SM License. We have the right to change the authorized services, including the Core Services, without limitation. We may broaden the scope of services you must or may provide. As described in Item 1, Floor Care Franchises, Commercial Franchises, and Small Business Franchises do not offer all of the Core Services. We may develop or acquire other services that are improvements to the System or are compatible services with the System. At our sole discretion, we will

determine if they will be incorporated into your present System or included in another type of SM License. If we require such changes to your SM License, we will provide you with a reasonable period of time to incorporate such services into your Clean Franchise.

You must only service the types of customers (i.e. commercial and/or residential customers or customers in small markets or small buildings) that are authorized under your SM License. You must not actively solicit sales from customers outside of your defined territory. Further, we have the right to put limitations on leads that we may develop for our Franchisees. We assign these leads at our discretion. Procedures, policies and standards regarding the National Account Program are provided in the Operations Manual.

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

### THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of franchise term	Franchise Agreement: Section 2.1	Five years for both new Franchised Businesses and Conversion Franchises.
b. Renewal or extension of the term	Franchise Agreement: Section 2.2	<p>If you satisfy the conditions for renewal in Row C., you will have the option of entering into a renewal agreement for one additional, consecutive five-year term.</p> <p>If you do not sign our then-current form of Franchise Agreement and general release and complete the renewal process before the end of the term and continue operating your Franchised Business and we do not provide you with a non-renewal notice, the Franchise Agreement will extend on a month-to-month basis, but we will have the right to terminate it at any time and, if you do not sign the agreements and complete the process within 60 days after the end of the term, your Royalties will be increased by 2.5% of Gross Service Sales.</p>
c. Requirements for franchisee to renew or extend	Franchise Agreement: Section 2.2	You must (i) provide us with written notice of your election to renew not less than six months, nor more than nine months, prior to the end of the then-existing term of the Franchise Agreement; (ii) not be in default under any agreement with us or our affiliates and have substantially complied with such agreements; (iii) not have received four or more notices of default during the term or failed to meet Monthly Minimum Gross Service Sales three times in any nine-month period; (iv) satisfy your monetary obligations; (v) sign our then-current form of Franchise Agreement which may have materially different terms and conditions than your original agreement; (vi) commit to operate the Clean Franchise in accordance with our standards; (vii) attend any training that we require; (viii) pay the then-current renewal fee; and (ix) execute a general release.
d. Termination by franchisee	None	Not applicable, unless otherwise specified under applicable state laws.
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	Franchise Agreement: Sections 13.1, 13.2, and 13.3	We can terminate you only if you default.

Provision	Section in Franchise or Other Agreement	Summary
g. "Cause" defined – curable default	Franchise Agreement: Section 13.1	The following defaults are curable after written notice: (i) seven days to cure a payment default or default related to use of the Marks; (ii) 30 days to cure any breach of any provision of the Franchise Agreement, any agreement with any of our Affiliates, any software license agreement, or any Standard in the Operations Manual or Standard relating to image or customer service or treatment, other than those specified in h. below; and (iii) 24 hours to cure any act or conduct that materially impairs the goodwill associated with the Marks or our business operations.
h. "Cause" defined – non-curable defaults	Franchise Agreement: Section 13.3	The agreement does not permit you to cure a default except as stated in g. above. Non-curable defaults include (i) insolvency or inability to pay debts; (ii) abandonment; (iii) failure to permit access to financial information; (iv) failing to comply with the Franchise Agreement (including non-payment of fees due), Standards, or Operations Manual three times within 12 months; (v) failing to remedy violation of any laws or regulations; (vi) conviction of a felony, crime involving moral turpitude, or any other crime or offense that may harm the Marks and the Clean Franchise; (vii) failure to maintain the required insurance; (viii) an unauthorized transfer by you or your owners; (ix) breach of confidentiality; (x) termination by us of another agreement with us; (xi) four violations of a material provision of the Franchise Agreement within 12 months; or (xii) failure to meet the Minimum Monthly Sales Requirement three times in any nine-month period.
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement: Section 14	Obligations include cease performing services and advertising; complete de-identification of vehicles and office location; cease using the Marks or colorable imitations of the Marks; transfer phone number(s), listings, email addresses, and social media accounts to us or our assignee; return of Operations Manual, all material bearing the Marks, and software or other materials related to the Clean Franchise; cancel assumed names; offer option to purchase assets; comply with non-compete; and pay amounts due and liquidated damages.
j. Assignment of contract by franchisor	Franchise Agreement: Section 12.1	We have the right to sell or assign the agreement in whole or in part.
k. "Transfer" by franchisee – defined	Franchise Agreement: Section 28	Includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in the Franchise Agreement; you; the Clean Franchise or substantially all of its assets; any of your owners (if such owner is a legal entity); or any right to receive all or a portion of the Clean Franchise's, your, or an owner's profits or losses or any capital appreciation relating to the Clean Franchise, you or any owner.

Provision	Section in Franchise or Other Agreement	Summary
l. Franchisor approval of transfer by franchisee	Franchise Agreement: Section 12.2	With limited exceptions for transfers to affiliated entities or trusts, we have the right to approve any transfer of (a) the Franchise Agreement (or any interest in the Franchise Agreement), (b) the Clean Franchise or all or substantially all of its assets, (c) a controlling ownership interest in you, whether in one transaction or a series of related transactions, or (d) a controlling ownership interest in any owners that controls you (if such owner is a legal entity), whether in one transaction or a series of related transactions (collectively, a “ <b>Control Transfer</b> ”). We will not unreasonably withhold our consent if you satisfy our conditions, and you are substantially complying with the Franchise Agreement. We do not have the right to approve a transfer of a non-controlling interest in you, a non-controlling interest in an owner that controls you (if such owner is a legal entity), or a controlling ownership interest in an owner that does not have a controlling ownership interest in you (collectively, a “ <b>Non-Control Transfer</b> ”), but you must provide us with notice of such transfer within 30 days together with the then-current Change Fee, and certify that it complied with the terms of the Franchise Agreement (including restrictions on transfers to competing businesses). Failure to do this is an event of default. We reserve the right to conduct an audit as a pre-condition to any transfer.
m. Conditions for franchisor approval of transfer	Franchise Agreement: Section 12.2.4	For a Control Transfer, you must (i) provide us with notice 10 days prior to listing the interest for sale along, (ii) submit an application and application fee for a proposed transferee, (iii) pay all amounts owed, (iv) not breach any agreement with us or our affiliates in the period before the transfer or your request for consent, (v) sign a termination agreement remaining liable for liability pre-transfer, (vi) commit, along with your owners, to not using our intellectual property, (vii) sign, along with your owners, a general release, and (ix) pay our then-current transfer fee. Your transferee must (a) meet our qualifications, (b) complete training at their expense, (c) either sign our then-current franchise agreement and related documents, which may include materially different terms and conditions, or assume your existing agreement, (d) have its applicable owners sign a guaranty, (e) have sufficient finances to not adversely affect the operation of the Clean Franchise, and (f) not be involved in, or have any owners involved in, a competing business. We reserve the right to conduct an audit as a pre-condition to any transfer.
n. Franchisor’s right of first refusal to acquire your business	Franchise Agreement: Section 12.2.11	If you or your owners would like to make a Control Transfer, you must give us a copy of the proposed offer, and we will have 45 days to match such offer.
o. Franchisor’s option to purchase franchisee’s business	Franchise Agreement: Section 14.9	We have the option to purchase from you certain assets used in the Clean Franchise within 60 days after the termination or expiration of the Franchise Agreement at the greater of your cost or fair market value.
p. Death or disability of franchisee	Franchise Agreement: Section 12.2.8	Within 6 months of the death or mental incapacity of a person with a controlling ownership interest in you or one of your controlling owners, the person’s executor, administrator, or personal representative must transfer the owner’s interest to a third party. In the case of a transfer by devise or inheritance, if the heirs or beneficiaries of such franchisee are unable to meet the transfer conditions, the personal representative has 9 months from the death or incapacity to complete a transfer, subject to all the conditions of transfers.
q. Non-competition covenants during the term of the franchise	Franchise Agreement: Section 15.2	You and your spouse who is in any way involved in the Clean Franchise may not divert any business or customer to any competitor or own or engage in any other business which performs any of the services provided by Clean Franchises.

<b>Provision</b>	<b>Section in Franchise or Other Agreement</b>	<b>Summary</b>
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: Section 15.3	You and your spouse who is in any way involved in the Clean Franchise may not divert business to a competitor or own or engage in a competing business for one year within 25 miles of your Territory.
s. Modification of the agreement	Franchise Agreement: Section 21.2	Agreement may be amended by mutual written consent. We do change our system standards in the Operations Manual. A General Release must be signed by the franchise owners and guarantors.
t. Integration/merger clause	Franchise Agreement: Section 21.1	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations outside of the Disclosure Documents and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement: Section 24.1	All disputes, except those listed in the agreement, must be resolved by arbitration except where prohibited by applicable state law.
v. Choice of forum	Franchise Agreement: Section 24.1.3 and 24.2.3	Subject to applicable state laws, all claims must be arbitrated or litigated in the city in which our principal place of business is located (currently, Atlanta, Georgia).
w. Choice of law	Franchise Agreement: Section 25.1	Subject to applicable state laws, Georgia law applies.

#### **ITEM 18: PUBLIC FIGURES**

We do not have any public figures serving as a spokesperson for any of the ServiceMaster® brands.

#### **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 Units, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing Unit 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.

This Item 19 presents information about the financial performance during the fiscal year ended December 31, 2022 (“**Fiscal Year 2022**”) for Franchise Ownership Groups. A “**Franchise Ownership Group**” or “**FOG**” consists of one or more Clean Franchises that are owned by one or more entities that are affiliated with each other by common ownership. 58.9% of our Franchise Ownership Groups have only one Clean Franchise (a “**Single-Franchise Ownership Group**”). If you are a new franchisee purchasing a single Clean Franchise, you will be a Single-Franchise Ownership Group. 41.1% of our Franchise Ownership Groups consist of one or more entities that own more than one Clean Franchise (a “**Multi-Franchise Ownership Group**”). We believe Franchise Operating Groups are the best measurement of our franchisee’s actual business operations.

In this Item 19, we have included data from Franchise Ownership Groups that owned at least one Active Franchise throughout Fiscal Year 2022. An “**Active Franchise**” is a Clean Franchise that (i) opened their business prior to Fiscal Year 2022 and had an active Franchise Agreement throughout all of Fiscal Year 2022, (ii) reported Gross Service Sales in at least six of the 12 months of Fiscal Year 2022, and (iii) was owned by the same Franchise Ownership Group throughout Fiscal Year 2022. Some Active Franchises that had active Franchise Agreements throughout Fiscal Year 2022 did not report Gross Service Sales in all 12 months of the year because they (a) did not have any sales in certain months despite being in operation, (b) allocated sales to other Clean Franchises owned by the same Franchise Ownership Group (for example, if a Franchise



Ownership Group owned five Clean Franchises, they allocated all sales in a month to one of the five Clean Franchises), (c) failed to timely report sales in a given month, or (d) temporarily suspended operations for certain months for personal or other reasons.

This Item 19 does not include data related to (i) company-owned units (there were not any that operated in Fiscal Year 2022) and (ii) Franchise Operating Groups that did not have at least one Active Franchise operating throughout all of Fiscal Year 2022 because (a) they did not have any Clean Franchises that reported Gross Service Sales for at least six months of Fiscal Year 2022, (b) they transferred ownership of all of their franchises in Fiscal Year 2022, (c) they opened their first franchise during Fiscal Year 2022, or (d) they ceased operating all of their franchises in Fiscal Year 2022.

In the tables below, we have presented Gross Service Sales data for Single-Franchise Ownership Groups with one Active Franchise operating throughout Fiscal Year 2022 and for all Franchise Ownership Groups that had any Active Franchises operating throughout Fiscal Year 2022.

**TABLE 1:**  
**GROSS SERVICE SALES BY QUARTILES**  
**SINGLE-FRANCHISE OWNERSHIP GROUPS**  
**WITH ONE ACTIVE FRANCHISE**  
**FOR FISCAL YEAR 2022**

<b>Quartiles</b>	<b>Number of Single-FOGs</b>	<b>Average Gross Service Sales</b>	<b>Number and Percentage of Single-FOGs Attaining or Exceeding Average Gross Service Sales</b>	<b>Median Gross Service Sales</b>	<b>Lowest Gross Service Sales</b>	<b>Highest Gross Service Sales</b>
Top Quartile	55	\$1,808,414	17 / 30.9%	\$1,240,275	\$681,954	\$8,952,194
2 <sup>nd</sup> Quartile	54	\$458,819	22 / 40.7%	\$435,931	\$289,564	\$680,964
3 <sup>rd</sup> Quartile	54	\$189,982	27 / 50.0%	\$185,696	\$82,673	\$282,400
Bottom Quartile	55	\$44,912	27 / 49.1%	\$42,344	\$4,320	\$81,793
Total	218	\$628,294	61 / 28.0%	\$285,982	\$4,320	\$8,952,194

**Notes to Table 1:**

1. As of December 31, 2022, there were 431 Franchise Ownership Groups that owned 671 Clean Franchises. Of those 431 Franchise Ownership Groups, there were 254 Single-Franchise Ownership Groups. Of those 254 Single-Franchise Franchise Ownership Groups, 218 Single-Franchise Ownership Groups had one Active Franchise throughout Fiscal Year 2022 and are represented in this table. This table does not include (i) 22 Single-Franchise Ownership Groups that operated throughout Fiscal Year 2022 but did not report revenue in at least six months, (ii) 13 Single-Franchise Ownership Groups that transferred ownership of their franchise in Fiscal Year 2022, and (iii) one Single-Franchise Ownership Group that opened their franchise during Fiscal Year 2022. This table also does not include 32 Single-Franchise Ownership Groups that ceased operating their franchises in Fiscal Year 2022 (none of which opened their franchise within the 12 months prior to the date such franchises closed).
2. The 218 Single-Franchise Ownership Groups represented in this table include 124 Cleaning Services Franchises, 73 Contract Services Franchisees, 2 Small Market Franchise, 1 Floor Care Franchise, 15 Commercial Franchises, and 3 Small Business Franchises. As described in Note 3 in the Notes to Table 19 below, we believe that these Clean Franchises are substantially similar to the Cleaning Services Franchise that we offer to new franchisees.

**TABLE 2:**  
**GROSS SERVICE SALES BY QUARTILES**

**ALL FRANCHISE OWNERSHIP GROUPS  
WITH AT LEAST ONE ACTIVE FRANCHISE  
FOR FISCAL YEAR 2022**

	Top Quartile	2 <sup>nd</sup> Quartile	3 <sup>rd</sup> Quartile	Bottom Quartile	Total
# of FOGs	90	89	89	90	358
# of Active Franchises	222	139	127	101	589
Average # of Active Franchises	2.47	1.56	1.43	1.13	1.65
# and % of FOGs at or above Average # of Active Franchises	29 / 32.2%	38 / 42.7%	23 / 25.8%	9 / 10.0%	129 / 36.0%
Median # of Active Franchises	2	1	1	1	1
Lowest # of Active Franchises	1	1	1	1	1
Highest # of Active Franchises	10	4	5	4	10
Average Gross Service Sales	\$3,864,113	\$781,221	\$332,621	\$69,100	\$1,220,450
# and % of FOGs at or above Average Gross Sales	27 / 30.0%	37 / 41.6%	45 / 50.6%	33 / 36.7%	90 / 25.1%
Median Gross Service Sales	\$2,280,501	\$737,456	\$334,983	\$57,270	\$499,333
Lowest Gross Service Sales	\$1,232,054	\$501,045	\$178,611	\$2,413	\$2,413
Highest Gross Service Sales	\$30,196,133	\$1,211,420	\$497,620	\$178,502	\$30,196,133

**Notes to Table 2:**

1. The data in Table 2 discloses the performance of Franchise Ownership Groups that operated one or more Active Franchises throughout Fiscal Year 2022. We have also included data about the number of Active Franchises operated by the Franchise Ownership Groups in each quartile. The table includes data from (a) 218 Single-Franchise Ownership Groups that operated one Active Franchise in a single territory (which are the Active Franchises represented in Table 1) and (b) 140 Multi-Franchise Ownership Groups that operated (i) multiple types of Clean Franchises (e.g., a Cleaning Services Franchise, Small Market Franchise, and Floor Care Franchise) that offer similar or identical services in one territory, (ii) one type of Clean Franchise (e.g., a Cleaning Services Franchise) in multiple territories, or (iii) multiple types of Clean Franchises in multiple territories. As explained in Note 4 in the Notes to Item 19 below, Clean Franchises are typically operated as a single Franchise Ownership Group business and report aggregated revenue by Franchise Ownership Group, rather than by territory or franchise type.
2. As of December 31, 2022, there were 427 Franchise Ownership Groups. Of those 427 Franchise Ownership Groups, 358 Franchise Ownership Groups had at least one Active Franchise throughout Fiscal Year 2022 and are represented in this table. This table does not include (i) 32 Franchise Ownership Groups that operated throughout Fiscal Year 2022 but did not have any Active Franchises that reported revenue in at least six months, (ii) 30 Franchise Ownership Groups that transferred ownership of all of their franchises in Fiscal Year 2022, and (iii) seven Franchise Ownership Groups that opened their first franchise during Fiscal Year 2022. This table also does not include 35 Franchise Ownership Groups that ceased operating all of their franchises in Fiscal Year 2022 (one of which opened their franchise within the 12 months prior to closing it).
3. As of December 31, 2022, the 358 Franchise Ownership Groups that are represented in this table owned 589 Active Franchises throughout all of Fiscal Year 2022 (out of 671 total Clean Franchises that were in operation as of December 31, 2022). Thus, 82 Clean Franchises are not represented in the data in this table, including (i) 52 Clean Franchises that operated throughout Fiscal Year 2022 but did not report revenue in at least six months, (ii) 26 Clean Franchises that transferred ownership in Fiscal Year 2022, and (iii) 4 Clean Franchises that opened during Fiscal Year 2022. This table also does not include data from 34 Clean Franchises that ceased operating their franchises in Fiscal Year

2022 (two of which opened their franchises within the 12 months prior to the date such franchises closed).

4. The 589 Active Franchises operated by the 358 Franchise Ownership Groups represented in this table include 325 Cleaning Services Franchises, 191 Contract Services Franchisees, 18 Small Market Franchise, 11 Floor Care Franchise, 37 Commercial Franchises, and 7 Small Business Franchises. As described in Note 3 in the Notes to Item 19 below, we believe that these Clean Franchises are substantially similar to the Cleaning Services Franchise that we offer to new franchisees.
5. If a Franchise Ownership Group owned multiple Clean Franchises in Fiscal Year 2022, but some were not Active Franchises throughout all of Fiscal Year 2022, only the revenue from the Clean Franchises that were Active Franchises throughout all of Fiscal Year 2022 have been included in this table.
6. Out of the 358 Franchise Operating Groups included in the table, 218 Franchise Operating Groups owned one Clean Franchise, 113 owned two to three Clean Franchises, 17 owned four to five Clean Franchises, and 10 owned six to ten Clean Franchises.

#### NOTES TO ITEM 19:

1. **Some franchises have sold or earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.**
2. "Gross Service Sales" is defined in the notes to Item 6.
3. Clean Franchises included in this Item 19 include Cleaning Services Franchises, Small Market Franchises, Floor Care Franchises, Commercial Franchises, and Small Business Franchises. While we no longer offer Small Market Franchises, Floor Care Franchises, Commercial Franchises, and Small Business Franchises (the "**Renewal-Only Franchises**") as separate franchises to new franchisees, a new Cleaning Services Franchise is authorized to offer all of the services that are offered by Renewal-Only Franchises. Though the Renewal-Only Franchises are not all authorized to offer all of the services that are offered by new Cleaning Services Franchises, they otherwise substantially similar to the Cleaning Services Franchises, since they offer similar services to Cleaning Services Franchises under the SM Clean Mark. Accordingly, we have not distinguished between the various types of Clean Franchises in this Item 19, even though some of the Renewal-Only Franchises earn revenue from fewer service offerings than a new Cleaning Services Franchise will offer.
4. In practice, many Multi-Franchise Ownership Groups consolidate the revenue earned by all of their Clean Franchises and report such revenue under one or more of their Clean Franchises, causing their other Clean Franchises to report little or no revenue. In addition, Multi-Franchise Ownership Groups often own (a) multiple types of Clean Franchises in the same Territory (such as a Cleaning Services Franchise, Small Market Franchise, and Floor Care Franchise) that offer identical services and (b) multiple Clean Franchises in the same category of Clean Franchises (i.e., multiple Cleaning Services Franchises) that may have overlapping territorial rights (as Territories are not exclusive, some Territories overlap). As a result of this, Franchise Operating Groups do not consistently allocate revenue to individual Clean Franchises in the same manner, since the same revenue could reasonably be allocated to multiple Clean Franchises that they own.

As a result, we are unable to reasonably present Gross Service Sales data that is organized by the number of Active Franchises owned (except for Single-Franchise Ownership Groups, since they have only one franchise to which such sales can be allocated) or by category of Clean Franchises, because the average, median, low, and high figures for such data subsets would be unreliable and dissimilar. As the Clean Franchises are typically operated as a single Franchise Ownership Group business and the revenue for such Clean Franchises are aggregated by Franchise Ownership

Group, we believe it is more reasonable to present data by Franchise Ownership Group.

5. We have excluded from the Gross Service Sales figures all revenue generated from COVID-19 disinfection services in Fiscal Year 2022, because we do not expect those sales to be repeatable by franchises in future years, since demand for such disinfection services has dropped significantly.
6. These sales figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the Gross Service Sales figures to obtain your net income or profit.
7. We calculated the figures in the tables in these financial performance representations using financial reports submitted by franchisees. We have not audited or independently verified these financial reports nor have we asked questions of the submitting franchisees to determine whether they are in fact accurate and complete, although we have no information or other reason to believe that they are unreliable. No certified public accountant has audited these figures or expressed his or her opinion concerning their content or form.
8. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.
9. We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their franchise business. Notwithstanding the information set forth in this financial performance representation, our existing franchisees are your best source of information about franchise operations.

Other than in this Item 19, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting the Legal Department, ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14<sup>th</sup> Floor, Atlanta, Georgia 30328, Telephone 800-756-5656, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

For the purposes of the tables in this Item 20, an outlet is defined as Clean Franchise operated under a Franchise Agreement.

**Table No. 1**  
**Systemwide Outlet Summary for Years 2020 to 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	<b>2020</b>	719	720	1
	<b>2021</b>	720	712	-8
	<b>2022</b>	712	671	-41
<b>Company Owned</b>	<b>2020</b>	6	11	5
	<b>2021</b>	11	0	-11
	<b>2022</b>	0	0	0

<b>Total Outlets</b>	<b>2020</b>	725	731	6
	<b>2021</b>	731	712	-19
	<b>2022</b>	712	671	-41

- The franchised outlets include 576 Cleaning Services Franchises, 25 Small Market Franchises, 12 Floor Care Franchises, 50 Commercial Franchises, and 8 Small Business Franchises.

**Table No. 2  
Transfer of Franchised Outlets for Years 2020 to 2022**

State	Year	Number of Transfers	State	Year	Number of Transfers	State	Year	Number of Transfers
AL	2020	0	KY	2020	0	OH	2020	0
	2021	1		2021	0		2021	0
	2022	0		2022	0		2022	4
AR	2020	0	LA	2020	0	OK	2020	0
	2021	0		2021	0		2021	0
	2022	0		2022	0		2022	2
AZ	2020	0	MA	2020	0	OR	2020	0
	2021	0		2021	0		2021	0
	2022	0		2022	0		2022	1
CA	2020	0	MD	2020	0	PA	2020	0
	2021	2		2021	0		2021	3
	2022	1		2022	2		2022	2
CO	2020	0	MI	2020	2	SC	2020	0
	2021	2		2021	0		2021	0
	2022	0		2022	0		2022	0
CT	2020	0	MN	2020	6	SD	2020	1
	2021	0		2021	0		2021	0
	2022	2		2022	1		2022	2
DE	2020	0	MO	2020	3	TN	2020	1
	2021	0		2021	0		2021	0
	2022	0		2022	2		2022	0
FL	2020	1	MT	2020	0	TX	2020	2
	2021	0		2021	0		2021	0
	2022	2		2022	1		2022	0
GA	2020	0	NC	2020	0	UT	2020	1
	2021	0		2021	2		2021	0
	2022	1		2022	0		2022	1
IA	2020	0	ND	2020	0	VA	2020	0
	2021	2		2021	0		2021	0
	2022	1		2022	1		2022	3
ID	2020	0	NE	2020	0	WA	2020	2
	2021	0		2021	0		2021	0

State	Year	Number of Transfers	State	Year	Number of Transfers	State	Year	Number of Transfers
	2022	4		2022	1		2022	1
IL	2020	0	NJ	2020	0	WI	2020	2
	2021	0		2021	2		2021	0
	2022	2		2022	0		2022	0
IN	2020	0	NV	2020	0	WV	2020	0
	2021	0		2021	0		2021	0
	2022	2		2022	0		2022	0
KS	2020	0	NY	2020	0	Total	2020	21
	2021	2		2021	0		2021	16
	2022	0		2022	0		2022	39

**Table No. 3**  
**Status of Franchised Outlets for Years 2020 to 2022**

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
AK	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
AL	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
AR	2020	10	0	3	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
AZ	2020	3	1	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	1	0	0	0	4
CA	2020	40	2	0	0	0	0	42
	2021	42	0	9	0	0	0	33
	2022	33	1	1	1	0	0	32
CO	2020	18	0	1	0	0	0	17
	2021	17	0	0	0	0	0	17
	2022	17	0	0	1	0	0	16
CT	2020	7	0	0	0	0	0	7
	2021	7	1	2	0	0	0	6
	2022	6	0	0	1	0	0	5
DE	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
FL	2020	17	0	0	0	0	0	17

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
	2021	17	1	1	0	0	0	17
	2022	17	0	2	0	0	0	15
GA	2020	17	3	1	0	0	0	19
	2021	19	0	0	0	0	0	19
	2022	19	0	0	0	0	1	18
HI	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
IA	2020	17	0	0	0	0	0	17
	2021	17	0	0	0	0	0	17
	2022	17	0	2	0	0	0	15
ID	2020	10	0	0	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
IL	2020	34	1	2	0	0	0	33
	2021	33	0	0	0	0	0	33
	2022	33	1	0	3	0	0	31
IN	2020	12	2	1	0	0	0	13
	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
KS	2020	19	1	3	0	0	0	17
	2021	17	1	0	0	0	0	18
	2022	18	0	1	0	0	0	17
KY	2020	7	1	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
LA	2020	12	0	2	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
MA	2020	12	0	0	0	0	0	12
	2021	12	0	2	0	0	0	10
	2022	10	0	0	1	0	0	9
MD	2020	14	1	0	0	0	0	15
	2021	15	0	0	0	0	0	15
	2022	15	0	0	0	0	0	15
ME	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
MI	2020	30	0	0	0	0	0	30
	2021	30	0	3	0	0	0	27

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
	2022	27	0	0	1	0	0	26
MN	2020	33	0	0	0	0	0	33
	2021	33	0	0	0	0	0	33
	2022	33	0	1	0	0	0	32
MO	2020	15	0	0	0	0	0	15
	2021	15	0	1	0	0	0	14
	2022	14	0	0	0	0	0	14
MS	2020	18	0	0	0	0	0	18
	2021	18	0	0	0	0	0	18
	2022	18	0	1	0	0	0	17
MT	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
NC	2020	25	1	0	0	0	0	26
	2021	26	0	1	0	0	0	25
	2022	25	0	4	0	0	0	21
ND	2020	11	0	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	0	1	0	0	0	10
NE	2020	10	0	0	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	0	1	0	0	0	9
NH	2020	7	0	0	0	0	0	7
	2021	7	0	2	0	0	0	5
	2022	5	0	0	0	0	1	4
NJ	2020	26	1	3	0	0	0	24
	2021	24	0	1	0	0	0	23
	2022	23	1	1	0	0	0	23
NM	2020	1	0	0	0	0	0	1
	2021	1	5	0	0	0	0	6
	2022	6	0	0	0	0	0	6
NV	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	1	0	0	0	2
NY	2020	13	2	0	0	0	0	15
	2021	15	1	1	0	0	0	15
	2022	15	0	2	1	0	0	12
OH	2020	34	2	1	0	0	0	35
	2021	35	1	0	0	0	0	36
	2022	36	0	2	2	0	2	30



State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
OK	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	0	1	0	0	0	7
OR	2020	24	0	0	0	0	0	24
	2021	24	0	0	0	0	0	24
	2022	24	0	1	0	0	0	23
PA	2020	36	1	2	0	0	0	35
	2021	35	0	0	0	0	0	35
	2022	35	0	0	0	0	0	35
RI	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
SC	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	2	0	0	0	7
SD	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
TN	2020	34	0	1	0	0	0	33
	2021	33	0	0	0	0	0	33
	2022	33	0	0	0	0	0	33
TX	2020	26	0	1	0	0	0	25
	2021	25	2	0	0	0	0	27
	2022	27	1	1	0	0	0	27
UT	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
VA	2020	18	1	0	0	0	0	19
	2021	19	5	0	0	0	0	24
	2022	24	0	0	0	0	0	24
VT	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
WA	2020	15	0	1	0	0	0	14
	2021	14	0	1	0	0	0	13
	2022	13	0	0	0	0	0	13
WI	2020	37	0	0	0	0	0	37
	2021	37	0	2	0	0	0	35
	2022	35	0	1	2	0	0	32
WV	2020	7	0	0	0	0	0	7

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at the End of the Year
	2021	7	0	0	0	0	0	7
	2022	7	0	0	1	0	0	6
WY	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020	719	21	20	0	0	0	720
	2021	720	18	26	0	0	0	712
	2022	712	4	27	14	0	4	671

**Table No. 4**  
**Status of Company-Owned for Years 2020 to 2022**

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
KS	2020	1	0	0	0	0	1
	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
NM	2020	0	0	5	0	0	5
	2021	5	0	0	0	5	0
	2022	0	0	0	0	0	0
VA	2020	5	0	0	0	0	5
	2021	5	0	0	0	5	0
	2022	0	0	0	0	0	0
Totals	2020	6	0	5	0	0	11
	2021	11	0	0	0	11	0
	2022	0	0	0	0	0	0

**Table No. 5**  
**Projected Openings As of December 31, 2022**  
**For Fiscal Year Ending on December 31, 2023**

State	Franchise Agreement Signed but Outlets Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected Company-Owned Outlets in the Next Fiscal Year
California	1	1	0
Kentucky	0	1	0
Louisiana	0	1	0
Maine	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Mississippi	0	1	0

<b>State</b>	<b>Franchise Agreement Signed but Outlets Not Open</b>	<b>Projected New Franchised Outlets in the Next Fiscal Year</b>	<b>Projected Company-Owned Outlets in the Next Fiscal Year</b>
<b>Missouri</b>	1	1	0
<b>Montana</b>	0	1	0
<b>New Jersey</b>	0	1	0
<b>Nevada</b>	0	1	0
<b>North Carolina</b>	0	2	0
<b>North Dakota</b>	0	1	0
<b>Ohio</b>	0	1	0
<b>Oklahoma</b>	0	1	0
<b>Pennsylvania</b>	0	1	0
<b>South Dakota</b>	0	1	0
<b>Tennessee</b>	1	1	0
<b>Texas</b>	0	1	0
<b>Total</b>	<b>3</b>	<b>20</b>	<b>0</b>

The name, business address, and business telephone number of each current franchisee as of December 31, 2022, is attached to this Disclosure Document as Exhibit D. The name, last known address, and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recent fiscal year or has not communicated with us or our affiliates within 10 weeks of the issuance date of this Franchise Disclosure Document, is attached as Exhibit E. Please note, if you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We are not currently offering and do not anticipate offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. In the event that we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate Addendum to this Disclosure Document.

We or Predecessor have entered into confidentiality clauses with former franchisees during the past three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences 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.

We have not created, sponsored, or endorsed any trademark-specific franchisee organization associated with our franchise system. The following independent franchisee organization has asked to be included in this Disclosure Document:

SMFOA  
Board of Directors  
American Association of Franchisees & Dealers  
P. O. Box 10158  
Palm Desert, California 92255-1058  
Phone: 619-209-3775  
Email: smfoa@aafdchapters.org

## **ITEM 21: FINANCIAL STATEMENTS**

As we began offering franchises in March 2021, we have attached the following financial statements in accordance with the FTC Rule requirements for financial statements for a franchisor’s first partial fiscal year selling franchises:

Attached to this Disclosure Document as Exhibit B are: (i) the audited financial statements of our direct parent, SM Systems, as of December 31, 2020, December 31, 2021, and December 31, 2022 and (ii) SM Systems’ Guaranty of our obligations to you under the Franchise Agreement. Because SM Systems was organized on October 14, 2020 and began operating on December 9, 2020, it does not have available, and we cannot yet include, three full years of audited financial statements for SM Systems.

As reflected in Item 1, SM Manager will be providing required support and services to franchisees under a management agreement with us. Also attached to this Disclosure Document as Exhibit B are the audited financial statements of our indirect parent, SM Manager, as of December 31, 2020, December 31, 2021, and December 31, 2022. Because SM Manager was organized on September 15, 2020 and began operating October 1, 2020, it does not have available, and we cannot yet include, three full years of audited financial statements for SM Manager. These financial statements are being provided for disclosure purposes only. SM Manager is not a party to the Franchise Agreement or other agreement we sign with franchisees nor does it guarantee our obligations under the Franchise Agreement or other agreements we sign with franchisees.

Also attached to this Disclosure Document as Exhibit B are the unaudited balance sheets and income statements of SM Systems and SM Manager as of February 28, 2023. These financial statements are unaudited and include, in the opinion of management, normal recurring adjustments necessary to fairly state each company’s financial condition as of that date. These financial statements have not been reviewed by an accountant and do not contain any financial statement notes.

**ITEM 22: CONTRACTS**

The following contracts are attached to this Disclosure Document:

<b>Agreement</b>	<b>Exhibit</b>
Franchise Agreement	A-1
Distributor PAR Agreement	A-2
State-Specific Addenda to the Franchise Agreement	F
Conversion Ramp-up Amendment	H

**ITEM 23: RECEIPTS**

Two copies of an acknowledgement of your receipt of this Disclosure Document are included at the end of this Disclosure Document. You should keep one copy for your file and return the second copy to us.

**CLEAN FRANCHISE AGREEMENT**  
**AND RELATED AGREEMENTS**

**CLEAN FRANCHISE AGREEMENT**

**SERVICEMASTER CLEAN® FRANCHISE AGREEMENT**

**THIS SERVICEMASTER CLEAN® FRANCHISE AGREEMENT** (this “**Agreement**”) is made, entered into and effective, at Atlanta, Georgia, dated \_\_\_\_\_ (“**Effective Date**”), by and between

SERVICEMASTER CLEAN/RESTORE SPE LLC

(“**Franchisor**”)

AND

doing business as a \_\_\_\_\_ under the name

\_\_\_\_\_  
(“**dba name**”)

\_\_\_\_\_  
E-mail Address

(“**Franchisee**”)

**RECITALS:**

WHEREAS, Franchisor, as the result of the investment of significant time, skill, effort and money, has developed a program, method and system (the “**System**”) for providing certain services. The distinguishing characteristics of the System include, without limitation, Standards and specifications for products, equipment and processes; and methods and techniques for inventory and cost controls, record keeping and reporting, personnel management, sales, promotion, and advertising; all of which may be changed, improved and further developed by Franchisor from time to time and disseminated to Franchisee in the Operations Manual (as defined in Section 7 below), or otherwise in writing;

WHEREAS, Franchisor has the right in connection with the System to sublicense the right to use certain Proprietary Marks as are now designated in Exhibit A and may be designated by Franchisor in the Operations Manual or otherwise in writing as part of the System, and Franchisor continues to develop and use the Proprietary Marks for the benefit of itself and its respective franchisees in order for the public to identify the source of goods and services marketed under the System and to represent the System’s high standards of quality and service;

WHEREAS, in the course of operations under the System, Franchisor has developed for licensing to franchisees the following separate categories of licenses (collectively, with any other such licenses specified by Franchisor from time to time, the “**SM Licenses**”):

- (1) Cleaning Services
- (2) Small Market Services (renewal or transfer only)
- (3) Floor Care Services (renewal or transfer only)
- (4) Commercial Services (renewal or transfer only)
- (5) Small Business Services (renewal or transfer only)

The SM License being licensed to Franchisee pursuant to this Agreement is set forth and more fully described in Section 1 of Exhibit A, which is attached to and made a part of this Agreement (the “**License**”);

WHEREAS, a business that is primarily identified by the Proprietary Marks that offers one of the SM Licenses under the System is referred to in this Agreement as a “**System Business**”;

WHEREAS, Franchisee desires to operate a System Business and desires to obtain a non-exclusive license

from Franchisor to use the License, the System, and the Proprietary Marks, as well as to receive the training and other assistance provided by Franchisor in connection with the License and the System; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of performing services in conformity with Franchisor's standards and specifications for the License and the System.

**NOW, THEREFORE**, in consideration of the undertakings and commitments of each party to the other party set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby mutually agree as follows:

## **1. APPOINTMENT**

1.1 **Non-Exclusive Appointment; Territory.** Franchisor hereby grants to Franchisee, and Franchisee hereby undertakes the obligation, upon the terms and conditions contained in this Agreement, a non-exclusive right and license to use the System solely to operate a System Business that offers and provides the services specified in the License (the "**Franchised Business**") within the territory described in Exhibit A (the "**Territory**"). Franchisee shall market to and solicit customers within the Territory; however, Franchisee may perform services for a customer outside the Territory if the customer initiates the request. Franchisee may market and solicit outside the Territory only when marketing to a company whose office is physically located outside the Territory, but whose customers are located within the Territory; or when marketing authorized services to a property manager, group, or company whose office is located outside the Territory, but whose commercial facility is within the Territory. Franchisee will operate the Franchised Business within the Territory from the office location(s) approved by Franchisor. Franchisee may relocate to another office location within the Territory with the prior written approval of Franchisor. Franchisee will request this approval by notifying Franchisor in writing of any planned change in the location of the Franchised Business no later than ten (10) days prior to any such relocation.

1.2 **License Granted.** Franchisee expressly acknowledges and agrees that this License relates solely to the Territory and solely to the type of SM License specified in Exhibit A and does not grant Franchisee any rights under any other SM Licenses offered or supported by Franchisor. The SM Licenses set forth in the recitals, as well as any other licenses that may be developed, offered, or supported by Franchisor from time to time as specified in the Operations Manual (which are considered part of the SM Licenses), are specifically excluded if not identified in Exhibit A. Also excluded are other licenses, programs, or concepts performed under the Proprietary Marks by Franchisor and its Affiliates including management services programs and such other programs or concepts as may be developed or acquired by Franchisor in the future. Franchisee understands and agrees that System Businesses operating under other types of SM License may utilize the same System and Operations Manual that is used by the Franchise Business under the License, but some components or requirements of the System or Operations Manual may be specific to, or not applicable to, the License granted to Franchisee.

1.3 **No Territorial Protection.** Franchisee acknowledges and agrees that (a) Franchisor and its Affiliates retain all rights not expressly granted to Franchisee under this Agreement; and (b) Franchisor or its Affiliates may conduct, or grant others the right to conduct, any business activities, under any name or trademark, using any system of operations, in any geographic area, and at any location, regardless of the proximity to or effect of such activities on the Franchised Business. For example, Franchisor or its Affiliates may, among other things, on any terms and conditions Franchisor and its Affiliates deem advisable: (i) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) ServiceMaster® businesses, including System Businesses operating under any SM License and any other ServiceMaster Clean® or ServiceMaster Restore® businesses; (ii) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) any retail or other businesses, including those offering the same, similar, or different products or services using the System or elements of the System under the Proprietary Marks or any other trademarks, service marks or trade dress; (iii) solicit and sell any products or services to customers and prospective customers residing anywhere (including inside and outside the Territory), including by direct advertising over the Internet or other electronic means; and (iv) merge with, acquire, establish or become associated with any businesses or locations of any kind under other systems and/or other trademarks, which businesses and locations may offer or sell items, products and services that are the same as or similar to the services and products offered at or from the Franchised Business and which may be located anywhere (including inside and outside the Territory).

## **2. TERM AND RENEWAL**



2.1 Term of Agreement. Except as otherwise provided in this Agreement, the initial term of this Agreement shall commence on the Effective Date and end five (5) years from the Effective Date (the “**Term**”). If this Agreement is for a conversion of an existing business to a Franchised Business, the Term shall also commence on the Effective Date and end five (5) years from the Effective Date.

2.2 Renewal.

2.2.1 Renewal Term. The parties will enter into a new agreement to renew the License to operate the Franchised Business for one additional, consecutive five (5) year term, unless (a) Franchisor, in its sole discretion, determines that Franchisee has failed to satisfy the renewal conditions in Section 2.2.2; or (b) Franchisee provides timely written notice of non-renewal to Franchisor.

2.2.2 Renewal Conditions. Franchisee must satisfy the following conditions in order to be eligible for, and as a condition for entering into, a renewal term:

2.2.2.1. Franchisee must provide written notice of its election to enter into a renewal term not less than six (6) months, nor more than nine (9) months, prior to the end of the Term;

2.2.2.2. Franchisee must be in Good Standing (as defined in Section 28) and must have substantially complied during the Term with the terms and conditions of this Agreement and Related Agreements (as defined in Section 28);

2.2.2.3. Franchisee has not received four (4) or more written notices of default from Franchisor, concerning a material breach of this Agreement during the Term, irrespective of whether the breaches were corrected within the prescribed cure period after receipt of any such notice of default;

2.2.2.4. All monetary obligations then due and owing by Franchisee to Franchisor or its Affiliates related to the Franchised Business have been satisfied;

2.2.2.5. Franchisee executes Franchisor’s then-current Franchise Agreement which shall supersede this Agreement when accepted and executed by Franchisor (a “**Renewal Franchise Agreement**”), and which may contain terms and conditions different from those set forth in this Agreement;

2.2.2.6. Franchisee has agreed, in writing, to operate the Franchised Business in accordance with Franchisor’s then-current Standards and specifications;

2.2.2.7. Franchisee, if required in the sole discretion of Franchisor and at Franchisee’s sole expense, attends additional training in order to bring Franchisee’s skill up to Franchisor’s then-current standards for operating a System Business;

2.2.2.8. Unless otherwise agreed to by Franchisor, Franchisee shall pay the then-current renewal franchise fee that is in effect at the time that it signs the Renewal Franchise Agreement, which shall be no less than Two Thousand Dollars (\$2,000);

2.2.2.9. Franchisee and each Owner and/or Affiliate of Franchisee must have executed a general release (in a form then prescribed by Franchisor, which shall be substantially similar to the form attached hereto as Exhibit B, which is incorporated by reference into this Agreement) (a “**General Release**”) of any claims arising out of this Agreement against Franchisor and its Affiliates, and their respective officers, directors, managers, agents, representatives and employees. The General Release will not cover claims which are exclusively related to the successor franchise, where expressly so required by Applicable Laws; and

2.2.3.9 Franchisee must be then meeting or exceeding the Minimum Monthly Sales Requirement and must not have failed to meet the Minimum Monthly Sales Requirement (as outlined in Section 5.17) three (3) times during any nine (9) month period at any point during the Term.

2.2.3 Non-renewal. If (a) Franchisee provides written notice between six (6) and nine (9) months prior to the end of either the Term that Franchisee does not intend to enter into a renewal term or (b) Franchisor

determines, in its sole discretion, that Franchisee cannot satisfy the renewal conditions and provides Franchisee with a notice of non-renewal (the “**Non-Renewal Notice**”), this Agreement will automatically expire on the last day of the Term.

2.2.4 Temporary Extension. If Franchisee fails to execute the Renewal Franchise Agreement and General Release and complete the renewal process by the expiration of the then-current term and Franchisee continues operating the Franchised Business, then, unless Franchisor has provided Franchisee with a Non-Renewal Notice, the term shall continue on a month-to-month basis provided, however, that Franchisor shall have the right at any time to terminate this Agreement upon its issuance of a written Notice of Termination (the “**Termination Notice**”) to Franchisee, which termination shall be effective immediately upon Franchisee’s receipt of, or refusal to accept, such Termination Notice (or on the termination date specified in the Termination Notice, if different). If Franchisee fails to fully and completely execute the Renewal Franchise Agreement and General Release and complete the renewal process within sixty (60) days of the commencement of the temporary extension, then, effective immediately thereafter, the monthly Royalties payable under Section 4.1.2 shall increase by an amount equal to 2.5% of Gross Service Sales (as defined in Section 4.1.3) during each week that Franchisee fails to complete the renewal process until (i) the renewal process is completed (including execution of the Renewal Franchise Agreement and General Release and payment of the renewal fee) or (ii) this Agreement is terminated. By accepting any increased Royalties, Franchisor does not waive any of its rights and remedies under this Agreement including, without limitation, the right to terminate this Agreement pursuant to its terms and all such rights and remedies shall be cumulative of every other right or remedy.

### **3. DUTIES OF FRANCHISOR**

3.1 Training. Unless otherwise specified in Exhibit A, Franchisor shall provide to Franchisee, or if Franchisee is a corporation or limited liability company, to one (1) officer or member designated by Franchisee and approved by Franchisor, pre-Academy preparation materials, classroom training, and management, financial, production, sales and promotional training (which days may not be consecutive and may include evenings) at the ServiceMaster Academy of Service (the “**Academy**”). In addition, Franchisor will also provide training to any replacement officer or manager at a cost to Franchisee to be determined from time to time by Franchisor. Franchisor shall make available such other training programs to Franchisee, or its managers or other employees, as Franchisor deems appropriate. All training provided by Franchisor shall be subject to the terms set forth in Section 5.1 of this Agreement and shall be at such times and places as may be designated by Franchisor in the Operations Manual or otherwise in writing.

3.2 Advisory Assistance. Franchisor shall, upon such terms as it deems advisable, provide continuing advisory assistance in person, by telephone or in writing on the operation of the Franchised Business.

3.3 Research and Development. Franchisor shall perform continuing research and shall, at its discretion, provide to Franchisee the benefits of such research and development which fall within the scope of the services to be rendered by Franchisee under the License pursuant to this Agreement.

3.4 Computer Hardware, Software, Service Connection and the Operations Manual. Franchisor shall give to Franchisee access, via a confidential password, to Franchisor’s intranet site (referred to as “**Service Connection**”) to access the Operations Manual, as more fully described in Section 7 of this Agreement. If this is a new Franchised Business or conversion of an existing business, the cost of a laptop computer with the software required by Franchisor shall be included in the Initial Franchisee Fee. Any additional computer hardware and software required by Franchisor shall be subject to the then-current Technology Fees as described in Section 4.2 of this Agreement and may require Franchisee to execute a software license agreement in a form prescribed by Franchisor or the software vendor.

3.5 Inspections. Franchisor shall continue its efforts to maintain the high standards of quality and service of the System and to that end shall conduct, as and when it deems advisable, inspections, observations and monitoring of the Franchised Business and evaluations of the services provided by the Franchised Business, including the use of mystery calls, phone screen and test operation/sales scripts of personnel at the Franchised Business, by Franchisor to Franchisee. Franchisor will utilize these inspections for, among other things, the purpose of evaluating the “Quality Assured” status of the Franchised Business. Without limiting Franchisor’s other rights and remedies under this Agreement, if an inspection reveals that the Franchised Business fails to meet Franchisor’s requirements for maintaining the designation as a “Quality Assured” Franchised Business, Franchisee will have ninety (90) days within which to correct, at its own expense, the deficiencies specified by Franchisor and to take the actions necessary to meet Franchisor’s Quality Assured requirements. Franchisor then may conduct one or more follow-up inspections to

confirm that Franchisee has corrected these deficiencies and otherwise is complying with this Agreement and all its standards and specifications. The failure of Franchisee to meet these requirements within such ninety (90) day period and to pass the Quality Assured inspection when the Franchised Business is re-inspected by Franchisor shall constitute grounds for the termination of this Agreement by Franchisor. If Franchisor exercises any of these inspection rights, Franchisor will use commercially reasonable efforts not to interfere unreasonably with the operation of the Franchised Business. Additionally, Franchisor may charge Franchisee an inspection fee to compensate Franchisor for its costs and expenses during any such follow-up inspection.

3.6 Sale of Products. Franchisor or its Affiliates shall sell to Franchisee materials, supplies, equipment, products, forms, promotional materials, and printed materials approved by Franchisor, as Franchisee, in its discretion, may from time to time desire to order from Franchisor or its Affiliates. Franchisee shall purchase approved products and materials or comply with Franchisor's then-current approval process as described in Section 5.3 below and in the Operations Manual from time to time.

3.7 Violations by Other Franchisees. In connection with Franchisor's duties under this Agreement, Franchisee understands and agrees that Franchisor shall not be responsible to Franchisee for violations by another franchisee of Franchisor of any agreement between Franchisor and such other franchisee.

3.8 Franchise Council. Franchisor shall convene the National Franchise Council (the "**Franchise Council**") no less than twice each calendar year. The Franchise Council shall be made up of Franchisees in Good Standing under their ServiceMaster Franchise Agreements. The Chairman and members shall be appointed by the then-current members of the Franchise Council, with Franchisor only able to reject such appointments because of the proposed appointee's lack of Good Standing under its Franchise Agreement. The Franchise Council shall serve in an advisory role with no power to override Franchisor's operation of the System or to veto any action by Franchisor.

#### 4. FEES

4.1 Fees Payable by Franchisee. In consideration of the license granted in this Agreement, Franchisee shall pay to Franchisor the following fees:

4.1.1 Initial License Fee and Opening Package Fee. Upon submission of this Agreement for execution by Franchisor, Franchisee shall pay to Franchisor the Initial License Fee and the Opening Package fee (if any) set forth in Exhibit A. Upon the execution of this Agreement by Franchisor, the Initial License Fee shall be deemed fully earned and non-refundable.

4.1.2 Royalties. Franchisee shall pay to Franchisor continuing monthly royalties during the term of this Agreement in an amount specified in Exhibit A on all types of services sold under the Proprietary Marks by Franchisee or its employees as defined in Franchisor's current royalty policy ("**Royalties**"). The Royalties are paid in consideration of the license to use the System and Proprietary Marks.

4.1.3 Gross Service Sales. "**Gross Service Sales**" is defined in Section 28.

#### 4.2 Marketing and Technology Fees.

4.2.1 Advertising Fund Contributions. Franchisor has established an Advertising Fund, as provided under Section 10.3 of this Agreement. Franchisee shall pay into the Advertising Fund, on a monthly basis, the amount specified in Exhibit A (the "**Advertising Fund Contributions**").

4.2.2 Technology Fees. Franchisor may require Franchisee to pay a monthly fee for various technology-related products and services (the "**Technology Fees**"). Franchisor will specify the Technology Fees and the related products and services in the Operations Manual. Franchisor may increase the Technology Fees and change the related products and services from time to time.

4.3 Due Date; Interest. All monthly payments required by this Section 4 shall be paid to Franchisor, and any monthly reports required under Section 9.2 of this Agreement shall be reported to Franchisor, by the days of each month specified by Franchisor in the Operations Manual or otherwise in writing for the preceding calendar month. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted

by law, whichever is less. If any report is overdue, Franchisee shall pay to Franchisor a delinquency fee of Fifty Dollars (\$50) per delinquent report. Entitlement to such interest and/or the delinquency fee shall be in addition to any other remedies Franchisor may have. Franchisee understands that Franchisor may, at Franchisor's discretion, assign the payment of such fees and the submission of the monthly reports to a third party.

4.4 Payment Method; Electronic Funds Transfer. Franchisee will report monthly Gross Service Sales (as well as any fees due based on Gross Service Sales, such as Royalties and Advertising Fund Contributions) via online reporting, or in any other manner as designated by Franchisor. If Franchisee fails to have sufficient funds available to pay any of the monthly fees specified in this Section 4 ("**Monthly Fees**"), interest and delinquency fees will be applied to Franchisee's account as set forth in Section 4.4. Franchisee agrees to pay any expense incurred by Franchisor, including court costs and attorneys' fees, for the collection of any such Monthly Fees. In addition, unless otherwise agreed to in writing, Franchisee shall participate in an electronic funds transfer program under which Monthly Fees are deducted by automatic bank drafts or paid electronically from Franchisee's bank account. Franchisor may permit Franchisee to initiate payments via a system established or approved by Franchisor, or at Franchisor's option, require Franchisee to authorize Franchisor to initiate debit and/or credit entries and/or credit correction entries to the Franchised Business' bank operating account (the "**Account**") for payment of Monthly Fees, and products and other items purchased through Franchisor or its Affiliates on forms Franchisor prescribes. In the event Franchisee is required to authorize Franchisor to initiate debit entries, Franchisee agrees to make the funds available in the Account for withdrawal by electronic transfer no later than 6:00 am on the morning of the due date as prescribed in Section 4.3, or such prior workday should the due date fall on a bank holiday. The amount actually transferred from the Account to pay Monthly Fees, and products and other items purchased through Franchisor or its Affiliates will be based on the Gross Service Sales reported to Franchisor. If Franchisee has not reported Gross Service Sales of the Franchised Business to Franchisor for any reporting period, Franchisor will be authorized to debit the Account in an amount equal to the greater of the non-reported payment (if Franchisor can reasonably estimate or determine the owed amount) or one hundred twenty percent (120%) of the Royalties transferred from the Account for the last reporting period for which a report of the Gross Service Sales of the Franchised Business was provided to Franchisor. If at any time Franchisor determines that Franchisee has under-reported the Gross Service Sales of the Franchised Business or underpaid Monthly Fees due Franchisor under this Agreement, Franchisor will be authorized to immediately initiate a debit to the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due. Franchisor's use of electronic funds transfers as a method of collecting Royalties, Marketing Funds contributions, and products and other items purchased through Franchisor or its Affiliates due Franchisor does not constitute a waiver of any of Franchisee's obligations to provide Franchisor with monthly sales reports as required in this Agreement, nor shall it be deemed a waiver of any of the rights and remedies available to Franchisor under this Agreement.

4.5 Application of Payments. When Franchisor receives a payment from Franchisee, Franchisor has the right in its sole discretion to apply it as Franchisor sees fit to any past due indebtedness of Franchisee due to Franchisor or its Affiliates, whether for Royalties, Advertising Fund Contributions, other Monthly Fees, purchases, interest, or for any other reason, regardless of how Franchisee may designate a particular payment to be applied. In addition, Franchisor may offset any amount otherwise due to Franchisee, against any amount owed to Franchisor. Finally, Franchisor may retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether rebates from suppliers, national account or program work payments, or otherwise, as payment against any amounts owed to Franchisor, including then-current Royalties and Advertising Fund Contributions which accrue to Franchisor from such national account or program work payments. Franchisor can exercise any of the foregoing rights in connection with amounts owed to or from Franchisor and/or any Franchisor Affiliate.

4.6 Additional Fees. Franchisor may charge Franchisee any costs and expenses that Franchisor actually incurs (i) if Franchisee, in Franchisor's sole discretion, fails to manage customer complaints and Franchisor, in its sole discretion, steps in to manage or settle the dispute on Franchisee's behalf to protect the brand from harm; or (b) if Franchisee fails to obtain required insurances and Franchisor, in its sole discretion, procures insurance coverage on Franchisee's behalf.

4.7 Change Fee. When notifying Franchisor of a non-controlling transfer (including a transfer of interests between existing owners and a transfer of interests to a new owner) or adding, deleting, or changing an owner's name (other than an owner's spouse); changing Franchisee's entity name; changing Franchisee's DBA (doing business as) name; or changing Franchisee's form of entity, or for any mutually agreed modifications to the Franchise Agreement, Franchisee shall submit the then-current change fee (currently, \$500 per change), as specified in the Operations Manual from time to time (the "**Change Fee**"). The Change Fee may be increased from time to time. For Non-Controlling

transfers, the Change Fee will be charged per person, per transfer, and per franchise agreement. There is no charge to change Franchisee's DBA name or form of entity during the first year of operation of the Franchised Business. If any changes are being made in conjunction with a Control Transfer of the Franchised Business, the Transfer Fee shall apply, instead of the Change Fee.

## **5. DUTIES OF FRANCHISEE**

5.1 **Training.** Franchisee, or if Franchisee is a corporation or limited liability company, one (1) officer or manager of Franchisee designated by Franchisee and approved by Franchisor shall attend and complete to Franchisor's satisfaction within six (6) months after the date of this Agreement the initial training described in Section 3.1 of this Agreement, including the Pre-Academy requirements, at the ServiceMaster Academy, and shall pass the written tests prepared by Franchisor to assure Franchisor that Franchisee has been trained and has adequate knowledge to enable Franchisee to conform to the System and the License. If the purchase of this License is in conjunction with the purchase of an additional SM License of a different type, the completion of all training required by Franchisor must occur within six (6) months of first attending the Academy. If the officer or member so trained is replaced by another officer or member, Franchisee agrees to have the replacement officer or member attend and complete the Academy, at Franchisee's cost and expense, within three (3) months after replacement. Franchisee, its managers or other employees, as designated by Franchisor, shall attend and complete to Franchisor's satisfaction, such other training programs as Franchisor may require in the Operations Manual or otherwise in writing. All expenses incurred for any training including training fees (if applicable) and the cost of travel, room, board and wages, shall be paid by Franchisee. The owner(s) may also be the manager.

5.2 **Compliance with System.** Franchisee shall operate the Franchised Business in conformity with the System, including the uniform methods, Standards and specifications as Franchisor may from time to time prescribe in the Operations Manual or otherwise in writing to ensure that the highest degree of quality and service is uniformly maintained. Franchisee agrees:

5.2.1 To maintain in sufficient supply, and use at all times, only such vehicles, products, materials, equipment, supplies, computer software and paper goods that conform with Franchisor's Standards and specifications, and to refrain from deviating from Franchisor's Standards and specifications by using nonconforming items.

5.2.2 To sell or offer for sale only such services which meet Franchisor's uniform standards of quality and performance for the License as provided in the Operations Manual or otherwise in writing by Franchisor; to sell or offer for sale all approved services; to refrain from any deviation from Franchisor's Standards and specifications for providing or selling the same; and to discontinue selling and offering for sale any services as Franchisor may, in its discretion, disapprove or discontinue in writing at any time.

5.2.3 To refrain from engaging Subcontractors to perform any Core Services, unless otherwise permitted in Exhibit A, the Operations Manual, or in a written consent given by a director (or higher) level employee of Franchisor. All Subcontractors must meet Franchisor's then-current minimum qualifications and, unless otherwise specified in the Operations Manual, must be approved by Franchisor in writing.

5.2.4 To permit Franchisor or its agents, at any reasonable time, to enter Franchisee's business premises for the purpose of conducting a Quality Assured review and other inspections and to remove from the premises samples of any inventory items without payment for such items, in amounts reasonably necessary for testing by Franchisor or an independent certified laboratory to determine whether the samples meet Franchisor's then-current standards and specifications.

5.2.5 To support the national programs instituted by Franchisor to generate service sales including the promotion of telephone numbers and websites specified in the Operations Manual, prompt and courteous response to information and service requests, and compliance with requirements established by Franchisor to implement and maintain such programs.

5.2.6 To maintain a live answering service or automated message system allowing immediate connection to a live service or voice for telephone calls to the Franchised Business during the business hours specified by Franchisor in the Operations Manual or otherwise in writing.

5.2.7 To check daily Franchisee's e-mail mailbox assigned by Franchisor and Franchisor's proprietary websites such as Service Connection for communications between Franchisee and Franchisor, and to keep

the password issued to Franchisee for access to Franchisor's website confidential at all times.

5.2.8 To comply with all reasonable requirements of Franchisor to measure Franchisee's customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of Franchisor designed to review and improve the process of operating the Franchised Business including www.tellservicemaster.com and the audio taping of mystery calls initiated by Franchisor to the Franchised Business.

5.2.9 To acquire and maintain, at all times, a properly identified vehicle which satisfies the standards and specifications that Franchisor may from time to time prescribe in the Operations Manual or otherwise in writing.

5.2.10 To offer and provide services to all customers throughout the entire Territory in a timely, fair, and equitable manner.

5.3 Approved Suppliers. Franchisee shall purchase all equipment, supplies and other products and materials required for the operation of the Franchised Business from Franchisor itself or its designated or approved suppliers that demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's reasonable Standards and specifications for such items and that possess adequate quality controls and the capacity to supply Franchisee's needs promptly and reliably. Prior to the use in the Franchised Business of any equipment, supplies or other products and materials not previously approved by Franchisor, Franchisee agrees to submit to Franchisor a representative sample sufficient for end-use evaluation, together with the manufacturer's product identification and specifications and other information as Franchisor reasonably requires to determine whether such product and/or supplier or distributor meets its specifications and standards. Franchisor may condition its approval of a supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), any adverse economic impact on Franchisor, its Affiliates, or the franchise network, and/or other criteria. Franchisor shall notify Franchisee within a reasonable time whether it approves such products, supplier and/or distributor. Franchisor may charge a fee of \$500 per cleaning product and \$1,000 per equipment product to conduct such inspection. Franchisor reserves the right to periodically re-inspect the products and services of any approved or designated supplier or distributor and to revoke its approval of any supplier, distributor, product or service that does not continue to meet Franchisor's criteria. Franchisee acknowledges and agrees that Franchisor and its Affiliates are entitled to receive and retain any and all allowances, commissions and rebates paid to Franchisor or its Affiliates by manufacturers, suppliers and distributors of products and services to the System and Franchised Businesses, including all payments made in connection with products and services purchased by System franchisees. Franchisor and its Affiliates may use all such amounts without restriction for any purposes Franchisor or any of its Affiliates deem appropriate.

5.4 Uniforms; Customer Service. Franchisee and all employees of Franchisee, while engaged in performance of the services provided by the Franchised Business, shall wear uniforms conforming in color and design to the specifications designated by Franchisor in the Operations Manual or otherwise in writing. Franchisee and all employees of Franchisee shall at all times while on duty present a neat and clean appearance and render competent, sober and courteous service to the customers of the Franchised Business.

5.5 Corporate Franchisee. Franchisee agrees that its authorization to operate as a corporation or limited liability company shall be conditioned on the following requirements:

5.5.1 Unless otherwise agreed to by Franchisor or otherwise stated in the Operations Manual, Franchisee's Owners that directly or indirectly hold a 15% or greater ownership interest in Franchisee's entity shall at all times be personally bound by the terms of this Agreement and shall execute the "Personal Guaranty and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement" (the "**Guaranty**"), the current form of which is incorporated into this Agreement, which shall be executed and effective from the Effective Date. We refer to Owners that sign such Guaranty as "**Personal Guarantors.**"

5.5.2 Each stock certificate of Franchisee or document reflecting an equity ownership interest in Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to Franchisor that it is held subject to this Agreement, and that any assignment or transfer of the stock certificate is subject to all restrictions imposed upon assignments by this Agreement.

5.5.3 Certified copies of Franchisee's Articles of Incorporation or Organization, By-Laws or

Operating Agreement, and other governing documents, including the resolutions of the Board of Directors or Board of Managers authorizing entry into this Agreement, must be delivered to Franchisor.

5.5.4 If Franchisee is an individual or a partnership and wishes to form a legal entity, Franchisee shall obtain prior written approval of Franchisor for transfer of the rights and duties under this Agreement to the new entity and Franchisee shall transfer this Agreement and the Franchised Business at no additional monetary consideration within the first year after the date of the initial franchise agreement and with the then-current processing fee if transfer occurs any time thereafter, at Franchisor's discretion, in accordance with the provisions of Section 12.2.7 of this Agreement, provided that the entity assumes all duties of Franchisee and that the owners of such entity comply with Section 5.5.1 of this Agreement.

5.6 Ownership Interests. If Franchisee is a corporation, limited liability company, or other form of entity, all of its Owners as of the Effective Date shall be listed on Exhibit A. Except in accordance with a Transfer permitted under the terms of this Agreement or as otherwise permitted by Franchisor, the Controlling Owner(s) shall maintain the Controlling Owner Interest during the entire Term and any Renewal Franchise Agreement.

5.7 Operation of Franchised Business. The Franchisee shall maintain a clean and safe place of business in compliance with all Applicable Laws, and with the Occupational Safety and Health Act standards. Franchisee shall conduct its operation of the Franchised Business under this Agreement on sound business principles.

5.8 Compliance with Applicable Laws. Franchisee will, at its expense, comply with all applicable federal, state, city, local and municipal laws, ordinances, rules and regulations pertaining to the operation of the Franchised Business, including all laws relating to employees and all applicable state and federal environmental laws. Franchisee will also comply with all applicable Payment Card Industry standards. Franchisee will, at its expense, be absolutely and exclusively responsible for determining the licenses and permits and certifications required by Applicable Laws for the Franchised Business, for obtaining and qualifying for all such licenses and permits and certifications, and for complying with all Applicable Laws.

5.9 Payment of Obligations. Franchisee will timely pay all of its obligations and liabilities when payable to Franchisor, Franchisee's suppliers, lessors and creditors.

5.10 Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

5.11 Responsibility for Services. Franchisee shall be solely responsible for the services and results of such services which are performed under this Agreement. Such responsibility will remain a continuing obligation beyond the termination of this Agreement regardless of the cause for the termination.

5.12 Use of Franchisee Information. Franchisee agrees to give Franchisor and those acting under its authority the right to reasonably and fairly use Franchisee's (or, if applicable, Franchisee's officers' and directors') name, photograph or biographical material in any publication, circular or advertisement related to the business of Franchisor or Franchisee in any place for an unlimited period without compensation.

5.13 On-Going Training. Franchisee must stay current with any changes or developments relating to the System, including any changes specific to the License. To that end, each year during the Term, Franchisee, or if Franchisee is a corporation or limited liability company, an officer and at least one Owner of the Franchised Business, must attend, solely at Franchisee's expense, at least three (3) of the seminars, workshops, conventions or meetings offered by Franchisor for its franchisees and must pay any registration fees specified by Franchisor for such events.

5.14 Compliance with Requirements. Franchisee shall comply with all other requirements set forth in this Agreement and in the Operations Manual.

5.15 Licensing and Certifications. Franchisee must, at all times during the operation of the Franchised Business, acquire and maintain all federal, state and industry-specific licensing and certifications as required in Franchisee's local jurisdiction and as otherwise required by Franchisor. Franchisor may require Franchisee to obtain and maintain (at Franchisee's own expense) certain certifications, training, or licenses provided by Franchisor, its Affiliates, or third parties as a prerequisite for Franchisee to (i) provide certain products or services, (ii) provide products or services to customers in certain specialty industries or certain types of customers, and/or (iii) participate

in certain sales or lead generation programs. Franchisor shall publish such requirements, which are subject to change from time to time, in the Operations Manual.

5.16 Good Standing Requirement for Program Participation and National Accounts Program Participation. Franchisee may elect to participate in certain additional programs, including national accounts programs, other sales or lead generation programs, or other programs that may be offered by Franchisor from time to time, as such programs are described and updated in the Operations Manual. In order to qualify for participation in such programs, Franchisee must be in Good Standing and meet any other qualifications specified in the Operations Manual. Franchisee acknowledges and agrees that they may not receive and are not entitled to receive leads and/or jobs from national account programs offered by Franchisor from time to time, and that if they do receive such leads or jobs: (a) those leads or jobs may not be distributed equally; (b) the model for distributing those leads will be designated in Franchisor's sole discretion and may be modified from time to time; (c) national account customers may limit the number of participating franchisees in a market and direct work to specific franchisees; and (d) lead and/or job volume varies greatly across the United States, and that some geographic regions have few or no leads/jobs.

5.17 Minimum Monthly Sales Requirement. Beginning in the 13<sup>th</sup> full month of operation of the Franchised Business, Franchisee's right to continue operating in the Territory is contingent upon Franchisee earning the minimum amount of Gross Service Sales specified in Exhibit A in each month of the Term (the "**Minimum Monthly Sales Requirement**"). In any subsequent renewal agreements, the Minimum Monthly Sales Requirement for your Franchised Business may be increased. Franchisor may terminate this Agreement if Franchisee fails to meet the Minimum Monthly Sales Requirement three (3) times in any nine (9) month period (except in the event that local economic conditions and/or extenuating circumstances materially affect sales potential which, in Franchisor's sole discretion, affects Franchisee's ability to meet such sales levels).

## 6. INTELLECTUAL PROPERTY

### 6.1 Proprietary Marks.

6.1.1 Franchisee acknowledges that Franchisee's right to use the Proprietary Marks is derived solely from this Agreement, is limited to the operation of the Franchised Business in compliance with this Agreement and by all applicable standards and specifications prescribed by Franchisor from time to time during the Term. Franchisee acknowledges the ownership by Franchisor's Affiliate of the Proprietary Marks and the validity and enforceability of the Proprietary Marks, and expressly covenants that during the Term of this Agreement, and after the expiration or termination of this Agreement, Franchisee shall not, directly or indirectly, contest or aid in contesting the validity or ownership of the Proprietary Marks or take any other action in derogation of the Proprietary Marks. Franchisee agrees to execute all documents requested by Franchisor or its counsel that are necessary to obtain protection for the Proprietary Marks or to maintain their continued validity or enforceability. Franchisor further represents that it is licensed to grant Franchisee the right to use the Proprietary Marks consistent with the terms of the Franchise Agreement.

6.1.2 It is understood and agreed that this license to use the Proprietary Marks applies only to their use in connection with providing the services included in the License under this Agreement and includes only such Proprietary Marks as are now or may hereafter be designated by Franchisor in writing for use by Franchisee, and no other Proprietary Marks of Franchisor or its Affiliates now existing or yet to be developed or acquired by Franchisor. Franchisee agrees to provide and advertise its services only under the d/b/a. name listed on Page 1, except for identification of the ServiceMaster trademarked vehicle, as set forth in the Operations Manual and use the Proprietary Marks designated by Franchisor in Exhibit A or otherwise in writing by Franchisor for that purpose. Franchisee further agrees that all forms and stationery used in connection with the Franchised Business shall prominently include the phrase, "An independent business licensed to serve you by *ServiceMaster Clean/Restore SPE LLC.*"

6.1.3 Franchisee understands and agrees that its non-exclusive licensed use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest, except the non-exclusive right and license herein granted, in and/or to the Proprietary Marks; that any and all goodwill associated with the Proprietary Marks inures exclusively to Franchisor's benefit; and that, upon expiration or termination of this Agreement and the License granted in this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Proprietary Marks. Any unauthorized use of the Proprietary Marks including use of the Proprietary Marks in connection with any SM License other than the License licensed to Franchisee in this Agreement, shall constitute an infringement of the Proprietary Marks and of Franchisor's rights



relating to the licensed Proprietary Marks. Accordingly, Franchisee expressly agrees not to commit or aid in committing any act of infringement or misuse of the Proprietary Marks, either during or after the Term.

6.1.4 Franchisee agrees to use the Proprietary Marks as the sole service mark identification of the Franchised Business. Franchisee shall not use any Proprietary Mark (i) as part of any corporate name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee by Franchisor), (iii) in any modified form, (iv) in connection with the sale of any unauthorized product or service, (v) on forms, uniforms, materials and supplies not approved by Franchisor, or (vi) in any other manner not explicitly authorized in writing by Franchisor. Franchisee shall observe all requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time. Finally, Franchisee shall promote and offer for sale under the Proprietary Marks only those services which meet Franchisor's prescribed Standards and specifications, as they may be revised and amended by Franchisor from time to time in the Operations Manual or otherwise in writing.

6.1.5 Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's use of any Proprietary Mark or claim by any person of any rights in any Proprietary Mark, and Franchisee shall not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor and its Affiliates shall have sole discretion to take such action as it or they deem appropriate and the right to exclusively control any litigation or U.S. Patent and Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Proprietary Mark, and Franchisee agrees to execute any and all instruments and documents, and to do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor and its Affiliates in any such litigation or U.S. Patent and Trademark Office or other proceeding.

6.1.6 Franchisee acknowledges and agrees that Franchisor retains the right to (i) grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees and to use the Proprietary Marks in connection with the sale of services, goods and products manufactured or distributed by Franchisor at wholesale or retail and (ii) participate in the development and establishment of other programs or systems for the Proprietary Marks, or any other proprietary marks, and to grant licenses for other programs, systems and proprietary marks without providing Franchisee any right to such other programs, systems or proprietary marks.

6.1.7 If it becomes advisable or desirable at any time, in the judgment of Franchisor, for Franchisee to modify or discontinue use of any Proprietary Mark, and/or use one or more additional or substitute Proprietary Marks, including the primary Proprietary Mark and/or color scheme under which the Franchised Business is operating, Franchisee agrees, at its expense, to do so.

6.1.8 Franchisor will register, in its sole discretion, any domain names, e-mail addresses, or websites that contain the Proprietary Marks or any words or designations similar to the Proprietary Marks. Franchisee shall not establish an e-mail address or a website using any domain name containing the words "ServiceMaster" or "ServiceMaster.com", or any other registered trade names or Proprietary Marks or any variation thereof without the prior written approval of Franchisor. Additionally, Franchisor will reference Franchisee's Franchised Business on the website Franchisor develops for the System (the "**Website**") so long as Franchisee is in full compliance with this Agreement. At Franchisor's request, Franchisee shall provide to Franchisor true, complete and correct information relating to its Franchised Business for inclusion on such Website. Franchisee acknowledges and agrees that Franchisor will have final approval rights over all information on the Website. Franchisor will own all intellectual property and other rights in the Website, all information contained on it and all information generated from it (including the domain name or URL, the log of "hits" by visitors and any personal or business data that visitors supply). Consistent with the preceding sentence, Franchisee shall not establish, unless otherwise specified or permitted in writing by Franchisor, a separate website or social media account to (i) advertise, market or promote the Franchised Business, (ii) conduct commerce, or (iii) directly or indirectly offer or sell any products or services in connection with the Franchised Business. Franchisee may not use the Proprietary Marks, or any words or designations similar to the Proprietary Marks, in any domain name, search engine keyword, or metatag. Should Franchisor consent to Franchisee's establishment of a website or social media account, Franchisor shall have the right to review the substance and content of Franchisee's website and Franchisee agrees to immediately delete any materials which improperly uses Franchisor's trademarks or logos, or contains, in Franchisor's sole discretion, derogatory or inappropriate material. Franchisee also agrees to comply with Franchisor's website and social media policies as set forth in the Operations Manual. Franchisor also retains the right to pre-approve Franchisee's use of linking and framing between Franchisee's website or social media pages and all other websites. If Franchisee, in the sole discretion of Franchisor, is in compliance with this

Agreement and the then-current identity requirements for websites, Franchisor will allow Franchisee to link to Franchisor's Website(s) and dealer locator-page. If Franchisor does consent to Franchisee's establishment of a website or social media account, the information Franchisee provides on such site shall not be false, inaccurate or misleading; infringe any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; violate any Applicable Laws; be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; be obscene or contain a sexually explicit image; contain any viruses or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information; or create liability for Franchisor or cause Franchisor to lose the loyalty of customers of ServiceMaster businesses. Franchisor may, at any time, modify Franchisor's policies with regard to domain names, social media accounts, and websites as may be more fully set forth in the Operations Manual. Nothing in this Section 6.1.8 shall limit Franchisor's right to maintain websites other than the Website or to offer and sell products or services under the Marks from the Website, another website, or otherwise over the Internet without payment or obligation of any kind to Franchisee.

6.1.9 Franchisor agrees to indemnify Franchisee against and to reimburse Franchisee for all damages for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any Proprietary Mark, pursuant to and in compliance with this Agreement. Franchisor's obligations under this Section 6.1.9 are subject to Franchisee and the Owners (i) providing Franchisor with prompt written notice of any claim that could result in an indemnified claim under this Section 6.1.9, (ii) allowing Franchisor to control the defense and settlement of the indemnified proceeding, and (iii) continuing to comply with the terms and conditions of this Agreement. Franchisee and Owners will not settle any claim that could result in an indemnified claim under this Section 6.1.9 without the prior written consent of Franchisor, in its sole discretion.

6.2 Software. Franchisee must obtain, maintain, and use any software that Franchisor may specify periodically in the Operations Manual, which may include software used to manage the Franchised Business, provide products and services in accordance with the Standards, and/or interact with Franchisor's accounting, customer relationship, or other technology systems. If Franchisor requires Franchisee to use any proprietary software or to purchase any software from a designated vendor, Franchisee must execute, and pay any fees associated with, any software license agreements that Franchisor or the licensor of the software require ("**Software Licenses**"). If this Agreement is being executed for the first time by a new franchisee to the ServiceMaster system (as either a new Franchised Business or as the acquirer of an existing Franchised Businesses), Franchisee must obtain any required software and enter into any Software Licenses prior to opening the Franchised Business. If Franchisee is an existing franchisee that is entering into this Agreement to renew its right to operate the Franchised Business or to obtain the right to operate an additional System Business, Franchisee must (i) obtain any required software and enter into any Software Licenses within six (6) months of the date of execution of this Agreement or (ii) use in the Franchised Business a software system that is comparable to that specified by Franchisor and has been approved in advance by Franchisor in writing. Franchisor shall have a period of sixty (60) days from the date of receipt of such request to approve or disapprove the comparable software proposed to be used by Franchisee. If Franchisor does not respond within the 60-day period, the use of the software shall be deemed approved by Franchisor. Franchisee's breach of any Software Licenses related to the operation of the Franchised Business will be deemed to be a material breach of this Agreement. Franchisee shall use any proprietary software only in the operation of the Franchised Business.

## **7. CONFIDENTIAL OPERATIONS MANUAL**

7.1 Compliance with the Operations Manual. For the purposes of this Agreement, the Operations Manual shall include all those manuals, documents, booklets, guides and related materials containing the specifications, standards, procedures and rules applicable to the Franchised Business, as prescribed from time to time by Franchisor in writing or posted on the Service Connection intranet site. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with those portions of Franchisor's Operations Manual which are designated as "mandatory" or "required." The Operations Manual shall include any manuals designated by Franchisor and such other programs, materials and training aids designated as confidential and from time to time revised by Franchisor. Franchisor shall have the right, but not the obligation, from time to time, to add to or modify the Operations Manual, and Franchisee agrees to be bound by and to conduct the Franchised Business in accordance with such revisions to the Operations Manual.

7.2 Confidentiality of the Operations Manual. Since the Operations Manual is considered to be the Confidential Information of Franchisor, Franchisee shall treat the Operations Manual in the same manner in which it

is required to treat Confidential Information hereunder. Additionally, Franchisee shall require its employees and agents to treat the Operations Manual as confidential and shall not disclose, copy, duplicate, record or otherwise reproduce, in whole or in part, for whatever reason or otherwise make available to any unauthorized person or source, the contents of the Operations Manual. Franchisor shall inform the Franchise Council of modifications it has made to the Operations Manual before it informs the entire network of such revisions.

7.3 Property of Franchisor. The Operations Manual and any other training or other similar materials on loan from Franchisor shall at all times remain the sole property of Franchisor.

## **8. CONFIDENTIAL INFORMATION AND INNOVATIONS**

8.1 Franchisee shall not, during or after the Term, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any Confidential Information, knowledge, or know-how concerning the System, the Program or any other SM Licenses, or the methods of operation of the Franchised Business which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation under the terms of this Agreement. To protect Franchisor's Confidential Information, Franchisee will adopt and implement reasonable procedures to prevent the unauthorized use or disclosure of Confidential Information, including such procedures that Franchisor periodically designates. Franchisee shall divulge, in strict accordance with those portions of Franchisor's Operations Manual which are designated as "mandatory" or "required," such Confidential Information only to the employees who must have access to it in order to operate the Franchised Business and who agree to further keep such information confidential. Franchisee acknowledges and agrees that by entering into this Agreement, Franchisee will not acquire any interest in Franchisor's Confidential Information, other than the right to use the Confidential Information that Franchisor periodically designates in operating the Franchised Business during the Term and according to this Agreement's other terms and conditions, and that Franchisee's use of any Confidential Information in any other business would constitute an unfair method of competition with Franchisor and its franchisees. Franchisor owns all right, title and interest in and to the Confidential Information. Franchisee further acknowledges and agrees that the Confidential Information is proprietary and is disclosed to Franchisee only on the condition that Franchisee and its Owners agree to the restrictions set forth in this Section 8.1. Each Owner shall bind themselves to the confidentiality provisions in this Section 8.1 by signing the Franchisor's then-current form of Guaranty (if such Owner directly or indirectly holds a 15% or greater ownership interest in Franchisee's entity) or a confidentiality agreement prescribed by Franchisor.

8.2 Franchisee acknowledges and agrees that any information and data relating to or derived from customers of the Franchised Business during the Term, whether obtained from the customer or from any other source shall be Franchisor's property and part of Confidential Information. Franchisor and its Affiliates may use, and allow others to use, such information and data in any manner that Franchisor deems appropriate in connection with the System and subject to Applicable Laws. Franchisee may use such information and data in connection with its Franchised Business but not in association with any other business or capacity. Additionally, Franchisee must comply with Franchisor's then-current policies and procedures regarding the collection, storage, use, processing and transfer of personal or financial data gathered from any customer, which shall be specified in the Operations Manual and may be changed from time to time. If there is a data breach, Franchisee must notify Franchisor and Franchisor may require Franchisee to use a third-party supplier designated by Franchisor, at Franchisee's sole cost and expense, to review and if necessary, remediate such breach or unauthorized access.

8.3 All ideas, concepts, techniques or materials relating to a Franchised Business (collectively, "**Innovations**"), whether or not protectable intellectual property and whether created by or for Franchisee or its Owners, employees or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a work made-for-hire for Franchisor, by this Section, Franchisee hereby assigns ownership of that Innovation, and all related rights to that Innovation, to Franchisor and agrees to sign (and to cause its Owners, 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 use any Innovation in operating the Franchised Business during the Term, unless Franchisor prohibits the use of the proposed Innovation in conjunction with the System. In the event Franchisor elects not to take additional steps to commercialize any Innovation, Franchisor agrees to meet with Franchisee to discuss opportunities that may exist with respect to such Innovation.

## **9. ACCOUNTING AND RECORDS**

9.1 **Maintenance of Books, Records and Accounts.** During the Term, 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 Operations Manual or otherwise in writing, including, but limited to, the requirement to maintain all such data in the then-current approved accounting software required for use in the operation of the Franchised Business.

9.1.1 **Accounting Application.** Franchisee must use the then-current accounting application software prescribed by Franchisor from time to time as described in the Operations Manual. Franchisee must install and maintain a software connection to enable accurate and complete transmittal of accounting data from Franchisee to Franchisor at the times and in the manner specified by Franchisor in the Operations Manual. Franchisee must update its master file records to comply with changes to the accounting practices prescribed by Franchisor. Franchisor is not responsible for any technical support for the software.

9.1.2 **Reporting from Application.** Franchisee must electronically transmit to Franchisor all data stored on Franchisee's accounting application daily.

9.2 **Monthly Gross Service Sales Reports.** Franchisee shall submit to Franchisor, no later than the date each monthly Royalties payment is due during the Term, a statement on forms prescribed by Franchisor and signed by Franchisee (or if Franchisee is a corporation or limited liability company, by its principal executive officer or managing member) accurately reflecting all Gross Service Sales for each category of service performed during the preceding month and such other data or information as Franchisor may require. The Franchisor shall have the right to distribute and/or publish the monthly Gross Service Sales for the Franchised Business without compensation to or the prior consent of Franchisee.

9.3 **Financial Statements.** Franchisee shall, at its expense, submit to Franchisor, upon request, within thirty (30) days after request, an internally prepared complete income statement and balance sheet or copies of the annual and interim financial statements prepared by the auditors or accountants of Franchisee. Each financial statement (or part thereof) submitted to Franchisor shall be signed by Franchisee attesting that it is true and correct.

9.4 **Certified Financial Statements.** Upon request from Franchisor, Franchisee, at its expense, shall submit to Franchisor, within ninety (90) days after receipt of Franchisor's request, complete financial statements for the preceding calendar year, including both a profit and loss statement and a balance sheet certified by an independent public accountant, all federal, state or other tax returns, together with such other information in such form as Franchisor may reasonably require. Unless otherwise agreed to by Franchisor or as otherwise set forth in the Operations Manual, the financial statements shall be prepared in accordance with generally accepted accounting principles.

9.5 **Other Information.** Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the time reasonably required by Franchisor, upon request and as specified from time to time in the Operations Manual or otherwise in writing.

9.6 **Audit Rights.** Franchisor or its authorized agent or representative shall have the right at any time during business hours, and without prior notice to Franchisee, to audit or cause to be audited the sales reports, purchasing reports, advertising expenditures, tax returns and schedules and other forms, information and supporting records which Franchisee is required to submit to Franchisor hereunder, including all inventory records and the books and records of the Franchised Business and of any entity which owns or operates the Franchised Business. Franchisee shall fully cooperate with representatives of Franchisor and/or independent accountants hired by Franchisor conducting any such audit. The parties agree to deliver the relevant documents and conduct the audit in a diligent and expeditious manner. In the event any such audit shall disclose an understatement of the Gross Service Sales of the Franchised Business, Franchisee shall pay to Franchisor, within thirty (30) days after receipt of the audit report, the Royalties and Advertising Fund Contributions due on the amount of such understatement, plus interest from the due date until the date of payment at the highest legal rate for open account business credit in the state in which the Franchised Business is located (or in the absence of such rate, at the rate of one and one-half percent (1.5%) per month). Further, in the event such audit is made necessary by the failure of Franchisee to furnish reports, supporting records, or other information, as required by this Agreement or if the audit reveals an understatement of Gross Service Sales for any period or periods greater than one percent (1%), Franchisee shall reimburse Franchisor for the cost of

such audit, including the charges of any independent accountant and/or third-party vendor and the travel expenses, room and board and compensation of employees of Franchisor and its authorized agents or representatives. The foregoing remedies shall be in addition to all other remedies and rights of Franchisor hereunder or under Applicable Laws. The auditing rights granted to Franchisor hereunder are to apply to Franchisor's auditing of Franchisee and the Franchised Business and not to an unrelated business operated separate and apart from the Franchised Business by Affiliates of Franchisee.

10. **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 System, the parties agree as follows:

10.1 **Local Advertising.** Franchisee shall spend not less than the percentage of monthly Gross Service Sales as set forth in Section 7 of Exhibit A on local advertising. Local advertising, sales activity, and other marketing activities are subject to approval by Franchisor and must be consistent with the then-current sales and marketing guidelines (which will be updated from time to time as Franchisor deems necessary). All such local advertising conducted by Franchisee shall be conducted in a dignified manner and conform to Franchisor's requirements as set forth in the Operations Manual or otherwise in writing.

10.2 **Approval of Advertising.** Franchisee shall submit to Franchisor's Business Development Consultant (BDC), for its prior approval (except with respect to the prices to be charged), samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. If not disapproved or otherwise rejected by Franchisor within twenty (20) days after the date Franchisor received such materials, Franchisor shall be deemed to have given the required approval.

10.3 **Advertising Fund.** Franchisor shall have the right, in its sole discretion, to establish or discontinue a national advertising fund for the promotion of System Businesses, Core Services, and the Proprietary Marks (the "**Advertising Fund**"). Franchisee shall make contributions to the Advertising Fund as required under Section 4.2 of this Agreement. The Advertising Fund shall be maintained and administered by Franchisor. Franchisee acknowledges that Franchisor has established a national Advertising Fund as described in this Agreement.

10.3.1 Franchisor has established an Advertising Committee which provides guidance, counsel and communication as it relates to the creation of advertising programs funded through the Advertising Fund. The Committee is composed of franchisees selected by Franchisor and members of Franchisor's marketing department. The Committee does not have the right to approve, cancel, modify or create any marketing and promotional programs as the Committee only serves in an advisory role. All advertising programs are subject to the final approval of Franchisor. Franchisee agrees and acknowledges that the Advertising Fund is intended to help enhance the general public recognition and acceptance of the Proprietary Marks for the benefit of the SM Licenses and that Franchisor does not undertake any obligation in administering the Advertising Fund to make expenditures for the benefit of Franchisee which are equivalent or proportionate to its contributions, or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

10.3.2 Franchisor or its designee will from time to time formulate, develop, produce and conduct marketing and promotional programs in the form and media as Franchisor or its designee determines to be most effective. Franchisee agrees to participate in all marketing and promotions as Franchisor determines to be appropriate for the benefit of the System. The Advertising Fund may be used to meet any and all costs of maintaining, administering, directing and preparing advertising and promoting the programs, products and services offered by its franchisees including the cost of preparing and conducting digital and social marketing activities, television, radio, magazine and newspaper advertising campaigns and other sales, marketing, sponsorships, promotional and public relations activities; producing and maintaining marketing systems and tools, employing advertising agencies; employee salaries, salesperson commissions and other related costs and expenses; the costs relating to any toll-free number maintained by Franchisor and used in advertising and marketing campaigns; providing promotional brochures and other marketing materials to franchisees; monitoring and/or managing social media relating to the brand; and such other costs and expenses as Franchisor, in its sole discretion, deems appropriate and in the best interests of all or any of its franchisees. All sums paid by franchisees to the Advertising Fund shall be maintained in a Franchisor account and tracked on a separate profit and loss statement and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Advertising Fund and advertising programs including conducting market research, preparing marketing, promotional and advertising materials, and collecting and accounting for assessments for the Advertising Fund. The proportionate compensation of Franchisor's and its

Affiliates' employees who devote time and render services in the formulation, development and production of such marketing and promotion programs or the administration of the Advertising Fund, will be paid from the Advertising Fund. All Company-owned Franchised Businesses will contribute to the Advertising Fund on the same basis as the franchisees. Franchisor will not use the Marketing Funds principally to solicit new franchise sales. For the avoidance of any doubt, the Advertising Fund shall be deemed general funds, and shall not be deemed to be trust funds; and Franchisor shall have no obligation to spend on marketing or promotion amounts in excess of those funds actually collected from franchisees.

10.3.3 Franchisor shall control all advertising and listings for Franchisee and other franchisees of Franchisor in online directories, including Google My Business, Yelp, and Facebook, in order to maintain proper search engine optimization practices. Franchisor may grant Franchisee editable rights in the content of such online advertising and listings upon written request by Franchisee. Franchisee specifically agrees that all telephone numbers, including toll-free and local numbers, used at the Franchised Business or in advertising the Franchised Business will belong to Franchisor and be maintained in the name and for the use designated by Franchisor. Franchisee shall be responsible for all maintenance and other charges related to each telephone number used by the Franchised Business. Without Franchisor's prior written approval, Franchisee will (a) not employ and/or publish any other telephone number for customer use in connection with the Franchised Business and (b) use only roll-overs or other forwarding functions authorized by Franchisor. Franchisee specifically understands and agrees that Franchisor will have the exclusive use and control of all of these telephone numbers immediately upon expiration or earlier termination of this Agreement. Franchisee must sign and deliver to Franchisor its standard form of documents to facilitate the foregoing, including any and all assignment of rights as maybe required by telephone companies and communications service providers.

10.3.4 A financial review of the operation of the Advertising Fund shall be prepared annually by Franchisor. Within ninety (90) days after the annual review is provided to the Committee, the Franchise Council may request an audit of expenses to be performed by an independent certified public accountant selected by the Committee. The annual review and any audit shall be made available to Franchisee upon request. The cost of the financial review and any audit shall be charged to the Advertising Fund.

## **11. INSURANCE**

11.1 Insurance Required. Franchisee shall at all times during the Term maintain in force at Franchisee's sole expense the insurance coverage for the Franchised Business in the amounts, covering the risks, and containing only the exceptions and exclusions that Franchisor periodically specifies. All of Franchisee's insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as Franchisor may periodically specify). These insurance policies must be in effect on or before the deadlines Franchisor specifies. All coverage must be on an "occurrence" basis, except for the employment practices liability insurance coverage, which is on a "claims made" basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that Franchisor or its Affiliates maintain. All general liability and workers compensation coverage must provide for waiver of subrogation in favor of Franchisor and its Affiliates. Franchisor may periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All such liability insurance policies shall name Franchisor and its Affiliates as additional insureds and shall provide that Franchisor receive thirty (30) days' prior written notice of termination, expiration or cancellation of any such policy. Franchisee shall submit to Franchisor, or Franchisor's designated agent, annually a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.

11.2 Coverage Requirements. The required policies of insurance to be maintained by Franchisee shall be as set forth in the Operations Manual or otherwise in writing, and shall include, at a minimum, the following: (i) Workers' compensation and occupational disease insurance as may be required by applicable state or federal law, (ii) Comprehensive General Liability insurance, including products and completed operations coverage, (iii) Business automobile liability coverage for owned, hired, and non-owned vehicles or any auto, and (iv) all other insurance required by applicable state or federal law. Some SM Licenses may require different or additional insurance policies, as specified in the Operations Manual from time to time.

11.3 Failure to Maintain. Franchisee shall submit to Franchisor, or Franchisor's designated agent, annually a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy. 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 in the Operations Manual or otherwise in writing, Franchisor shall have the right, at its

option and in addition to any other rights and remedies, to procure such insurance coverage on Franchisee's behalf, and to charge the cost to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon Franchisee's receipt of written notice. Franchisee shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to Franchisor, on demand, such costs and fees.

11.4 Obligation to Obtain. Franchisee's obligation to obtain and maintain insurance policy or policies as specified by Franchisor shall neither be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 17.3 of this Agreement.

## 12. ASSIGNMENT

12.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign this Agreement or all or any part of its rights or obligations under this Agreement to any person or legal entity including to distributors of Franchisor, without the approval or consent of Franchisee. Franchisee agrees to execute any forms as Franchisor may reasonably request to acknowledge or effectuate any such assignment by Franchisor. Franchisee and each Owner of Franchisee and/or Affiliates, and the transferee (and each owner and/or Affiliate of the transferee) must sign a General Release.

### 12.2 Transfer by Franchisee.

12.2.1 Franchisee's Owners. Franchisee represents and warrants that Section 29.3 of this Agreement completely and accurately identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date.

12.2.2 Transfer by Franchisee-Defined. Franchisee acknowledges that the rights and duties this Agreement creates are personal to Franchisee and its Controlling Owners and that Franchisor has granted Franchisee the rights under this Agreement in reliance upon Franchisor's perceptions of Franchisee's and its Controlling Owners' collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, unless otherwise specified in this Section 12.2, neither this Agreement (or any interest in this Agreement), the Franchised Business or substantially all of its assets, nor any ownership interest in Franchisee or any Owner (if such Owner is a legal entity) may be transferred (as defined in this Agreement) without complying with the terms and conditions applicable to such transfer in this Section 12.2. A transfer of the Franchised Business' ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without complying with the terms and conditions applicable to such transfer in this Section 12.2 including Franchisor's approval is a material breach of this Agreement. Franchisor reserves the right to conduct an audit of the Franchised Business as a pre-condition to consent to Transfer.

12.2.3 Non-Control Transfers. Subject to the other provisions of this Section 12.2, Franchisee and/or any of its Owners may consummate any Non-Control Transfers, without seeking or receiving Franchisor's consent, if (i) neither the proposed transferee nor any of its direct and indirect owners (if the transferee is a legal entity) own, operate, or are directly or indirectly involved in any Competing Business; (ii) such transfer does not, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), result in the transfer or creation of a direct or indirect Controlling Ownership Interest in Franchisee; and (iii) promptly after the closing of such Non-Control Transfer, Franchisor receives written notice of such Non-Control Transfer from Franchisee, together with payment of the then-current Change Fee, which notice shall fully and completely describe such Non-Control Transfer and the parties involved in such Non-Control Transfer and certify in writing to Franchisor that any such Non-Control Transfer complied with the terms of this Agreement. Within thirty (30) days after the effective date of any Non-Control Transfer, Franchisee shall provide Franchisor (i) an updated list of Owners of Franchisee (if the previous list of Owners provided to Franchisor has changed) and their ownership interests in a form that Franchisor prescribes and (ii) such other information as Franchisor reasonably requests from time to time concerning any new Non-Controlling Owners. Failure to provide such notice and requested information within thirty (30) days is an incurable event of default and will be counted as an event of default as set out in Sections 13.3.5 and 13.3.13 below.

12.2.4 Control Transfers. Franchisee must notify Franchisor in writing at least ten (10) days in advance of Franchisee's listing the Franchised Business or a direct or indirect Controlling Ownership Interest in

Franchisee for sale and promptly send Franchisor all information that Franchisor reasonably requests regarding any proposed sale. In connection with any proposed Control Transfer, Franchisee must submit to Franchisor, on behalf of the proposed transferee, a complete application for a new franchise agreement (the “**Change of Ownership Application**”), accompanied by payment of Franchisor’s then-current application fee (if any). The same qualifications apply to all potential transferees including spouses, adult children, and existing managers of the business. Franchisor will process the Change of Ownership Application according to this Section 12.2.4 and its then-current procedures for such transfers. Franchisor has sixty (60) days from its receipt of the completed and signed Change of Ownership Application to consent or withhold its consent to the proposed Control Transfer. No Control Transfer may occur without Franchisor’s prior written consent. If Franchisee (and each of its Personal Guarantors) is substantially complying with this Agreement, then, subject to the other provisions of this Section 12.2, Franchisor will not unreasonably withhold its approval of a Control Transfer if all of the following conditions are met before or concurrently with the effective date of the Control Transfer:

12.2.4.1 the transferee and each of its direct and indirect owners (if the transferee is a legal entity) has, in Franchisor’s judgment, the necessary business experience, good moral character and business reputation, aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise), the financial resources to operate the Franchised Business, and satisfies all eligibility requirements necessary to participate in the applicable Program;

12.2.4.2 Franchisee has paid all amounts owed to Franchisor, its Affiliates and third party vendors, and has not violated any provision of this Agreement or any other agreement with Franchisor or its Affiliate, in each case during both the sixty (60) day period before Franchisee requested Franchisor’s consent to the transfer and the period between Franchisee’s request and the effective date of the transfer;

12.2.4.3 at the transferee’s expense and upon such other terms and conditions as Franchisor may reasonably require, Franchisor may require the transferee (or if the transferee is a corporation or limited liability company, the transferee’s officers or owners) to complete the training courses then in effect for new franchisees;

12.2.4.4 the transferee and its owners (if the transfer is of this Agreement), or Franchisee and its Owners (if the transfer is of a Controlling Ownership Interest in Franchisee or one of its Controlling Owners), at Franchisor’s sole discretion, either (a) sign Franchisor’s then-current form of franchise agreement and related documents for use with existing Programs (including guarantees and assumptions of obligations), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the royalty fee and marketing contributions, and the term of which franchise agreement will be, at Franchisor’s option, a five (5) year term or the remaining unexpired portion of the term of Franchisee’s existing franchise agreement or (b) assume Franchisee’s existing franchise agreement for the remaining unexpired portion of the term and sign any related documents (including guarantees and assumptions of obligations);

12.2.4.5 Franchisee and its Owners and/or Personal Guarantors sign a termination agreement in Franchisor’s then-current form, and Franchisee and each of its Owners, and the transferee and each owner of any equity ownership interest in the transferee, shall have executed a General Release in a form satisfactory to Franchisor. In addition, each owner that directly or indirectly holds a 15% or greater ownership interest in transferee’s entity shall sign all documents Franchisor requests evidencing their agreement to remain liable or assume liability for all obligations to Franchisor and its Affiliates existing before the effective date of the transfer;

12.2.4.6 Franchisor has determined that Franchisee’s or the transferee’s (as applicable) overall financial status following the transfer will not adversely affect the operation of the Franchised Business;

12.2.4.7 Franchisee (if Franchisee will no longer operate the Franchised Business) and its transferring Owners agree that they will not directly or indirectly at any time or in any manner use any Proprietary Mark, copyrighted materials or Confidential Information, except as otherwise permitted under any then effective agreement with Franchisor or its Affiliates;

12.2.4.8 neither the transferee nor its owners own, operate, or are directly or indirectly involved in any Competing Business; and

12.2.4.9 upon granting of approval for the transfer of the Franchised Business, Franchisee shall pay Franchisor the then-current transfer, training and processing fees (the “**Transfer Fees**”). Franchisor



may discount the Transfer Fees in accordance with Franchisor's then-current policies for transfers to a spouse or an adult child of a Franchisee's Controlling Owner, Franchisee's existing Owners, or qualified managers of the Franchised Business (as may be defined in the Operations Manual from time to time).

Franchisor may review all information regarding the Franchised Business that Franchisee gives the proposed transferee, correct any information that Franchisor believes is inaccurate, and give the proposed transferee copies of any reports that Franchisee has given Franchisor or Franchisor has made regarding the Franchised Business. Franchisor reserves the right to conduct an audit of the franchised business as a pre-condition to Transfer.

**12.2.5 Permitted Control Transfers.** Notwithstanding Section 12.2.4: (i) any Controlling Owner may, without Franchisor's prior written consent and without complying with the other terms and conditions of Section 12.2.3, transfer its interest in Franchisee (or Franchisee's Controlling Owner) to any other entity in which such Controlling Owner owns (directly or indirectly) all of the ownership interests; and (ii) any Owner who is an individual may, without Franchisor's prior written consent and without complying with the other terms and conditions of Section 12.2, transfer his or her interest in Franchisee (or Franchisee's Owner) to a trust or other entity that he or she establishes for estate planning purposes, as long as he or she is a trustee of, or otherwise controls the exercise of the rights in Franchisee (or Franchisee's Owner) held by, the trust or other entity, continues to comply with and ensures the trust's or other entity's compliance with the applicable provisions of this Agreement (if such Owner is a Personal Guarantor), and notifies Franchisor in writing of the transfer at least ten (10) days prior to its anticipated effective date. Dissolution of or transfers from any trust or other entity described in this Section 12.2.5 are subject to all applicable terms and conditions of Sections 12.2.2 or 12.2.3.

**12.2.6 Transfer to Competitor Prohibited.** Franchisee will not sell, assign or transfer this Agreement, any interest in Franchisee or the Franchised Business, or any assets or accounts of Franchisee or the Franchised Business, to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any business that is in any way competitive with Franchisor or the Franchised Business. If Franchisor refuses to permit a transfer or assignment based upon this provision, Franchisee's only remedy will be to have a court of competent jurisdiction determine whether the proposed transferee is a competitor of Franchisor.

**12.2.7 Transfer to Corporation or Limited Liability Company.** In the event the proposed transfer is to a corporation, limited liability company or other legal entity, Franchisor's consent to such transfer may, in its sole discretion, be conditioned on the requirements set forth in Section 5.5 of this Agreement.

**12.2.8 Transfer of Ownership Interests Upon Death.** Upon the death or mental incompetency of a person with a Controlling Ownership Interest in Franchisee or one of its Controlling Owners, that person's executor, administrator, or personal representative ("**Representative**") must, within six (6) months after the date of death or mental incompetency, transfer the Owner's interest in Franchisee or the Controlling Owner to a third party, subject to Franchisor's approval and the conditions set forth in Section 12.2.4. In the case of a transfer by devise or inheritance, if the heirs or beneficiaries cannot meet the conditions of Section 12.2.4 within this six (6) month period, the Representative will have nine (9) months from the date of death or mental incompetency to dispose of the interest, subject to Franchisor's approval and the conditions set forth in Section 12.2.4. Franchisor may terminate this Agreement if this required transfer fails to occur in compliance with this Agreement within the required time frame.

**12.2.9 Non-Waiver of Claims.** Franchisor's consent to a transfer of any interest in the Franchised Business shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

**12.2.10 Acknowledgment of Restrictions.** Franchisee acknowledges and agrees that the restrictions imposed by Franchisor on transfers in this Section 12.2 are reasonable and necessary to protect the goodwill associated with Franchisor's business operation and the Proprietary Marks, as well as Franchisor's reputation and image and are for the protection of Franchisor and all franchisees that own and operate ServiceMaster businesses. Any attempted assignment or transfer made without complying with the requirements of this Section 12.2 will be void.

**12.2.11 Right of First Offer.** If Franchisee (or any of its Owners) at any time during the Term determine to sell or transfer for consideration this Agreement, the Franchised Business or all or substantially all of its assets, or a Controlling Ownership Interest in Franchisee or its Controlling Owner (except to or among Franchisee's Owners as of the Effective Date, which is not subject to this Section 12.2.11), then Franchisee must first give Franchisor

the opportunity to acquire those rights (the “**Offered Rights**”) by delivering written notice to Franchisor. Franchisee’s notice must contain the specific terms and conditions of the proposed sale or transfer, including the proposed consideration and the terms of any financing Franchisee or its Affiliate will provide for the proposed purchase price (the “**Offer Terms**”). The Offer Terms must relate exclusively to the Offered Rights and not to any other assets or rights. Franchisor will then have forty-five (45) days after receiving the Offer Terms to notify Franchisee whether Franchisor elects to acquire the Offered Rights on the Offer Terms, provided that (1) Franchisor may substitute cash, a cash equivalent, or marketable securities for any form of payment proposed in the Offer Terms (such as ownership interests in an entity) and may elect to pay the net present value of any payments to be made over time; and (2) Franchisor must receive, and Franchisee and its Owners agree to make, all customary representations, warranties, and indemnities in Franchisor’s purchase, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Franchised Business before the closing. If Franchisor exercises the right of first offer, the closing will take place at a location and on a date (within thirty (30) days after Franchisor delivers its notice of exercise to Franchisee) that Franchisor chooses. Franchisor and Franchisee will sign documents, including deeds, affidavits, transfers and assignments, and any other documents necessary or appropriate for the sale or transfer of the Offered Rights. Franchisee must satisfy all liens, mortgages, and/or encumbrances on the Franchised Business. Franchisor and Franchisee will share equally any closing costs. If Franchisor notifies Franchisee in writing that Franchisor does not intend to exercise its right of first offer with respect to any Offer Terms, or fails to notify Franchisee of Franchisor’s decision within the forty-five (45) day period described above, then Franchisee thereafter may offer the Offered Rights to any third party on terms no more favorable to that party than the Offer Terms. However, Franchisee or its Owners may sell or transfer the Offered Rights only if Franchisor otherwise approves the transfer in accordance with, and Franchisee (and its Owners) and the transferee comply with the conditions in Section 12.2 of this Agreement. This means that, even if Franchisor does not exercise Franchisor’s right of first offer, if the proposed transfer otherwise would not be allowed under Section 12.2, Franchisee (or its Owners) may not move forward with the transfer. If Franchisee later elects to offer the Offered Rights on terms which are more favorable to the buyer than the Offer Terms, or, if Franchisee elects to change the Offered Rights, then Franchisee must first offer those new terms to Franchisor according to the procedures described above. In addition, if Franchisee does not sell or transfer the Offered Rights in compliance with this Section 12.2.11 and the conditions in Section 12.2, within twelve (12) months after Franchisor first receives notice of the Offered Rights, then the rights under this Section 12.2.11 shall once again apply with respect to those Offer Terms, and Franchisee may not sell or transfer for consideration the Offered Rights without first giving Franchisor the opportunity to acquire those rights according to this Section 12.2.11.

### **13. TERMINATION OF FRANCHISE**

13.1 Termination after Opportunity to Cure. In addition to its right to terminate this Agreement as provided in Section 13.3, Franchisor shall have the right to terminate this Agreement upon written notice to Franchisee in the event Franchisee or any of its Owners (a) fails to comply with any provision of this Agreement, any agreement with our Affiliates, any Software License, or any mandatory Standard (including any procedures or requirements set forth in the Operations Manual or any Standard relating to image or customer service or treatment), and (b) does not correct such failure within (i) seven (7) days after written notice of such failure to comply (which shall describe the action that Franchisee must take) is delivered to Franchisee if such failure relates to the use of any Proprietary Mark or the payment of any monies due Franchisor, its Affiliates, or to any third party under this Agreement or any other agreement or (ii) thirty (30) days after written notice of such failure to comply (which shall describe the action that Franchisee must take) is delivered to Franchisee if such failure relates to any other provision.

13.2 Termination of Agreement. If Franchisor, in its sole discretion, has given the written notice set forth in Section 13.1 of this Agreement and Franchisee fails to correct the alleged breach set forth in the notice within the period of time specified in Section 13.1 of this Agreement or under Applicable Laws, then this Agreement will automatically terminate on the first minute after 12:00 midnight on the thirty-first (31st) day or the eighth (8<sup>th</sup>) day, as applicable, after the date of the notice of breach, or after expiration of the cure period required by Applicable Laws, without any further action by Franchisor. At the sole discretion of Franchisor, a terminated franchisee may be reinstated.

13.3 Franchisor’s Immediate Termination Rights without Opportunity to Cure. Franchisor will have the absolute right, unless precluded by Applicable Laws, to terminate this Agreement effective upon delivery of notice of termination to Franchisee, if:

13.3.1 Franchisee becomes insolvent by reason of Franchisee’s inability to pay its debts as they

become due or makes an assignment for the benefit of creditors or an admission of Franchisee's inability to pay its obligations as they become due;

13.3.2 Franchisee files a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any Applicable Laws, or admits or fails to contest the material allegations of any such pleading filed against Franchisee, or is adjudicated a bankrupt or insolvent or a receiver or other custodian is appointed for a substantial part of the assets of Franchisee or the Franchised Business, or a final judgment remains unsatisfied or of record for ninety (90) days or longer (unless supersedeas bond is filed), or if execution is levied against any substantial part of the assets of Franchisee or the Franchised Business or suit to foreclose any lien or mortgage is instituted against the Franchised Business and not dismissed within ninety (90) days, or if the real or personal property of the Franchised Business is sold after levy of judgment thereupon by any sheriff, marshal or constable, or the claims of creditors of Franchisee or the Franchised Business are abated or subject to a moratorium under any Applicable Laws;

13.3.3 Franchisee has voluntarily or otherwise Abandoned (as defined in Section 28) the Franchised Business;

13.3.4 Franchisee fails or refuses to permit Franchisor access to Franchisee's and/or the Franchised Business' financial information or refuses to produce financial or other business records to Franchisor for review and audit in accordance with this Agreement;

13.3.5 Franchisee on three (3) or more occasions during any twelve (12) consecutive month period fails or refuses to comply with the procedures or requirements set forth in the Manuals or otherwise fails or refuses to comply with the Standards or this Agreement, including non-payment of sums due;

13.3.6 Franchisee is involved in any act or conduct or uses the Proprietary Marks in any way which materially impairs the goodwill associated with the Proprietary Marks or Franchisor's business operations and Franchisee fails to correct the breach within twenty-four (24) hours of receipt of written notice from Franchisor of the specific breach;

13.3.7 Franchisee violates any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Franchised Business, and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation, constitutionality, or legality of such law, ordinance, rule or regulation, and Franchisee promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality;

13.3.8 Franchisee or any of its Owners is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the Franchised Business and the goodwill associated with the Proprietary Marks;

13.3.9 Franchisee fails to maintain or suffers cancellation of any insurance policy;

13.3.10 Franchisee or any Owner makes an unauthorized transfer of the Franchised Business, this Agreement, any ownership rights in Franchisee or any of Franchisee's rights under this Agreement without complying with all applicable provisions of this Agreement;

13.3.11 Franchisee or any Owner violates any of the covenants with respect to the Confidential Information in Section 8 (Confidential Information and Innovations) and the non-compete covenants in Section 15 (Covenants);

13.3.12 Any franchise agreement (or any other agreement of a similar nature) between Franchisee and Franchisor is terminated by Franchisor for any reason, or wrongfully terminated by Franchisee;

13.3.13 Franchisee violates a material provision, term or condition of this Agreement four (4) or more times during the Term of this Agreement, without regard to whether the violations were of a similar or different nature or whether the violations were corrected within the prescribed cure period after receipt of written notice, signed by an officer of Franchisor, of the violations from Franchisor; or

13.3.14 Franchisee fails to meet the Minimum Monthly Sales Requirement three (3) or more times during any nine (9) month period (for the avoidance of doubt, each failure to meet the Minimum Monthly Sales Requirement in a given month shall be considered a separate material default).

13.4 Correction of Breach. For purposes of this Agreement, an alleged breach of this Agreement by Franchisee will be deemed to be “corrected” if both Franchisor and Franchisee agree in writing that the alleged breach has been corrected.

13.5 Other Remedies. Nothing in this Section 13 precludes Franchisor from seeking other remedies or damages under Applicable Laws, this Agreement or any other agreement. Upon the occurrence of any of the events that give rise to Franchisor’s right to terminate this Agreement under this Section 13, Franchisor may, at its sole option and upon delivery of written notice to Franchisee, elect to take any or all of the following actions without terminating this Agreement: (i) temporarily remove information concerning the Franchised Business from Franchisor’s website and/or stop Franchisee’s or its Franchised Business’ participation in any other programs or benefits offered on or through Franchisor’s Website; (ii) suspend Franchisee’s right to participate in one or more programs or benefits that the Advertising Fund provides; and/or (iii) refuse to provide any operational support that this Agreement requires or that Franchisor has elected to provide or suspend any other services that Franchisor or its Affiliates provide to Franchisee under this Agreement or any other agreement.

13.5.1 The imposition of any of Franchisor remedies set forth in this Section 13.5 shall end upon Franchisee’s demonstration, to the reasonable satisfaction of Franchisor, that the defaults giving rise to such remedies have been cured.

13.5.2 Franchisor’s exercise of its rights under this Section 13.5 will not be a defense for Franchisee to Franchisor’s enforcement of any other provision of this Agreement or waive or release Franchisee from any of its other obligations under this Agreement. Franchisor’s exercise of these rights will not constitute an actual or constructive termination of this Agreement nor be Franchisor’s sole or exclusive remedy for Franchisee’s default.

13.5.3 Franchisee must continue to pay all fees and otherwise comply with all of its obligations under this Agreement following Franchisor’s exercise of any of these rights.

13.5.4 If Franchisor exercises any of its rights under this Section 13.5, Franchisor may thereafter terminate this Agreement without providing Franchisee any additional corrective or cure period, unless the default giving rise to Franchisor’s right to terminate this Agreement has been cured to Franchisor’s reasonable satisfaction.

#### **14. OBLIGATIONS UPON TERMINATION**

Upon termination or expiration, this Agreement and all rights granted to Franchisee under this Agreement shall immediately terminate, and:

14.1 Association with System. Franchisee shall immediately cease to perform any services or use, by advertising or in any manner whatsoever, any format, methods, procedures and techniques associated with the System and the Program.

14.2 Removal of Name. Franchisee’s name shall be withdrawn from all published lists of persons and entities licensed to perform services associated with the System and Franchisee shall not hold itself out to the public as a present or former franchisee of Franchisor.

14.3 Use of Proprietary Marks. Franchisee will (i) cease and terminate all use of the Proprietary Marks and the word “ServiceMaster”, in any manner whatsoever, or any colorable imitation thereof, including identification on vehicles and equipment; and (ii) take all steps necessary to disassociate itself from the Proprietary Marks, the Program and the System, such as the withdrawal of all advertising materials, the destruction of all letterheads, and the removal of all signs and any other articles which display the Proprietary Marks and the trade dress associated with the Proprietary Marks, including the removal of all distinctive colors, designs and decals from all aspects of the premises where Franchisee conducted the Franchised Business.

14.4 Transfer of Listings and Accounts. It is agreed between the parties that following termination or expiration of this Agreement, all interest in and rights to use all telephone and facsimile numbers, domain names, listings, email addresses, and social media accounts whether or not bearing the Proprietary Marks (collectively

“**listings and accounts**”) used by Franchisee in any manner related to the operation of, or applicable to, the Franchised Business shall be transferred to or vested in Franchisor, and Franchisor shall thereupon have the full and exclusive right to use such listings and accounts or to authorize the use thereof by another franchisee of Franchisor. Franchisee hereby appoints Franchisor as its attorney in fact to direct the telephone company and all listing agencies to transfer such listings and accounts to Franchisor or as it may in writing direct. Any amounts owing by Franchisee on account of such listings and accounts shall be paid immediately by Franchisee.

14.5 Return of Operations Manual. Franchisee will immediately return to Franchisor all copies of the Operations Manual or bulletins which have been loaned to Franchisee by Franchisor and cease use of the Operations Manual that have been provided to Franchisee electronically. Franchisee must certify, in a form prescribed by Franchisor, that it has destroyed or returned to Franchisor all Confidential Information and all copies thereof in any format or medium, including paper and electronic files.

14.6 Unfair Competition. Franchisee agrees, in the event it continues to operate or subsequently begins to operate another non-competitive business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks or the System either in connection with the operation or the promotion of such other business which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor’s exclusive rights in and to the Proprietary Marks and the System, and further 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 so as to constitute unfair competition.

14.7 Return of Materials and Property. Franchisee shall immediately deliver to Franchisor all materials containing any Proprietary Marks including marketing materials, forms, signs, catalogues, files, instructions, as well as computer software utilized in the operation of the Franchised Business and any and all other materials relating to the operation of the Franchised Business in Franchisee’s possession which was furnished by Franchisor, and all copies thereof (all of which Franchisee acknowledges are Franchisor’s property), and shall retain no copy or record of any of these materials, except for Franchisee’s copy of this Agreement, any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of Applicable Laws. At the option of Franchisor, and at a time established by Franchisor during business hours following termination or expiration of the Franchise, Franchisee shall, at Franchisor’s option, destroy all signs, catalogues, marketing materials, forms, invoices and other materials containing any Proprietary Mark in the presence of a representative of Franchisor.

14.8 Cancellation of Assumed Name Registration. Upon the termination or the expiration of this Agreement, Franchisee shall take such action as shall be necessary to cancel any assumed name or equivalent registration which contains the word “ServiceMaster” or any other Proprietary Marks 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.

14.9 Option to Purchase. Franchisor shall have the right (but not the duty), to be exercised by notice (“**Option Notice**”) of its intent to do so within sixty (60) days after termination or expiration of this Agreement, to purchase from Franchisee all approved equipment, fixtures, and signs and all motor vehicle products and other products, supplies, and materials used in the operation of the Franchised Business and any advertising material, inventory, or other items bearing the Proprietary Marks (the “**Purchased Assets**”) at the greater of Franchisee’s cost or fair market value. The parties shall have fifteen (15) days after the date of Franchisor’s Option Notice to agree upon such fair market value, and if they cannot so agree, an independent third-party appraiser experienced in valuing businesses of this kind shall be appointed by mutual agreement of Franchisor Option Notice. If the parties cannot agree on an appraiser within twenty (20) days of the Option Notice, Franchisor shall and Franchisee who shall then determine the fair market value within thirty (30) days after the date of the unilaterally appoint one. If Franchisee disagrees with such appraiser’s determination of fair market value, it may appoint, at Franchisee’s sole expense, an appraiser experienced in valuing businesses of this kind, and the two appraisers together shall appoint a third such appraiser, whose services shall be paid for by Franchisee, both of whom shall determine the fair market value. In such event, for purposes of this Section 14.9, “**fair market value**” shall be the average of the two such closest appraisals and that determination shall be final and binding on the parties. Franchisor is entitled to all customary representations, warranties and indemnities in its asset and Premises purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Franchised Business prior to the closing of Franchisor’s purchase. At the closing, Franchisee agrees to deliver instruments transferring to Franchisor: (i) good and merchantable title to the

Purchased Assets and any premises where Franchisee operated the Franchised Business, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and transfer taxes paid by Franchisee; and (ii) all of the Franchised Business' licenses and permits which may be assigned or transferred. If Franchisee cannot deliver clear title to all of the Purchased Assets or Premises purchased hereunder, or if there are other unresolved issues, the sale will be closed through an escrow. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to off-set all liquidated and undisputed amounts due Franchisor or any of its Affiliates from Franchisee under this Agreement, or any Software License, if any, against any payment therefore. The cost of the first appraisal only shall be borne equally by the parties. Franchisee and its Owners agree that for two (2) years beginning on the closing date, Franchisee and its Owners will be bound by the covenants contained in Section 15. Franchisee and its Owners further agree, subject to Applicable Laws, to sign General Releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and Franchisor's and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

14.10 Compliance with Covenants. Franchisee shall comply with the covenants contained in Section 15 and any other provisions of this Agreement with obligations that continue beyond the expiration or termination of this Agreement.

14.11 Payment of Obligations. Franchisee must pay all Monthly Fees and all amounts of any kind owed to Franchisor and/or any Affiliate, within seven (7) days after (a) such termination or expiration or (b) from a later date when the amounts due can be determined. Franchisor's remedies will include (but are not limited to) the right to collect the present value of these amounts, as well as to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to Franchisor or any affiliate of Franchisor.

#### 14.12 Liquidated Damages.

14.12.1 Franchisor and Franchisee agree that it would be commercially unreasonable and damaging to the integrity of the System if a Franchisee could default and then avoid the financial consequences of its contractual commitment to meet payment obligations for the Term of this Agreement. If Franchisor terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement), then, within seven (7) days thereafter, Franchisee shall pay to Franchisor a lump sum (as liquidated damages for the loss of the benefit of the bargain that Franchisor is entitled to receive and not as a penalty) calculated as follows: (x) the average monthly Royalties and Advertising Fund Contributions that Franchisee owed to Franchisor under this Agreement for the 12-month period preceding the date on which Franchisee ceased operating the Franchised Business (disregarding any fee waivers or reductions granted to Franchisee); multiplied by (y) the lesser of (i) twenty-four (24) or (ii) the number of months remaining in the then-current term of this Agreement. If Franchisee has not operated the Franchised Business for at least 12 months, then (x) will equal the average monthly Royalties and Advertising Fund Contributions that Franchisee owed to Franchisor during the period that Franchisee operated the Franchised Business. The "Average Royalties and Advertising Fund Contributions that Franchisee owed to Franchisor" shall not be discounted or adjusted due to any deferred or reduced Royalties and Advertising Fund Contributions set forth in a policy, other writing, or an addendum to this Agreement, unless this Section 14.12 is specifically amended in a signed addendum.

14.12.2 Franchisee agrees, and Franchisee directs any party construing this Agreement to conclusively presume, that the damages stated in this Section 14.12: (i) are true liquidated damages; (ii) are intended to compensate Franchisor for the harm Franchisor will suffer; (iii) are not a penalty; (iv) are a reasonable estimate of Franchisor's probable loss resulting from Franchisee's defaults, viewed as of the termination date; and (v) will be in addition to all other rights Franchisor has to obtain legal or equitable relief or remedies. If any valid law or regulation governing this Agreement limits Franchisee's obligation to pay, and/or Franchisor's right to receive, the liquidated damages for which Franchisee is obligated under this Section 14.12, then Franchisee shall be liable to Franchisor for any and all damages Franchisor incurs, now or in the future, as a result of Franchisee's breach of this Agreement.

### 15. COVENANTS

15.1 Best Efforts. Franchisee covenants that during the Term of this Agreement except as otherwise approved in writing by Franchisor, Franchisee and its Owners, officers, and managers shall devote their full-time energy and best efforts to the management and operation of the Franchised Business.

15.2 In-Term Covenant Not to Compete. Franchisee, its Owners, and any Owners' spouses who are in any way involved in the operation of the Franchised Business (the "**Covenanting Parties**") shall not, during the Term, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership,

corporation or other entity:

15.2.1 Divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

15.2.2 Own, maintain, engage in, or have any interest in any Competing Business anywhere (including inside and outside the Territory); provided, however, that this provision shall not apply to any ownership of Franchisee or an Owner of less than one percent (1%) of the outstanding equity securities of any publicly held corporation or of less than five percent (5%) of an investment fund which owns an interest in a Competing Business.

15.3 Post-Term Covenant Not to Compete. The Covenantee Parties covenant that for a period of one (1) year after the earlier to occur of the expiration or termination of this Agreement or the date of Franchisee's last use of Franchisor's Proprietary Marks or the System in any manner, regardless of the cause of termination, except as otherwise approved in writing by Franchisor, they shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person or entity do or engage in any act proscribed by Section 15.2 of this Agreement, except that the restrictions contained in Section 15.2.2 of this Agreement shall be limited during the post-term period to within the Territory described in Section 1.1 of this Agreement and a twenty-five (25) mile radius from the borders of such Territory. Notwithstanding any other provision of this Agreement, the running of the non-compete period will be tolled for the period that any Covenantee Party fails to comply with the non-compete obligations in this Section 15.3.

15.4 Independent Covenants. The Covenantee Parties agree that each of the covenants contained in Sections 15.2 and 15.3 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 15 is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, the Covenantee Parties expressly agree to be bound by any lesser covenant subsumed with 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 Section 15.

15.5 Reduction of Scope. The Covenantee Parties understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 15.2 and 15.3 of this Agreement or any portion thereof, without the Covenantee Parties' consent, effective immediately upon receipt by such Covenantee Party of the written notice of the reduction, and each Covenantee Party agrees that it shall immediately comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 21 of this Agreement.

15.6 Binding Other Covenantee Parties. Each Covenantee Party other than Franchisee shall bind themselves to the noncompete provisions in this Section 15 by signing, as applicable, the Franchisor's then-current form of Guaranty (if such Owner directly or indirectly holds a 15% or greater ownership interest in Franchisee's entity) or a noncompete agreement prescribed by Franchisor.

15.7 Franchisee May Not Withhold Payments. Franchisee shall not withhold any payments whatsoever due to Franchisor. No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law.

## **16. TAXES**

16.1 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed including unemployment and sales taxes incurred by Franchisee in the conduct of the Franchised Business.

16.2 Disputed Taxes. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or Applicable Laws; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business, or any improvements to its office or other business premises.

## 17. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

17.1 Independent Contractor. It is understood and agreed by the parties to this Agreement that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose whatsoever. Franchisee shall have the right to profit from its efforts, commensurate with its status as owner of its business, and correspondingly to bear the risk of loss or failure that is characteristic of this status, notwithstanding the affiliation with Franchisor created by this Agreement. Nothing in this Agreement is intended to create a joint employer relationship between the parties, it being expressly understood that any personnel policies or procedures, forms, guidance or other employment related materials or information offered by Franchisor is provided solely for Franchisee's convenience. Franchisee's use of such information is completely optional and should not be construed as any intent or right to control Franchisee's operations, personnel decisions or relationship with its employees. Franchisee is expressly advised to consult its own independent counsel for labor and employment advice.

17.2 Notification of Public. During the Term, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a license from Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, as Franchisor may specify in the Operations Manual or otherwise in writing.

17.3 Indemnification. From and after the Effective Date, Franchisee and Owners, jointly and severally, shall indemnify Franchisor and its Affiliates and their respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal predecessors, legal successors, and assigns of each of the forgoing entities/individuals (in their corporate and individual capacities) (collectively, all such individuals and entities are referred to herein as the "**Franchisor Indemnitees**") and hold Franchisor Indemnitees harmless to the fullest extent permitted by Applicable Laws, from any and all Losses and Expenses incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of the Franchised Business including any customer complaint or the failure of Franchisee to perform any covenant or agreement under this Agreement or any activities of Franchisee on or after the Effective Date, or any claims by any employee of Franchisee arising out of or relating to his or her employment with Franchisee (collectively "**Event**"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on Franchisor Indemnitees, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by any of Franchisor Indemnitees or the gross negligence or willful acts of any of Franchisor Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee).

17.3.1 Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a "**Third-Party Claim**"), Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to this Section 17.3, give a claim notice to Franchisee with respect to such Third-Party Claim. No delay or failure on the part of Franchisor Indemnitee in so notifying Franchisee will limit any liability or obligation for indemnification pursuant to this Section 17.3, except to the extent of any material prejudice to Franchisee with respect to such claim caused by or arising out of such delay or failure. Franchisor will have the right to assume control of the defense of such Third-Party Claim, and Franchisee and its Owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim, with counsel of Franchisee and its insurer's choice. Franchisee's counsel must be reasonably acceptable to Franchisor. Franchisee and its Owners will furnish Franchisor with such information as it may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist Franchisor in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by Franchisor will be considered Losses and Expenses for purposes of this Agreement. Franchisor may, as it deems necessary and appropriate, take such actions to take remedial or corrective action with respect thereof as may be, in Franchisor's reasonable discretion, necessary for the protection of Franchisor Indemnitees or other Franchised Businesses generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of Franchisee and its Owners, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third-Party Claim must include a written release from liability of such claim for all Franchisor Indemnitees.



17.3.2 This Section 17.3 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

## **18. APPROVALS AND WAIVERS**

18.1 Written Approval. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing.

18.2 No Waiver. No failure of either party to execute any power reserved to it by this Agreement, or to insist upon strict compliance by the other party with any obligation or condition under this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of the right to demand exact compliance with any of the terms of this Agreement. 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 the other party of any of the terms, provisions or covenants of this Agreement, affect or impair the right to exercise the same, nor shall such constitute a waiver of any right under this Agreement, or the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payments due to it 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.

## **19. NOTICES**

Any notice required or permitted to be given under this Agreement shall be in writing and may be given by personal service, by depositing a copy of the notice in certified or registered mail, with postage fully prepaid, or by overnight express courier in a sealed envelope addressed to the address of Franchisee as set forth in the introductory portion of this Agreement, if notice is to be given to Franchisee. Notice to Franchisor shall be addressed to Franchisor's Vice President of Operations at ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14<sup>th</sup> Floor, Atlanta, Georgia 30328, if such notice is to be given to Franchisor. The address given in this Agreement 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 the Operations Manual or otherwise in writing. Notice shall be deemed given when mailed to the designated address of Franchisor or Franchisee.

## **20. CONSTRUCTION AND INTERPRETATION**

20.1 Construction and Interpretation. All references in this Agreement in the singular shall be construed to include the plural where applicable, and all covenants, agreements and obligations assumed by Franchisee pursuant to this Agreement shall be deemed to be joint and several covenants, agreements and obligations of the several persons named herein as Franchisee. If Franchisee is a corporation, limited liability company or other legal entity, all covenants, agreements and obligations in this Agreement will apply to the Owners in Franchisee. All captions in the Agreement are intended solely for the convenience of the parties and shall not be deemed to affect the meaning or construction of any provision of this Agreement. The words "**include**," "**including**," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

20.2 Franchisor's Sole Discretion. Franchisee understands and agrees that the exercise of judgment is critical to Franchisor's role in the System and to Franchisor's goals for its continuing improvement. Franchisee, Franchisor, and all other franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including the competitive environment, new regulatory developments and emerging business opportunities. Therefore, Franchisee and Franchisor agree that the ultimate decision-making responsibility for the System must be vested in Franchisor. When Franchisor uses the phrases "in Franchisor's sole discretion" or other similar phrases, whether in this Agreement or another context, Franchisee and Franchisor agree that Franchisor has the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions. Franchisor shall exercise its judgment however Franchisor considers appropriate in its sole and absolute discretion, without any limitation. Franchisor will not be required to consider any particular interest group, including, Franchisee's individual interests or the interests of any other franchisee(s). So long as Franchisor acts in compliance with the requirements of this Agreement, Franchisor will have no liability for the exercise of Franchisor's discretion in accordance with the provisions of this Agreement.

## 21. ENTIRE AGREEMENT; AMENDMENTS

21.1 Entire Agreement. This Agreement and all exhibits to this Agreement constitute the entire agreement between the Franchisor and Franchisee with respect to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations, and agreements concerning the subject matter. This Agreement includes the terms and conditions on Exhibit A, which are incorporated into this Agreement by this reference. To the extent that any provisions of Exhibit A are in direct conflict with the provisions of this Agreement, the provisions of Exhibit A shall control. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

21.2 Amendments. Any amendment or modification of this Agreement is invalid unless made in writing and signed by the parties.

21.3 No Other Representations. Franchisee acknowledges that neither Franchisor nor anyone on behalf of Franchisor, has made any representations, inducements, promises or agreements, orally or otherwise, regarding the subject matter of this Agreement which are not embodied in this Agreement, and that no other representations induced Franchisee to execute this Agreement.

## 22. EXECUTION IN COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which will constitute one and the same instrument.

## 23. SEVERABILITY

23.1 Provisions Severable. Except as expressly provided to the contrary in this Agreement, 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 of this Agreement 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 intelligible, and the latter shall continue to be given full force and effect and bind the parties to this Agreement; and the invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement.

23.2 Unenforceable Provisions. In addition to Franchisee's covenants under Section 15 of this Agreement, Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

23.3 Applicability Only to Parties. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and their respective successors and assigns as may be contemplated by Section 12 of this Agreement, any rights or remedies under or by reason of this Agreement.

## 24. DISPUTE RESOLUTION

24.1 Alternative Dispute Resolution Procedure. Except as otherwise provided in Section 24.2 (Excepted Disputes), any claim, dispute, suit, action, controversy, or proceeding of any type whatsoever between (i) any Franchisee Related Parties and (ii) Franchisor, its Affiliates, and/or its or its Affiliates' officers, directors, owners, and employees (the "**Franchisor Related Parties**") relating to (a) this Agreement, (b) the relationship of any of Franchisor Related Parties with any of Franchisee Related Parties, or (c) the Franchised Business, including disputes related to compliance with franchise, labor, or employment laws (collectively, (a) through (c), the "**Covered Disputes**") must be resolved in accordance with the alternative dispute resolution procedures described in this Section 24.1. The Franchisee Related Parties and any Franchisor Related Parties shall all be considered third-party beneficiaries of this Agreement and shall be included in the term "parties" or "party" in this Section 24.

24.1.1 Informal Negotiation. To initiate the dispute resolution process, the party alleging a Covered Dispute must provide the other party with written notice setting forth the alleged Covered Dispute in detail and requesting a meeting (the “**Dispute Notice**”). Each Covered Dispute must be discussed in a face-to-face meeting or, upon agreement of the parties, in a video or telephone conference call held within thirty (30) days after such Dispute Notice is provided to the other party. Unless otherwise agreed by the parties, the party initiating the process must wait at least thirty (30) days after the Dispute Notice has been delivered to the other party before submitting the dispute to mediation.

24.1.2 Mediation. If the Covered Dispute is not resolved informally as provided in Section 24.1.1 (Informal Negotiation), the party alleging the Covered Dispute must submit the Covered Dispute for non-binding mediation. All parties must attend and participate in the mediation. The mediation shall be governed by the rules of the American Arbitration Association (the “AAA”) before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the AAA. It is the intent of the parties that mediation shall be held not later than thirty (30) days after a written request for mediation shall have been served on the other parties. The mediation shall be held in the metropolitan area of Franchisor’s then-current principal place of business (currently, Atlanta, Georgia) and shall not last more than one day, unless the parties agree otherwise. The parties will split equally the cost of any mediation. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

24.1.3 Arbitration. If the parties do not resolve the Covered Dispute after the conclusion of the mediation, such Covered Dispute must be subject to and resolved exclusively by binding arbitration. **This means that all Covered Disputes that either party would otherwise have the legal right to sue for in court shall be subject to final and binding arbitration under the arbitration provisions set forth in this Section 24.1.3 and not decided by a court or a jury.** If there are any ambiguities in the terms or conditions of this Section 24, it is the parties’ intent that all ambiguities be resolved in favor of arbitration. For the purposes of this Section 24.1.3, Covered Disputes will not include disputes that an applicable federal statute provides cannot be arbitrated or cannot be subject to a pre-dispute agreement to arbitrate.

24.1.3.1 Arbitration Procedure. Either party may commence arbitration by sending written demand for arbitration to the other party. The arbitration proceeding shall be conducted by one arbitrator and, except as otherwise provided in this Section 24, shall be conducted in accordance with the then-current Commercial Arbitration Rules of the AAA. All arbitration proceedings will be held at the offices of the AAA or other suitable offices that Franchisor selects in the metropolitan area in which its principal place of business is then located (currently, Atlanta, Georgia). 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.).

24.1.3.2 Scope. The arbitrator (and not a court) shall decide all issues in any Covered Dispute, including issues regarding the non-availability of class arbitration, timeliness, arbitration procedures, statute of limitations, and all other issues regarding the application, interpretation, enforceability, coverage, and implementation of this Section 24.1.3, including whether the parties have entered into this Agreement. In accordance with Section 24.5 (Mutual Waiver of Class or Collective Actions), the arbitrator shall have no authority to consider or resolve any claim or issue in a Covered Dispute on any basis other than on an individual basis and may not consolidate or join one or more Covered Disputes pertaining to Franchisee or another Franchisee Related Party with any other dispute(s).

24.1.3.3 Relief. The arbitrator shall have the power and authority to award any remedy or relief available under Applicable Laws, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys’ fees and costs (in accordance with Section 22 (Costs of Enforcement)), except the arbitrator may not (a) declare any Proprietary Mark generic or otherwise invalid or (b) award any special, consequential, exemplary, or punitive damages against either party, except as expressly provided in Section 24.4 (Mutual Waiver of Punitive Damages).

24.1.3.4 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 (and such proceeding shall not itself be deemed a Covered Dispute).

24.1.3.5 Confidentiality. All evidence, testimony, records, documents and information disclosed in any arbitration hearing between the parties will be secret and confidential in all respects. Neither party will disclose any evidence, testimony, records, documents or information from any arbitration hearing to any other person or entity except as required or expressly permitted by Applicable Laws.

24.2 Exceptions to Alternative Dispute Resolution.

24.2.1 Excepted Disputes. Unless Franchisor consents in writing otherwise, the following Covered Disputes will not be subject to or resolved through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Section 24.1 (Alternative Dispute Resolution Procedure) and will instead be resolved through litigation: (a) disputes relating to Franchisee's use of the Proprietary Marks (including Lanham Act or common law claims); (b) disputes that otherwise relate to the ownership or validity of any of Franchisor's intellectual property or the enforcement of Franchisor's intellectual property rights; (c) disputes that involve protection of Franchisor's Confidential Information; (d) disputes related to the enforcement of Section 15 (Covenants); and (e) disputes related to the payment of sums that any of the Franchisee Related Parties owes to any of the Franchisor Related Parties (collectively, "**Excepted Disputes**").

24.2.2 Injunctive Relief. Notwithstanding the parties' agreement to resolve Covered Disputes through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Section 24.1 (Alternative Dispute Resolution Procedure), either party will have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual Covered Dispute that would otherwise be subject to arbitration; provided, however, that such party must contemporaneously submit the Covered Dispute for arbitration on the merits as provided in Section 24.1.3 (Arbitration). In addition to any other relief available at law or equity, Franchisor will have the right to obtain restraining orders or temporary or permanent injunctions to, among other things: (a) enforce the provisions of this Agreement related to the use or protection of the Proprietary Marks, Confidential Information, other components of the System, or other intellectual property of any of Franchisor Related Parties; (b) enforce the non-compete covenants in Section 15 (Covenants); (c) enforce the obligations of any Franchisee Related Party on termination or expiration of this Agreement; and (d) prohibit any act or omission by any Franchisee Related Party that is a violation of Applicable Laws or that threatens to harm the Proprietary Marks, the System, or the business of other franchisees or Franchisor Related Parties. Franchisee agrees that Franchisor Related Parties will not be required to prove actual damages or post a bond in excess of \$1,000 or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance with respect to this Agreement.

24.2.3 Forum for Litigation. Any litigation related to an Excepted Dispute will be filed exclusively in the state court or United States District Court for the district in which Franchisor has its principal place of business at the time of filing. The parties waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision. Notwithstanding the foregoing, Franchisor may enforce this Agreement in the courts of the state or states in which Franchisee is domiciled or the Franchised Business is operated.

24.3 **MUTUAL WAIVER OF JURY TRIAL. THE PARTIES EACH KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVE ANY RIGHT TO A TRIAL BY A JURY IN ANY COVERED DISPUTE AND ANY RIGHT TO HAVE A COVERED DISPUTE BE DECIDED BY A COURT OR A JURY.**

24.4 **MUTUAL WAIVER OF PUNITIVE DAMAGES, EXCEPT FOR (A) CLAIMS RELATED TO THE FRANCHISEE RELATED PARTIES' OBLIGATION TO INDEMNIFY FRANCHISOR AND THE FRANCHISOR INDEMNITIES FOR THIRD-PARTY CLAIMS UNDER PARAGRAPH 17.3 (INDEMNIFICATION), (B) CLAIMS RELATED TO ANY OF THE FRANCHISEE RELATED PARTIES' INFRINGEMENT OF ANY OF THE FRANCHISOR RELATED PARTIES' INTELLECTUAL PROPERTY, AND (C) CLAIMS RELATED TO ANY FRANCHISEE RELATED PARTIES' BREACH OF ITS OBLIGATIONS UNDER PARAGRAPH 8 (CONFIDENTIAL INFORMATION AND INNOVATIONS), NEITHER PARTY WILL BE ENTITLED TO RECOVER SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES UNDER THIS AGREEMENT.**

24.5 **MUTUAL WAIVER OF CLASS OR COLLECTIVE ACTIONS. FRANCHISOR AND FRANCHISEE EACH WAIVE ANY RIGHT TO BRING ANY CLAIMS ON A CLASS-WIDE OR GROUP, REPRESENTATIVE, CONSOLIDATED, JOINT, OR COLLECTIVE BASIS. EACH PARTY MUST BRING ANY CLAIMS AGAINST THE OTHER PARTY ON AN INDIVIDUAL BASIS AND MAY NOT JOIN ANY CLAIM IT MAY HAVE WITH CLAIMS OF ANY OTHER PERSON OR ENTITY OR OTHERWISE PARTICIPATE IN A CLASS OR COLLECTIVE ACTION AGAINST THE OTHER PARTY.**

24.6 **TWO-YEAR LIMITATION ON CLAIMS. ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR COVERED DISPUTES WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING IS COMMENCED IN THE PROPER FORUM WITHIN TWO YEARS FROM THE DATE ON WHICH THE VIOLATION, ACT, OMISSION, OR CONDUCT**

**GIVING RISE TO THE CLAIM OCCURS, REGARDLESS OF WHEN THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM**, except for claims (which may be brought by any Franchisor Related Party against any Franchisee Related Party at any time): (a) relating to third-party claims or suits brought against any Franchisor Related Party as a result of the operation of the Franchised Business; (b) relating to the enforcement of any intellectual property rights of any Franchisor Related Party; (c) relating to Franchisee's non-payment or underpayment of amounts owed to a Franchisor Related Party; (d) concerning the obligations of any Franchisee Related Party under Section 8 (Confidential Information and Innovations) or Section 15 (Covenants) of this Agreement; (e) related to the non-compliance of any Franchisee Related Parties with any post-termination obligations under this Agreement; and (f) regarding an assignment of this Agreement or any ownership interest therein.

24.7 No Collateral Estoppel. No arbitration finding, conclusion or award may be used to collaterally estop either party from raising any like or similar issue or defense in any subsequent arbitration, litigation, court hearing or other proceeding involving third parties, including other franchisees.

24.8 Remedies Not Exclusive. 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 Laws. 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.

24.9 No Recourse. Franchisee acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of Franchisor's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (i) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (iii) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory, or common law claim that would otherwise exist.

24.10 Attorneys' Fees and Costs. 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 its Owners (whether or not Franchisor initiates a legal proceeding, unless Franchisor initiates and fails to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim Franchisee and/or its Owners assert against Franchisor on which Franchisor substantially prevails in court or other formal legal proceedings. Franchisor agrees to reimburse Franchisee for all expenses Franchisee reasonably incurs (including attorneys' fees): (a) to enforce the terms of this Agreement or any obligation owed to Franchisee by Franchisor (whether or not Franchisee initiates a legal proceeding, unless Franchisee initiates and fails to substantially prevail in such court or formal legal proceeding); and (b) in the defense of any claim Franchisor asserts against Franchisee on which Franchisee substantially prevails in court or other formal legal proceedings.

24.11 Survival. This Section 24 will survive termination, expiration, and/or rescission of this Agreement.

## 25 GOVERNING LAW

25.1 Governing Law. Except to the extent governed by the United States Trademark Act (the Lanham Act) or the Federal Arbitration Act, this Agreement and all disputes directly or indirectly related to or arising from this Agreement shall be governed, interpreted, and construed under the laws of the State of Georgia, which laws shall prevail in the event of any conflict of law, without regard to the application of any Georgia conflict-of-law rules.

25.2 Survival. This Section 25 will survive termination, expiration, and/or rescission of this Agreement.

## 26 PRICES

Nothing in the Agreement is to be construed to prevent Franchisee from freely setting its own prices and discounts on services or products which it may render or sell pursuant to this Agreement.

## 27 ACKNOWLEDGMENTS

27.1 Receipt of Franchise Disclosure Document. The Franchisee acknowledges disclosure and receipt of Franchisor's Franchise Disclosure Document at the earlier of at least ten (10) business days prior or fourteen (14)

calendar days, whichever is applicable in your state, to the execution of this Agreement, and at least ten (10) business days or fourteen (14) calendar days, whichever is applicable in your state, before any payment by Franchisee, or at Franchisee's first personal meeting with Franchisor.

27.2 Additional Documents. Franchisee and all persons claiming under it shall at any time hereafter, upon the request of Franchisor, make all such further assurances, and execute such additional documents as Franchisor deems necessary to effectuate the terms and conditions of this Agreement.

27.3 Acknowledgements in Certain States. The following acknowledgements apply to all franchisees and Franchised Businesses, except those that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

27.3.1 Independent Investigation. Franchisee acknowledges that it is entering into this Agreement as a result of its own independent investigation of the Franchised Business and not as a result of any representations about Franchisor or the Franchised Business made by Franchisor's members, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in (a) this Agreement or (b) any disclosure document, prospectus, or other similar document required or permitted to be given to Franchisee pursuant to Applicable Laws. Franchisee acknowledges 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 entity. 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 volume, profits or success of the business contemplated by this Agreement.

27.3.2 Consultation with Advisors. Franchisee acknowledges that it has received, read and understood this Agreement, the Exhibits to this Agreement, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

27.3.3 Acknowledgement of Risks. Franchisee acknowledges and agrees that the Franchised Business may be impacted by many risks, including those outside Franchisee's or Franchisor's control such as economic, political or social disruption, including COVID-19. In addition, Franchisee acknowledges and agrees that the COVID-19 outbreak and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for the Franchised Business, and that the extent to which the COVID-19 outbreak impacts the Franchised Business will depend on future developments which are highly uncertain and which Franchisor cannot predict

27.4 No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and Franchised Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

## 28 DEFINITIONS

In addition to the terms that are defined in other parts of this Agreement, the following terms have the indicated meanings:

**“Abandoned”** means closure of the Franchised Business for a period of ten (10) consecutive business days without Franchisor's prior written consent. In addition, a repeated pattern of closures of any Franchised Business for periods of more than three (3) consecutive business days may result in the Franchised Business being deemed Abandoned if, in our sole discretion, such closure adversely impacts the Franchised Business. The Franchised Business shall not be deemed Abandoned if the closure is due to acts of God or other matters beyond Franchisee's control (other than Franchisee's inability to procure revenue or projects), provided that (i) Franchisee gives notice of any such closure to Franchisor within ten (10) days after the initial occurrence of the event resulting in the closure, (ii) Franchisor acknowledges in writing that the closure is due to one of the foregoing causes, and (iii) Franchisee resumes operating the

Franchised Business in an approved location within sixty (60) days or such longer period as Franchisor may permit after the initial occurrence of the event which resulted in the closure.

“**Additional Core Services**” has the meaning that is specified in Exhibit A, if such term is applicable to the License.

“**Affiliate**” means, with respect to a party, any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling, such party. For purposes of this definition, “**control**” means the power to direct or cause the direction of management and policies.

“**Applicable Laws**” means all relevant or applicable national, state and local laws, including statutes, rules, regulations, ordinances, directives, and codes.

“**Brand Owner**” means any entity that (a) is either a franchisor or owner of a Competing Brand (defined below), (b) manages or otherwise operates franchised businesses exclusively for the franchisor or owner of a Competing Brand, or (c) is an Affiliate of any entity described in (a) or (b) above.

“**Competing Business**” means a business which (a) operates a concept that has at least three (3) businesses operating under that concept’s trade name anywhere in the world and that, in Franchisor’s reasonable opinion, offers or provides products or services that are the same as, similar to, or competitive with the products or services offered under the License, any of the other SM Licenses, or any other franchise program licensed by Franchisor, (b) offers or performs any of the various programs and services licensed by Franchisor included within the System, including the Core Services and Additional Core Services (if any), or (c) manages, franchises, or licenses any of the businesses described in (a) or (b).

“**Confidential Information**” means any information related to the System that Franchisor discloses to Franchisee and that Franchisor designates as confidential, or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of “Confidential Information,” all of the following will be conclusively presumed to be Confidential Information whether or not Franchisor designates them as such: (i) Operations Manual; (ii) pricing information; (iii) materials describing the franchise network and System; (iv) the sources (or prospective sources) of supply and all information related to or concerning the same, including the identity and pricing structures with suppliers; (v) the training materials; (vi) Franchisor’s marketing plans and development strategies; (vii) customer information and data; (viii) Standards and specifications issued by Franchisor and (ix) all other information Franchisor gives to Franchisee in confidence. “Confidential Information” does not include information, knowledge or know-how that is or becomes generally known in the clean and restoration industries (without violating an obligation to Franchisor or its Affiliates) or that Franchisee knew from previous business experience before Franchisor provided it to Franchisee (directly or indirectly) or before Franchisee began training or operating the Franchised Business.

“**Control Transfer**” means any transfer (as defined below) of (a) this Agreement (or any interest in this Agreement), (b) the Franchised Business or all or substantially all of its assets, (c) a Controlling Ownership Interest in Franchisee, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), or (d) a Controlling Ownership Interest in any Controlling Owner (if such Owner is a legal entity), whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place).

“**Controlling Owner**” means an individual or legal entity holding a direct or indirect Controlling Ownership Interest in Franchisee.

“**Controlling Ownership Interest**” in a legal entity means, whether directly or indirectly, either (a) the record or beneficial ownership of, or right to control, fifty percent (50%) or more of the investment capital, equity, rights to receive profits or losses, or other rights to participate in the results of the entity, or (b) the effective control of the power to direct or cause the direction of that entity’s management and policies, including a general partnership interest (with respect to an entity that is a partnership) and a manager or managing member interest (with respect to an entity that is a limited liability company), or the power to appoint or remove any such party. In the case of (a) or (b), the determination of whether a “Controlling Ownership Interest” exists is made both immediately before and immediately after a proposed transfer.

“**Core Services**” has the meaning that is specified in Exhibit A.

“**Effective Date**” means the date listed on page one of this Agreement, regardless of the date upon which Franchisor and Franchisee sign this Agreement.

“**Franchisee Related Parties**” means (i) Franchisee, its Affiliates, and/or its Owners, (ii) any owners, officers, directors, employees, spouses, family members, or agents of Franchisee, its Affiliates, and/or its Owners, and/or (iii) any other entities or persons acting through, or in concert, with Franchisee, its Affiliates, and/or its Owners.

“**Good Standing**” means, with respect to Franchisee, Franchisee is deemed to be in “Good Standing” if Franchisee and each of its Owners and Affiliates (a) are in full compliance with all Obligations, (b) have not had any Related Agreements terminated during the Term as a result of their default, (c) have satisfied the Monthly Minimum Sales Requirement in the most recently completed month, (d) have not received during the Term more than three default notices under this Agreement or any Related Agreement, and (e) have no pending or threatened litigation or disputes with Franchisor, its Affiliates, or its approved vendors. “**Obligations**” include all obligations to Franchisor, its Affiliates, or its approved vendors, whether arising under (i) this Agreement, (ii) any other agreement between Franchisee (and/or any of its Owners or Affiliates) and Franchisor (and/or any of its Affiliates or approved vendors) (“**Related Agreements**”), (iii) the Operations Manual, or (iv) other Standards or requirements specified by Franchisor.

“**Gross Service Sales**” means (X) all charges and/or revenues which are billed, received, or earned by Franchisee, any Franchisee Related Parties, and/or any Subcontractors engaged by Franchisee:

- F. by, at, or in connection with the Franchised Business or the use of any of the Proprietary Marks;
- G. relating to the kinds of goods or services available now or in the future through the Franchised Business and/or distributed in association with the Proprietary Marks or the System;
- H. relating to the operation of any Similar Business;
- I. with respect to any co-branding activities (including goods or services provided under, or in conjunction with, a mark other than the Proprietary Marks); and/or
- J. with respect to any other revenues of any kind received from third parties related to the operation of the Franchised Business, including any revenue received from Franchisor or its Affiliates (such as revenue collected by Franchisor or its Affiliates directly from customers that is related to work performed by Franchisee) or from vendors (such as rebates or referral fees); **less**

(Y) any approved adjustments that may be deducted in accordance with the royalty remittance policy in the Operations Manual, as such policy may be revised from time to time. Unless otherwise specified in the Operations Manual or by Franchisor in writing, Gross Service Sales includes all revenue at the time billed and must be reported monthly on an accrual basis in the month the work was billed to the customer, regardless of when and if such revenue is collected by Franchisee. Unless otherwise specified in the Operations Manual, any expenses related to goods or services provided to Franchisee or customers by Franchisee Related Parties (acting as a Subcontractor, vendor, or otherwise) will not be deductible as an adjustment from Gross Service Sales.

“**Losses and Expenses**” means losses, liabilities, claims, penalties, damages (compensatory, exemplary, and punitive), fines, payments, attorneys’ fees, experts’ fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to Franchisor’s reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses.

“**Non-Control Transfer**” means any transfer (as defined in this Agreement) of (a) a Non-Controlling Ownership Interest in Franchisee, (b) a Non-Controlling Ownership Interest in any Controlling Owner (if such Owner is a legal entity), or (c) a Controlling Ownership Interest or non-Controlling Ownership Interest in any Non-Controlling Owner (if such Owner is a legal entity).

“**Non-Controlling Owner**” means any Owner which is not a Controlling Owner.

“**Owner**” means any person or entity holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee, including any person or entity who has a direct or indirect interest in Franchisee, this Agreement, the franchise, or the Franchised Business and any person or entity who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets or any capital appreciation relating thereto.



**“Proprietary Marks”** means the trademarks, service marks and trade names together with the related logo(s), including designs, stylized letters, and colors, that Franchisor permits Franchisee to use in connection with the Franchised Business and any other additional or substituted trademarks, trade names, service marks or logos that Franchisor later adopts and authorizes Franchisee in writing to use.

**“Similar Business”** means any business that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to those goods, products, and/or services now or in the future authorized by Franchisor to be offered at or from a System Business or otherwise (including any such enterprise and/or entity awarding franchises or licenses to operate or be involved with any such business), including the Core Services and Additional Core Services (if any). Franchisor’s receipt of any Royalties with respect to any Similar Business is not an approval of Franchisee’s involvement with any Similar Business.

**“Standards”** means the guidelines, standards, specifications, rules, requirements, and directives Franchisor establishes from time to time for the operation of a Franchised Business, including interior and exterior design and décor and equipment.

**“Subcontractor”** means any third party or Franchisee Related Party that contracts directly with Franchisee to carry out work for Franchisee.

**“Transfer”** (whether or not such term is capitalized) means and includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in this Agreement; Franchisee; the Franchised Business or substantially all of its assets; any of Franchisee’s Owners (if such Owner is a legal entity); or any right to receive all or a portion of the Franchised Business’, Franchisee’s, or any Owner’s profits or losses or any capital appreciation relating to the Franchised Business, Franchisee or any Owner. An assignment, sale, gift, or other disposition includes the following events: (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest; (b) merger or consolidation or issuance of additional securities or other forms of ownership interest; (c) any sale or other transfer of a security or other interest convertible to an ownership interest; (d) transfer in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law; (e) transfer by will, declaration of or transfer in trust, or under the laws of intestate succession; and (f) foreclosure upon or exercising any similar rights or remedies with respect to any security interest in this Agreement (to someone other than Franchisor), the Franchised Business or an ownership interest in Franchisee or one of its Owners, foreclosure upon the Franchised Business, or Franchisee’s transfer, surrender, or loss of the Franchised Business, possession, control, or management.

**29. REPRESENTATIONS BY FRANCHISEE**

29.1 Significant Dates. The Franchisee hereby certifies that the following information and dates are true and correct and the undersigned understands that Franchisor is relying on these statements in consideration of entering into this Agreement.

(1) \_\_\_\_\_ The date on which Franchisee received a Franchise Disclosure Document with all exhibits (Must be same date as date entered on Item 23 Receipt Page)

(2) \_\_\_\_\_ The date of Franchisee’s first personal meeting with a Marketing Representative to discuss the possible purchase of this Agreement. (Does not apply to renewal of existing License)

Name of Individuals involved in the Sales Process: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(3) \_\_\_\_\_ The date Franchisee received a completed copy (except for signatures) of this Agreement that was later signed.

(4) \_\_\_\_\_ The date on which Franchisee signed this Agreement

(5) \_\_\_\_\_ The date on which Franchisee delivered any deposit, down payment, purchase price or other payment in the form of cash, check, or other consideration to the

Marketing Representative.

29.2 Representations by Franchisee in Certain States. The following representations must be completed by, and will only apply to, all franchisees and Franchised Businesses, except those that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

29.2.1 No oral, written, or visual claim or representation which contradicted the Franchise Disclosure Document was made to Franchisee except:

---

(if none, Franchisee shall write "none")

29.2.2 No oral, written, or visual claim or representation which contradicted the Franchise Disclosure Document was relied upon by Franchisee in signing the Agreement except:

---

(if none, Franchisee shall write "none")

29.2.3 No oral, written, or visual claim or representation which stated or suggested any sales, income or profit levels was made to Franchisee except Item 19 of this Disclosure and:

---

(if none, Franchisee shall write "none")

29.2.4 No oral, written, or visual claim or representation which stated or suggested any sales, income or profit levels except those made in Item 19 of this Disclosure were relied upon by Franchisee in signing the Agreement except:

---

(if none, Franchisee shall write "none")

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, year and place first above written.

**FRANCHISOR**

SERVICEMASTER CLEAN/RESTORE SPE LLC

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

**FRANCHISEE**

By: \_\_\_\_\_  
(Signature of owner, partner, member, or duly authorized officer, indicating office held)

By: \_\_\_\_\_  
(If partnership with spouse or other person, partner signs here. If additional members, member signs here.  
If additional officers must sign, officer signs, indicating office held.)

By: \_\_\_\_\_  
(If third partner, the third partner signs here) If additional members, member signs here.  
If additional officers must sign, officer signs, indicating office held.)

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

In consideration of the execution of the Franchise Agreement by Franchisor, and for other good and valuable consideration, the undersigned (including each owner holding directly or indirectly a 15% or greater ownership interest in Franchisee's entity) do, jointly and severally hereby become surety and guaranty, and agree to be personally bound for the payment of all amounts and the performance of the covenants, terms and conditions of the Franchise Agreement, to be paid, kept and performed by Franchisee as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Franchise Agreement.

In addition to the other Franchise Agreement provisions, each of the undersigned agree to be personally bound to the confidentiality provision in Section 8.1 of the Franchise Agreement and the non-compete covenants in Section 15 of the Franchise Agreement.

In addition, if Franchisee fails to comply with or defaults on any other terms and conditions of the Franchise Agreement, then the undersigned, and any successors or assigns to this agreement, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Franchise Agreement for and on behalf of Franchisee.

Except as precluded by applicable law, each of the undersigned hereby submits to personal jurisdiction exclusively in the state and federal courts of the State of Georgia with respect to any litigation, action or proceeding pertaining to this Personal Guaranty or the Franchise Agreement and agrees that all such proceedings will and must be venued in the State of Georgia. Each of the undersigned consents and agrees that they are subject to and will abide by the dispute resolution provisions contained in the Franchise Agreement.

Notwithstanding anything in this Guaranty to the contrary, the undersigned, if Franchisee is in full compliance with this Franchise Agreement and all other agreements between Franchisee and Franchisor and its affiliates, shall have no personal liability for any indemnity obligation under Section 17.3 of the Franchise Agreement if and for so long as Franchisee obtains and maintains in full force and effect the following additional insurance policies, with Franchisor named as an additional insured under all such policies which provide actual coverage for the claim for which ServiceMaster is to be indemnified. For revenues reported by Franchisee for the last twelve (12) months which equal or are less than \$3,000,000, and in addition to the insurance requirements set forth in Section 11.2 of the Franchise Agreement, a general liability umbrella or excess liability policy of \$1,000,000 of additional coverage (including automobile liability). For revenues reported by Franchisee for the last twelve (12) months which exceed \$3,000,000, \$2,000,000 is required.

**PERSONAL GUARANTORS**

\_\_\_\_\_, individually  
Signature \_\_\_\_\_  
Print Name \_\_\_\_\_

\_\_\_\_\_  
Home Address \_\_\_\_\_  
City, State and Zip \_\_\_\_\_

\_\_\_\_\_, individually  
Signature \_\_\_\_\_  
Print Name \_\_\_\_\_

\_\_\_\_\_  
Home Address \_\_\_\_\_  
City, State and Zip \_\_\_\_\_

\_\_\_\_\_, individually  
Signature \_\_\_\_\_  
Print Name \_\_\_\_\_

\_\_\_\_\_  
Home Address \_\_\_\_\_  
City, State and Zip \_\_\_\_\_

\_\_\_\_\_, individually  
Signature \_\_\_\_\_  
Print Name \_\_\_\_\_

\_\_\_\_\_  
Home Address \_\_\_\_\_  
City, State and Zip \_\_\_\_\_

## EXHIBIT A: Cleaning Services License

This Exhibit is attached to and is an integral part of the ServiceMaster Clean® Franchise Agreement, dated \_\_\_\_\_ (the “**Agreement**”), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean (the “**Franchisor**”) and «Franchisee Name» (the “**Franchisee**”), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. **LICENSE (Recitals):** A Cleaning Services License is being licensed to Franchisee under this Agreement. Franchisee understands and agrees that no other SM License or services are licensed to Franchisee under the Agreement. Pursuant to this Cleaning Services License, Franchisee is licensed to, and is required to, offer and provide through the Franchised Business the Core Services.

The “**Core Services**” include Core Janitorial Services, Core Specialty Commercial Services, and Supplemental Services.

“**Core Janitorial Services**” currently include janitorial services (housekeeping, cleaning, and disinfection) rendered on a recurring frequency pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Janitorial Services may be delivered through humans or autonomous equipment and include, but are not limited to, cleaning services, sanitization, disinfection, sterilization, trash removal, restroom cleaning, vacuuming, regular floor maintenance, dusting, wiping flat surfaces, general maintenance of spaces, repairs to wall/other flat surfaces/items, duct cleaning, facility maintenance consulting and other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion. These services may be delivered inside or outside buildings.

“**Core Specialty Commercial Services**” currently include proprietary certified services or other specialized services that are rendered on a recurring frequency or a non-recurring basis pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Specialty Commercial Services may be delivered through humans or autonomous equipment and include, but are not limited to, facility maintenance services, post-construction cleaning, facility repairs, carpet cleaning, tile and grout cleaning, hard surface floor care/cleaning, furniture/upholstery cleaning, window cleaning, power washing, duct cleaning, commercial kitchen cleaning, other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion.

“**Supplemental Services**” currently include the following services, which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services) to residential customers: (i) carpet and upholstery services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, and power washing); (ii) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (iii) washing windows (interior and exterior), blinds, and chandeliers; and (iv) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

Franchisor may add to, delete, modify, or further define any of the Core Services from time to time, in its sole discretion, and shall include such changes in the Operations Manual.

2. **TERRITORY (Section 1.1):** The Territory in which Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:

-Territory-

3. **OFFICE LOCATION (Section 1.1):** Franchisee must maintain as many office locations within the Territory as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are

estimated by Google Maps (or such other third-party source specified by Franchisor from time to time). Franchisor may modify this policy from time to time in the Operations Manual.

4. **ADDITIONAL SALES SUPPORT** (Section 3.2): Franchisor may, in its sole discretion, offer additional sales support services to Franchisee, including lead generation and customer acquisition services. If Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.
5. **INITIAL LICENSE FEE AND OPENING PACKAGE FEE** (Section 4.1.1):
  - a) If the Agreement pertains to the original issuance of the license, then the Initial License Fee described in Section 4.1.1 of the Agreement is Thirty-Two Thousand Five Hundred Dollars (\$32,500) minus any applicable discounts granted by Franchisor. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
  - b) There is no requirement to purchase an Opening Equipment Package with the purchase of a Cleaning Services License or the conversion of an existing janitorial business to a Cleaning Services License.
  - c) If Franchisee is a new franchisee, upon signing the Agreement, Franchisee must pay to Franchisor in a lump sum an online marketing fund deposit of \$3,000 (the “**Online Marketing Fund Deposit**”), which Franchisor will pay to a vendor to generate leads in your territory through online marketing. Any portion of these monies not utilized during your first year of operation may be, at Franchisor’s sole discretion, applied to offset your accounts with Franchisor or its affiliates. If Franchisee is an existing franchisee or a transferee, Franchisee will not be required to pay the Online Marketing Fund Deposit.
6. **MONTHLY ROYALTIES** (Section 4.1.2): The monthly Royalties shall equal the greater of Two Hundred Fifty Dollars (\$250), or a percentage of Franchisee’s monthly Gross Service Sales, determined as follows:
  - i) Except as set forth below, for services as defined in Section 1 of this Exhibit A, Franchisee shall report and pay fees determined on a graduated monthly Royalties scale basis as indicated below:

<u>MONTHLY GROSS SERVICE SALES</u>	<u>FEES PAYABLE TO FRANCHISOR</u>
\$1 - \$10,500	7% of Gross Service Sales
\$10,501 - \$25,500	\$735 plus 6% of Gross Service Sales over \$10,500
\$25,501 - \$85,000	\$1,635 plus 5% of Gross Service Sales over \$25,500
Over \$85,000	\$4,610 plus 4% of Gross Service Sales over \$85,000

The levels of monthly Gross Service Sales amounts shall increase annually on April 1 of each year of this Agreement in accordance with the Consumer Price Index, or three percent (3%), whichever is greater. The minimum monthly Royalties of Two Hundred Fifty Dollars (\$250) shall not be due during the first four (4) full calendar months of the term of the Agreement (the “**Grace Period**”), except that this initial minimum fee waiver shall not apply to transfer, renewal, or amended agreements. Moreover, this initial minimum Royalties waiver does not affect or in any way alter Franchisee’s obligation to pay all monthly Royalties for services performed by Franchisee during the Grace Period.

- ii) For any services not rendered on a recurring basis, including services rendered for a prospective customer, including residential customers, Franchisee shall report and pay fees equal to ten percent (10%) of Franchisee’s monthly Gross Service Sales.
- iii) For any recurring janitorial services account in which carpet cleaning alone makes up greater than twenty percent (20%) of the total revenue of the job, Franchisee shall report and pay fees equal to ten percent (10%) of Franchisee’s monthly Gross Service Sales from carpet cleaning. For all other services rendered for the same account, Franchisee shall report and pay fees determined on the graduated monthly Royalties scale

basis set forth above.

iv) For transfers only: The fee schedule specified in Exhibit A of the transferred Franchised Business' franchise agreement shall apply to any transferee for the first 12 monthly Royalties payments after the date of transfer. Thereafter, the fee schedule specified above in this Exhibit A shall apply going forward.

7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of Twenty Dollars (\$20) or one-half of one percent (0.5%) of Franchisee's monthly Gross Service Sales.
8. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$4,000 in Gross Service Sales in each month of the Term (beginning in the 13<sup>th</sup> full month of operation of the Franchised Business).
9. OWNERSHIP INTERESTS (Section 5.6): If Franchisee is a corporation or limited liability company, then in such event:

«Shareholders or members»

shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.

10. PROPRIETARY MARKS (Section 6.1.2): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)

11. BUSINESS SERVICE SOFTWARE (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business (the "**Business Service Software**"). If such operating system is not required upon the purchase of a licensed territory, Franchisor will provide at least 60 days' notice to Franchisee that an operating system will be required in the operation of the Franchised Business. Upon the termination, expiration or non-renewal of this Agreement, Franchisee shall return all Business Service Software to Franchisor without downloading or retaining any copy thereof. Further, Franchisee agrees to give Franchisor full access to all data and input into the Business Service Software and allow Franchisor to use such data collected for the purpose of evaluation, customer retention and satisfaction of Franchisee's customers. Franchisor shall have access to but agrees not to sell data collected to a third party or to other franchisees unless and until the Agreement is terminated, expired, not renewed or otherwise Franchisee no longer operates as a ServiceMaster franchise.
12. LOCAL ADVERTISING COMMITMENT (Section 10.1): The Franchisee agrees to spend not less than one percent (1.0%) of its monthly Gross Service Sales on local advertising as described in Section 10.1 of the Agreement. The Advertising Fund Contribution paid by Franchisee will be credited towards satisfying Franchisee's local advertising obligation.

## EXHIBIT A: Small Market Services License \*

This Exhibit is attached to and is an integral part of the ServiceMaster Clean® Franchise Agreement, dated \_\_\_\_\_ (the “**Agreement**”), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean (the “**Franchisor**”) and «Franchisee Name» (the “**Franchisee**”), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. **LICENSE (Recitals):** A Small Market Services License is being licensed to Franchisee under this Agreement. The Franchisee understands and agrees that no other program or services are licensed to Franchisee under the Agreement. Pursuant to this Small Market Services License, Franchisee is licensed to, and is required to, offer and provide through the Franchised Business the Core Services (but excluding hospital contract housekeeping) to commercial and residential customers within a Territory that is classified as a Small Market Service Area. A “**Small Market Service Area**” is generally a town or towns with a population of 12,000 or less, which is situated 20 miles or more from another town of 12,000 or more.

The “**Core Services**” include Core Janitorial Services, Core Specialty Commercial Services, and Supplemental Services.

“**Core Janitorial Services**” currently include janitorial services (housekeeping, cleaning, and disinfection) rendered on a recurring frequency pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Janitorial Services may be delivered through humans or autonomous equipment and include, but are not limited to, cleaning services, sanitization, disinfection, sterilization, trash removal, restroom cleaning, vacuuming, regular floor maintenance, dusting, wiping flat surfaces, general maintenance of spaces, repairs to wall/other flat surfaces/items, duct cleaning, facility maintenance consulting and other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion. These services may be delivered inside or outside buildings.

“**Core Specialty Commercial Services**” currently include proprietary certified services or other specialized services that are rendered on a recurring frequency or a non-recurring basis pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Specialty Commercial Services may be delivered through humans or autonomous equipment and include, but are not limited to, facility maintenance services, post-construction cleaning, facility repairs, carpet cleaning, tile and grout cleaning, hard surface floor care/cleaning, furniture/upholstery cleaning, window cleaning, power washing, duct cleaning, commercial kitchen cleaning, other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion.

“**Supplemental Services**” currently include the following services, which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services) to residential customers: (i) carpet and upholstery services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, and power washing); (ii) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (iii) washing windows (interior and exterior), blinds, and chandeliers; and (iv) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

Franchisor may add to, delete, modify, or further define any of the Core Services from time to time, in its sole discretion, and shall include such changes in the Operations Manual.

2. **TERRITORY (Section 1.1):** The Territory in which Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:

-Territory-

3. **OFFICE LOCATION (Section 1.1):** Franchisee must maintain as many office locations within the Territory



as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by Franchisor from time to time). Franchisor may modify this policy from time to time in the Operations Manual.

4. **ADDITIONAL SALES SUPPORT** (Section 3.2): Franchisor may, in its sole discretion, offer additional sales support services to Franchisee, including lead generation and customer acquisition services. If Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.
5. **INITIAL LICENSE FEE AND OPENING PACKAGE FEE** (Section 4.1.1):
  - a. Offered only as a transfer or renewal of an existing Small Market Services License. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
  - b. If the Agreement pertains to the transfer of an existing license, Franchisee may be required to purchase certain supplies and equipment as needed to operate the Franchised Business. However, in a transfer there is no requirement to purchase an Opening Package.
6. **MONTHLY ROYALTIES** (Section 4.1.2): The monthly Royalties shall equal the greater of Two Hundred Fifty Dollars (\$250) or ten percent (10%) of Franchisee's monthly Gross Service Sales. The minimum monthly Royalties of Two Hundred Fifty Dollars (\$250) shall not be due during the first four (4) full calendar months of the term of the Agreement (the "**Grace Period**"), except that this initial minimum Royalties waiver shall not apply to transfer, renewal, or amended agreements. Moreover, this initial minimum Royalties waiver will not affect or in any way alter Franchisee's obligation to pay all monthly Royalties for services performed by Franchisee during the Grace Period.
7. **ADVERTISING FUND CONTRIBUTION** (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of Twenty Dollars (\$20) or one percent (1.0%) of Franchisee's monthly Gross Service Sales.
8. **MINIMUM MONTHLY SALES REQUIREMENT** (Section 5.17): The Minimum Monthly Sales Requirement is at least \$4,000 in Gross Service Sales in each month of the Term (beginning in the 13<sup>th</sup> full month of operation of the Franchised Business).
9. **OWNERSHIP INTERESTS** (Section 5.6): If Franchisee is a corporation or limited liability company, then in such event:

«Shareholders or members»

shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.
10. **PROPRIETARY MARKS** (Section 6.1.2): The Proprietary Marks of Franchisor or its Affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)
11. **BUSINESS SERVICE SOFTWARE** (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business (the "**Business Service Software**"). If such operating system is not required upon the purchase of a licensed territory, Franchisor will provide at least 60 days' notice to Franchisee that an operating system will be required in the operation of the Franchised Business. Upon the termination, expiration or non-renewal of this Agreement, Franchisee shall return all

Business Service Software to Franchisor without downloading or retaining any copy thereof. Further, Franchisee agrees to give Franchisor full access to all data and input into the Business Service Software and allow Franchisor to use such data collected for the purpose of evaluation, customer retention and satisfaction of Franchisee's customers. Franchisor shall have access to but agrees not to sell data collected to a third party or to other franchisees unless and until the Agreement is terminated, expired, not renewed or otherwise Franchisee no longer operates as a ServiceMaster franchise.

12. LOCAL ADVERTISING COMMITMENT (Section 10.1): The Franchisee agrees to spend not less than four percent (4%) of its monthly Gross Service Sales on local advertising as described in Section 10.1 of the Agreement. The Advertising Fund Contribution paid by Franchisee will be counted towards satisfying Franchisee's local advertising obligation.

\*Offered only as a renewal or transfer of an existing Small Market Services license.

## EXHIBIT A: Floor Care Services License\*

This Exhibit is attached to and is an integral part of the ServiceMaster Clean® Franchise Agreement, dated \_\_\_\_\_ (the “**Agreement**”), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean (the “**Franchisor**”) and «Franchisee Name» (the “**Franchisee**”), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. **LICENSE (Recitals):** A Floor Care Services License is being licensed to Franchisee under this Agreement. Franchisee understands and agrees that no other program or services are licensed to Franchisee under the Agreement. Pursuant to this Floor Care Services License, Franchisee is licensed to offer and provide through the Franchised Business (a) Floor Care Services for management or tenants of any commercial or institutional building and (b) Supplemental Services for residential customers.

“**Floor Care Services**” currently include the following services, which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services): carpet maintenance, carpet cleaning, hard surface floor maintenance, and furniture cleaning services.

“**Supplemental Services**” currently include the following services, which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services): (i) carpet and upholstery services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, and power washing); (ii) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (iii) washing windows (interior and exterior), blinds, and chandeliers; and (iv) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

Franchisor may add to, delete, or modify any of the Floor Care Services and Supplemental Services from time to time and shall include such changes in the Operations Manual.

Franchisee is authorized only to offer or provide the products and services described in this Paragraph 1, unless otherwise specified in the Operations Manual or by Franchisor in writing.

2. **TERRITORY (Section 1.1):** The Territory in which Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:  
  
-Territory-
3. **OFFICE LOCATION (Section 1.1):** Franchisee must maintain as many office locations within the Territory as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by Franchisor from time to time). Franchisor may modify this policy from time to time in the Operations Manual.
4. **ADDITIONAL SALES SUPPORT (Section 3.2):** Franchisor may, in its sole discretion, offer additional sales support services to Franchisee, including lead generation and customer acquisition services. If Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.
5. **INITIAL LICENSE FEE AND OPENING PACKAGE FEE (Section 4.1.1):**
  - a) Offered only as a transfer or renewal of an existing Floor Care Services License. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
  - b) If the Agreement pertains to the transfer of an existing license, Franchisee may be required to purchase

certain supplies and equipment as needed to operate the Franchised Business. However, in a transfer there is no requirement to purchase an Opening Package.

6. MONTHLY ROYALTIES (Section 4.1.2): The monthly Royalties shall equal the greater of Two Hundred Fifty Dollars (\$250) or ten percent (10%) of Franchisee's monthly Gross Service Sales.
7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of Twenty Dollars (\$20) or one percent (1%) of Franchisee's monthly Gross Service Sales.
8. LOCAL MARKETING SUPPORT AND RESOURCE FEE (Section 4.2): The following is added to Section 4.2:

Local Marketing Support and Resource Fee. Franchisor may require Franchisee to pay a monthly fee for social media, digital media, and the maintenance, protection, and operation of marketing and business intelligence platform(s) and website(s) (the "**Local Marketing Support and Resource Fees**"). Franchisor will specify the Local Marketing Support and Resource Fees and related products and services in the Operations Manual. Franchisor may increase the Local Marketing Support and Resource Fees and change the related products and services from time to time.

9. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$4,000 in Gross Service Sales in each month of the Term (beginning in the 13<sup>th</sup> full month of operation of the Franchised Business).
10. OWNERSHIP INTERESTS (Section 5.6): If Franchisee is a corporation or limited liability company, then in such event:

«Shareholders or members»

shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.

11. PROPRIETARY MARKS (Section 6.1.2): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)

12. ADDITIONAL HARDWARE AND SOFTWARE (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business. Franchisee must acquire and begin using any required software by a reasonably deadline specified by Franchisor. A ServiceMaster approved Scheduling System Software is required for all new and conversion Floor Care Services License along with a Static IP high speed internet connection.
13. LOCAL ADVERTISING COMMITMENT (Section 10.1): The Franchisee agrees to spend not less than four percent (4%) of its monthly Gross Service Sales on local advertising as described in Section 10.1 of the Agreement. The Advertising Fund Contribution paid by Franchisee will be credited towards satisfying Franchisee's local advertising obligation.
14. CORE SERVICES (Section 28): "**Core Services**" include Core Janitorial Services and Core Specialty Services.
  - "**Core Janitorial Services**" includes janitorial services (housekeeping, cleaning, and disinfection)

rendered on a recurring frequency pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Janitorial Services may be delivered through humans or autonomous equipment and include, but are not limited to, cleaning services, sanitization, disinfection, sterilization, trash removal, restroom cleaning, vacuuming, regular floor maintenance, dusting, wiping flat surfaces, general maintenance of spaces, repairs to wall/other flat surfaces/items, duct cleaning, facility maintenance consulting and other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion. These services may be delivered inside or outside buildings. Core Janitorial Services may be further defined from time to time in the Operation Manual.

- **“Core Specialty Commercial Services”** include proprietary certified services or other specialized services that are rendered on a recurring frequency or a non-recurring basis pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Specialty Commercial Services may be delivered through humans or autonomous equipment and include, but are not limited to, facility maintenance services, post-construction cleaning, facility repairs, carpet cleaning, tile and grout cleaning, hard surface floor care/cleaning, furniture/upholstery cleaning, window cleaning, power washing, duct cleaning, commercial kitchen cleaning, other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion. Core Specialty Commercial Services may be further defined from time to time in the Operations Manual.

Franchisee is authorized only to offer or provide the products and services described in Section 1 of this Exhibit A (which does not include all of the Core Services), unless otherwise specified in the Operations Manual or by Franchisor in writing.

\*Offered only as a renewal or transfer of an existing Floor Care Services License.

## EXHIBIT A: Commercial Services License\*

This Exhibit is attached to and is an integral part of the ServiceMaster Clean® Franchise Agreement, dated \_\_\_\_\_ (the “**Agreement**”), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean (the “**Franchisor**”) and «Franchisee Name» (the “**Franchisee**”), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. **LICENSE (Recitals):** A Commercial Services License is being licensed to Franchisee under this Agreement. Franchisee understands and agrees that no other program or services are licensed to Franchisee under the Agreement. Pursuant to this Commercial Services License, Franchisee is licensed to, and required to, offer and provide through the Franchised Business the Core Services to the management or tenants of any commercial or institutional buildings, provided that such services may only be provided on a non-recurring basis (and not in conjunction with contracted janitorial services).

The “**Core Services**” include Core Janitorial Services and Core Specialty Commercial Services.

“**Core Janitorial Services**” currently include janitorial services (housekeeping, cleaning, and disinfection) rendered on a recurring frequency pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Janitorial Services may be delivered through humans or autonomous equipment and include, but are not limited to, cleaning services, sanitization, disinfection, sterilization, trash removal, restroom cleaning, vacuuming, regular floor maintenance, dusting, wiping flat surfaces, general maintenance of spaces, repairs to wall/other flat surfaces/items, duct cleaning, facility maintenance consulting and other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion. These services may be delivered inside or outside buildings.

“**Core Specialty Commercial Services**” currently include proprietary certified services or other specialized services that are rendered on a recurring frequency or a non-recurring basis pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Specialty Commercial Services may be delivered through humans or autonomous equipment and include, but are not limited to, facility maintenance services, post-construction cleaning, facility repairs, carpet cleaning, tile and grout cleaning, hard surface floor care/cleaning, furniture/upholstery cleaning, window cleaning, power washing, duct cleaning, commercial kitchen cleaning, other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion.

Franchisor may add to, delete, modify, or further define any of the Core Services from time to time, in its sole discretion, and shall include such changes in the Operations Manual.

2. **TERRITORY (Section 1.1):** The Territory in which Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:  
  
-Territory-
3. **OFFICE LOCATION (Section 1.1):** Franchisee must maintain as many office locations within the Territory as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by Franchisor from time to time). Franchisor may modify this policy from time to time in the Operations Manual.
4. **ADDITIONAL SALES SUPPORT (Section 3.2):** Franchisor may, in its sole discretion, offer additional sales support services to Franchisee, including lead generation and customer acquisition services. If Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise

specified by Franchisor.

5. INITIAL LICENSE FEE AND OPENING PACKAGE FEE (Section 4.1.1):

- a) Offered only as a transfer or renewal of an existing Commercial Services License. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
- b) If the Agreement pertains to the transfer of an existing license, Franchisee may be required to purchase certain supplies and equipment as needed to operate the Franchised Business. However, in a transfer there is no requirement to purchase an Opening Package.

6. MONTHLY ROYALTIES (Section 4.1.2): The monthly Royalties shall equal the greater of Two Hundred Fifty Dollars (\$250) or ten percent (10%) of Franchisee's monthly Gross Service Sales.

7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of Twenty Dollars (\$20) or one percent (1%) of Franchisee's monthly Gross Service Sales.

8. LOCAL MARKETING SUPPORT AND RESOURCE FEE (Section 4.2): The following is added to Section 4.2:

Local Marketing Support and Resource Fee. Franchisor may require Franchisee to pay a monthly fee for social media, digital media, and the maintenance, protection, and operation of marketing and business intelligence platform(s) and website(s) (the "**Local Marketing Support and Resource Fees**"). Franchisor will specify the Local Marketing Support and Resource Fees and related products and services in the Operations Manual. Franchisor may increase the Local Marketing Support and Resource Fees and change the related products and services from time to time.

9. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$4,000 in Gross Service Sales in each month of the Term (beginning in the 13<sup>th</sup> full month of operation of the Franchised Business).

10. OWNERSHIP INTERESTS (Section 5.6): If Franchisee is a corporation or limited liability company, then in such event:

«Shareholders or members»

shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.

11. PROPRIETARY MARKS (Section 6.1.2): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)

12. BUSINESS SERVICE SOFTWARE (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business (the "**Business Service Software**"). If such operating system is not required upon the purchase of a licensed territory, Franchisor will provide at least 60 days' notice to Franchisee that an operating system will be required in the operation of the Franchised Business. Upon the termination, expiration or non-renewal of this Agreement, Franchisee shall return all Business Service Software to Franchisor without downloading or retaining any copy thereof. Further, Franchisee agrees to give Franchisor full access to all data and input into the Business Service Software and

allow Franchisor to use such data collected for the purpose of evaluation, customer retention and satisfaction of Franchisee's customers. Franchisor shall have access to but agrees not to sell data collected to a third party or to other franchisees unless and until the Agreement is terminated, expired, not renewed or otherwise Franchisee no longer operates as a ServiceMaster franchise.

13. LOCAL ADVERTISING COMMITMENT (Section 10.1): The Franchisee agrees to spend not less than four percent (4%) of its monthly Gross Service Sales on local advertising as described in Section 10.1 of the Agreement. The Advertising Fund Contribution paid by Franchisee will be credited towards satisfying Franchisee's local advertising obligation.

\*Offered only as a renewal or transfer of an existing Commercial Services License.



## EXHIBIT A: Small Business Services License \*

This Exhibit is attached to and is an integral part of the ServiceMaster Clean® Franchise Agreement, dated \_\_\_\_\_ (the “**Agreement**”), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean (the “**Franchisor**”) and «Franchisee Name» (the “**Franchisee**”), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. **LICENSE (Recitals):** A Small Business Services License is being licensed to Franchisee under this Agreement. Franchisee understands and agrees that no other program or services are licensed to Franchisee under the Agreement. Pursuant to this Small Business Services License, Franchisee is licensed to offer and provide through the Franchised Business the Core Services, provided that such services may only be provided to a commercial or institutional building customer whose contains 5,000 square feet or less.

The “**Core Services**” include Core Janitorial Services and Core Specialty Commercial Services.

“**Core Janitorial Services**” currently include janitorial services (housekeeping, cleaning, and disinfection) rendered on a recurring frequency pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Janitorial Services may be delivered through humans or autonomous equipment and include, but are not limited to, cleaning services, sanitization, disinfection, sterilization, trash removal, restroom cleaning, vacuuming, regular floor maintenance, dusting, wiping flat surfaces, general maintenance of spaces, repairs to wall/other flat surfaces/items, duct cleaning, facility maintenance consulting and other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion. These services may be delivered inside or outside buildings.

“**Core Specialty Commercial Services**” currently include proprietary certified services or other specialized services that are rendered on a recurring frequency or a non-recurring basis pursuant to a written or oral contractual agreement with a management company or tenant of any commercial facility, multi-unit residential facility, or institutional building. Core Specialty Commercial Services may be delivered through humans or autonomous equipment and include, but are not limited to, facility maintenance services, post-construction cleaning, facility repairs, carpet cleaning, tile and grout cleaning, hard surface floor care/cleaning, furniture/upholstery cleaning, window cleaning, power washing, duct cleaning, commercial kitchen cleaning, other ancillary services provided in conjunction with the ongoing maintenance of facilities, and other services Franchisor may add or remove from time to time in its sole discretion.

Franchisor may add to, delete, modify, or further define any of the Core Services from time to time, in its sole discretion, and shall include such changes in the Operations Manual.

2. **TERRITORY (Section 1.1):** The Territory in which Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:  
  
-Territory-
3. **OFFICE LOCATION (Section 1.1):** Franchisee must maintain as many office locations within the Territory as are necessary to ensure that all addresses in the Territory are located within a 60-minute drive from one of the offices of the Franchised Business, as measured by the drive times during normal business hours that are estimated by Google Maps (or such other third-party source specified by Franchisor from time to time). Franchisor may modify this policy from time to time in the Operations Manual.
4. **ADDITIONAL SALES SUPPORT (Section 3.2):** Franchisor may, in its sole discretion, offer additional sales support services to Franchisee, including lead generation and customer acquisition services. If Franchisee elects to obtain this assistance, Franchisee must pay Franchisor its then-current fee for such

services, which may change from time to time. The fee shall be due to Franchisor as part of the Monthly Fees, unless otherwise specified by Franchisor.

5. INITIAL LICENSE FEE AND OPENING PACKAGE FEE (Section 4.1.1):
  - a) Offered only as a transfer or renewal of an existing Small Business Services License. If the Agreement pertains to an existing license, then no Initial License Fee shall be due, and the name of the person or entity that paid the Initial License Fee shall be indicated on the face of this Exhibit A.
  - b) If the Agreement pertains to the transfer of an existing license, Franchisee may be required to purchase certain supplies and equipment as needed to operate the Franchised Business. However, in a transfer there is no requirement to purchase an Opening Package.
6. MONTHLY ROYALTIES (Section 4.1.2): The monthly Royalties shall equal the greater of Two Hundred Fifty Dollars (\$250) or ten percent (10%) of Franchisee's monthly Gross Service Sales.
7. ADVERTISING FUND CONTRIBUTION (Section 4.2.1): The monthly Advertising Fund Contribution as described in Section 4.2 of the Agreement shall be the amount equal to the greater of Twenty Dollars (\$20) or one-half of one percent (0.5%) of Franchisee's monthly Gross Service Sales.
8. LOCAL MARKETING SUPPORT AND RESOURCE FEE (Section 4.2): The following is added to Section 4.2:

Local Marketing Support and Resource Fee. Franchisor may require Franchisee to pay a monthly fee for social media, digital media, and the maintenance, protection, and operation of marketing and business intelligence platform(s) and website(s) (the "**Local Marketing Support and Resource Fees**"). Franchisor will specify the Local Marketing Support and Resource Fees and related products and services in the Operations Manual. Franchisor may increase the Local Marketing Support and Resource Fees and change the related products and services from time to time.
9. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least \$4,000 in Gross Service Sales in each month of the Term (beginning in the 13<sup>th</sup> full month of operation of the Franchised Business).
10. OWNERSHIP INTERESTS (Section 5.6): If Franchisee is a corporation or limited liability company, then in such event:

«Shareholders or members»

shall remain the owners of the capital stock or members of Franchisee on the terms and conditions set forth in Sections 5.6 and 12.6 of the Agreement.
11. PROPRIETARY MARKS (Section 6.1.2): The Proprietary Marks of Franchisor or its affiliates licensed to Franchisee under the Agreement are:

<u>REGISTRATION NUMBER</u>	<u>SERVICE MARK</u>
782,584	ServiceMaster
2,085,318	The Color Yellow as applied to a vehicle
2,254,065	SERVICEMASTER CLEAN (word mark)
2,503,865	SERVICEMASTER CLEAN (with logo)
12. BUSINESS SERVICE SOFTWARE (Section 6.2): Franchisor may require Franchisee to use specified operating system in the operation of the Franchised Business. If such operating system is not required upon the purchase of a licensed territory, Franchisor will provide at least 60 days' notice to Franchisee that an

operating system will be required in the operation of the Franchised Business.

13. LOCAL ADVERTISING COMMITMENT (Section 10.1): The Franchisee agrees to spend not less than one percent (1.0%) of its monthly Gross Service Sales on local advertising as described in Section 10.1 of the Agreement. The Advertising Fund Contribution paid by Franchisee will be credited towards satisfying Franchisee's local advertising obligation.

\*Offered only as a renewal or transfer of an existing Small Business Services License.

**EXHIBIT B**  
**TO THE FRANCHISE AGREEMENT**

**GENERAL RELEASE**

**THIS GENERAL RELEASE (“Release”)** is executed on \_\_\_\_\_ by:

- (i) \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_ (“**Franchisee**”);
- (ii) \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_ [and \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_] (“**Owners**”); and, if applicable,
- (iii) \_\_\_\_\_, a [state] [individual or type of entity] with a principal address at \_\_\_\_\_ (“**Transferee**”).

**RECITALS**

- A. ServiceMaster Clean/Restore SPE LLC (“**Franchisor**”) and Franchisee are parties to the following Franchise Agreements (collectively, the “**Franchise Agreements**”):

Franchise Agreement Number(s)	Date of Agreement

- B. Franchisee, Owners, and (if applicable) Transferee are executing this Release as a condition of (check one):

- (i) Franchisor consenting to a transfer of any interest in the Franchise Agreement or Franchisee’s business or entity;
- (ii) Franchisor agreeing to enter into a successor Franchise Agreement with Franchisee; or
- (iii) Franchisor agreeing to amend the Franchise Agreement or waive any of its rights under the Franchise Agreement.

If this Release is executed under the conditions set forth in (ii) or (iii) above, all references in this Release to “**Transferee**” should be ignored.

**AGREEMENT**

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

**1. Release by Franchisee, Transferee, and Owners.** Franchisee and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Owners (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the “**Releasors**”) freely and without any influence forever release (i) Franchisor, (ii) Franchisor’s past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) Franchisor’s past and present parents, subsidiaries, predecessors, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the “**Released Parties**”), from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, or suspected or unsuspected (collectively, “**Claims**”), which any Releasor ever owned or held, now owns or holds, or may in the future own or hold arising out of, or relating to, any act, omission, or event occurring on or before the date of this Release, including, without limitation, (a) Claims arising under federal, state, and local laws, rules, and ordinances, unless specifically prohibited by such laws, and (b) Claims arising out of, or relating to, the Franchise Agreement and any other agreements between any Releasor and Franchisor or Franchisor’s parents, subsidiaries, or affiliates.

**2. Risk of Changed Facts.** Franchisee, Transferee, and Owners (on behalf of all Releasors) (a) understand that

the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true and (b) hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

**3. Covenant Not to Sue.** Franchisee, Transferee, and Owners (on behalf of all Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

**4. No Prior Assignment and Competency.** Franchisee, Transferee, and Owners (on behalf of all Releasors) represent and warrant that: (a) the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (b) each Releasor has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order; and (c) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

**5. Complete Defense.** Franchisee, Transferee, and Owners (on behalf of all Releasors): (a) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and (b) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

**6. Waiver of Statutory Preservation Provisions.** Franchisee, Transferee, and Owners (on behalf of all Releasors) each expressly waives any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, to the extent such provision would be applicable, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasors reside. Franchisee, Transferee, and Owners (on behalf of all Releasors) acknowledge and represent that they have each consulted with legal counsel before executing this release and that they understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this release shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands, and causes of action.

**7. Claims Under Washington Franchise Investment Protection Act.** This Release shall not apply to any Claims arising under the Washington Franchise Protection Act, RCW 19.100, and the rules adopted thereunder.

**8. Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

**9. Counterparts.** This Release may be executed in two or more counterparts (including by scanned copy), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, Franchisee, Transferee, and Owners have executed this Release as of the date shown above.

**FRANCHISEE:**

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

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

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

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

**TRANSFeree:**

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

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

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

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

**OWNER:**

\_\_\_\_\_

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

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

**OWNER:**

\_\_\_\_\_

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

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

**OWNER:**

\_\_\_\_\_

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

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

**PARTIAL ASSIGNMENT OF RIGHTS**

**IN SERVICEMASTER FRANCHISE AGREEMENT**

**THIS AGREEMENT** is made and entered into at Atlanta, Georgia, on \_\_\_\_\_, by and among:

- (i) \_\_\_\_\_, a [insert state] [insert entity type], doing business as \_\_\_\_\_ ("**Distributor**");
- (ii) \_\_\_\_\_, a [insert state] [insert entity type], doing business as \_\_\_\_\_ ("**Franchisee**"); and
- (iii) ServiceMaster Clean/Restore SPE LLC, a Delaware limited liability company ("**ServiceMaster**").

**RECITALS:**

A. ServiceMaster and Franchisee entered into a current Franchise Agreement dated \_\_\_\_\_ ("**Principal Contract**"), whereby ServiceMaster licensed to Franchisee the use of certain service marks, methods, materials, and equipment all in accordance with the terms of the Principal Contract.

B. ServiceMaster and Distributor entered into a current Franchise Agreement dated \_\_\_\_\_ ("**Distributor Contract**"), whereby ServiceMaster licensed to Distributor the use of certain service marks, methods, materials, and equipment all in accordance with the terms of the Distributor Contract.

C. The territory outlined in the Principal Contract, and in which Franchisee may exercise its franchise rights, lies within and is a part of that territory described in the Distributor Contract.

D. Pursuant to the rights of the Distributor to develop, direct, and coordinate the sales and production activities of ServiceMaster franchisees in the territory covered by the Distributor Contract, Distributor, Franchisee, and ServiceMaster (together, "**Parties**") desire to effect an assignment to the Distributor of certain rights held by ServiceMaster under the Principal Contract.

**PROVISIONS:**

NOW, THEREFORE, in consideration of the mutual covenants and promises of this Agreement, the Parties agree as follows:

- 1. ServiceMaster assigns to Distributor all of its rights to those monthly fees required by the terms of the Principal Contract to be paid to ServiceMaster by Franchisee.
- 2. Franchisee agrees to make payment of the monthly fees in accordance with the assignment set forth in Provision 1.
- 3. Distributor agrees to accept the assignment of monthly fees as outlined in Provision 1 and to account to ServiceMaster for the receipt of the monthly fees all in accordance with the terms of the Distributor Contract.
- 4. Except for the terms of Provisions 1, 2, and 3, the Principal Contract and the Distributor Contract shall in all other respects remain in full force and effect.

5. If the Distributor Contract is terminated, then the assignment stated in Provision 1 no longer shall be in effect and the right to receive monthly fees as provided by the Principal Contract shall revert to ServiceMaster effective the date of the termination of the Distributor Contract.

6. If the Principal Contract is terminated, then the assignment stated in Provision 1 no longer shall be in effect, and Distributor releases ServiceMaster from any further liability thereunder.

7. ServiceMaster may revoke this Agreement upon thirty (30) days written notice for failure on the part of the Distributor to comply with any provision of the Distributor Contract.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first mentioned above.

**SERVICEMASTER:**

ServiceMaster Clean/Restore SPE LLC

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

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

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

**FRANCHISEE:**

\_\_\_\_\_

By \_\_\_\_\_

(Signature of owner, partner or duly  
authorized officer, indicating office held)

By \_\_\_\_\_

(If partnership with spouse or other person, partner signs  
here)

By \_\_\_\_\_

(If third partner, he signs here)

**DISTRIBUTOR:**

\_\_\_\_\_

By \_\_\_\_\_

(Signature of owner, partner or duly  
authorized officer, indicating office held)

By \_\_\_\_\_

(If partnership with spouse or other person, partner signs  
here)

By \_\_\_\_\_

(If third partner, he signs here)



**FDD EXHIBIT B**

**FINANCIAL STATEMENTS AND GUARANTY**

## GUARANTEE OF PERFORMANCE

For value received, ServiceMaster Systems LLC, a Delaware limited liability company (the “Guarantor”), located at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328, absolutely and unconditionally guarantees to assume the duties and obligations of ServiceMaster Clean/Restore SPE LLC, located at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This Guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Atlanta, Georgia on this 25<sup>th</sup> day of April 2023.

Guarantor:

SERVICEMASTER SYSTEMS LLC

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

Name: Tricia Kinney

Title: Chief Legal & Compliance Officer

**FINANCIAL STATEMENTS**  
**FOR**  
**SERVICEMASTER SYSTEMS, LLC**  
**AND SUBSIDIARIES**

# **ServiceMaster Systems, LLC and Subsidiaries**

**(An indirect, wholly owned subsidiary of RW Purchaser, LLC)**

**Consolidated Financial Statements**

**December 31, 2022 and 2021**

**Servicemaster Systems, LLC and Subsidiaries**

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

**Index**

**December 31, 2022 and 2021**

---

	<b>Page(s)</b>
<b>Report of Independent Auditors</b> .....	1–2
<b>Consolidated Financial Statements</b>	
Statements of Operations and Comprehensive Income .....	3
Statements of Financial Position .....	4
Statements of Member’s Equity .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7–17



## Report of Independent Auditors

To the Board of Managers of RW Parent, LLC and Management of Servicemaster Systems, LLC

### ***Opinion***

We have audited the accompanying consolidated financial statements of Servicemaster Systems, LLC and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of operations and comprehensive income, of members' equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Other Matter***

The consolidated financial statements of the Company as of December 31, 2021 and for the year then ended were audited by other auditors whose report, dated March 31, 2022, expressed an unmodified opinion on those statements.

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

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

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



### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with US GAAS, we:

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

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

*PricewaterhouseCoopers LLP*

Atlanta, Georgia  
March 31, 2023

**Servicemaster Systems, LLC and Subsidiaries**  
 (An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Statements of Operations and Comprehensive Income**  
**December 31, 2022 and 2021**

---

<i>(in millions)</i>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	<b>\$ 350.6</b>	<b>\$ 301.6</b>
Cost of services rendered	127.7	127.2
Selling and administrative expenses	73.6	69.7
Depreciation and amortization expense	22.2	16.9
Impairment charge	20.5	-
Operating expenses	<u>244.0</u>	<u>213.8</u>
<b>Operating income</b>	<b>106.6</b>	<b>87.8</b>
Other expense/(income)	1.8	(0.4)
<b>Net income and comprehensive income</b>	<b>\$ 104.8</b>	<b>\$ 88.2</b>

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



**Servicemaster Systems, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Statements of Financial Position**  
**Years Ended December 31, 2022 and 2021**

<i>(in millions)</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Accounts receivable, less allowance	\$ 62.0	\$ 53.3
Inventories	0.8	7.2
Prepaid expenses and other assets	2.3	3.0
<b>Total current assets</b>	<b>65.1</b>	<b>63.5</b>
Property and equipment, net	14.2	17.4
Right-of-use asset	0.1	0.5
Notes receivable, less allowance and current portion	0.1	0.2
Intangible assets, net	1,677.7	1,670.0
Other assets	0.1	0.1
<b>Total assets</b>	<b>\$ 1,757.3</b>	<b>\$ 1,751.7</b>
<b>Liabilities And Member's Equity</b>		
Accounts payable	\$ 15.0	\$ 15.9
Accrued advertising	8.9	10.5
Payroll and other employee benefits	7.5	4.5
Deferred revenue	1.8	2.7
Current portion of lease liability	0.1	0.4
Current portion of long-term debt	-	0.1
Other current liabilities	5.3	14.9
<b>Total current liabilities</b>	<b>38.6</b>	<b>49.0</b>
Long-term lease liability	-	0.1
Other long-term liabilities	3.6	3.5
<b>Total liabilities</b>	<b>42.2</b>	<b>52.6</b>
Member's equity	1,715.1	1,699.1
<b>Total liabilities and member's equity</b>	<b>\$ 1,757.3</b>	<b>\$ 1,751.7</b>

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

**ServiceMaster Systems, LLC and Subsidiaries**  
 (An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Statements of Member's Equity**  
**Years Ended December 31, 2022 and 2021**

---

<i>(in millions)</i>	<b>Member's Equity</b>
<b>Balance at December 31, 2020</b>	<b>\$ 1,521.1</b>
Distribution to Member	(109.7)
Measurement period adjustment to the initial contribution	(102.3)
Contributions (TMTI and SRM)	301.8
Net income and comprehensive income	<u>88.2</u>
<b>Balance at December 31, 2021</b>	<b>1,699.1</b>
Distribution to Member	(88.8)
Net income and comprehensive income	<u>104.8</u>
<b>Balance at December 31, 2022</b>	<b><u>\$ 1,715.1</u></b>

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

**ServiceMaster Systems, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

<i>(in millions)</i>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 104.8	\$ 88.2
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	22.2	16.9
Impairment loss	20.5	-
Other, net	-	2.7
Changes in operating assets and liabilities		
Accounts receivable and notes receivable	(8.6)	(11.1)
Inventories	6.4	(0.6)
Prepaid expenses and other assets	0.8	8.7
Accounts payable	(0.9)	4.1
Deferred revenue	(0.7)	(4.0)
Right-of-use-asset	0.4	-
Operating lease liability	(0.4)	-
Accrued and other current liabilities	(8.1)	6.9
<b>Net cash provided by operating activities</b>	<b>136.4</b>	<b>111.8</b>
<b>Cash flows from investing activities</b>		
Distributor acquisitions	(47.9)	-
Capital transfers/(expenditures)	0.4	(0.3)
<b>Net cash used in investing activities</b>	<b>(47.5)</b>	<b>(0.3)</b>
<b>Cash flows from financing activities</b>		
Payments on finance leases	-	(0.6)
Debt payments	(0.1)	(1.2)
Distribution to Member	(88.8)	(109.7)
<b>Net cash used in financing activities</b>	<b>(88.9)</b>	<b>(111.5)</b>
Net (decrease) increase in cash and cash equivalents	-	-
<b>Cash and cash equivalents</b>		
Beginning of year	-	-
End of year	\$ -	\$ -
<b>Noncash investing and financing activities</b>		
Noncash contribution of assets and liabilities in connection with acquisitions	\$ -	\$ 301.8
Noncash measurement period adjustment to the initial contribution	-	(102.3)

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

# ServiceMaster Systems, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

### 1. Description of Business

#### **ServiceMaster Systems, LLC**

The Company is a single-member limited liability company subsidiary of ServiceMaster Funding LLC (the "Issuer", "Member", or together with ServiceMaster of Canada Limited, the "Co-Issuers"), and an indirect wholly owned subsidiary of RW Purchaser. Through its subsidiaries, the Company franchises and operates restoration, cleaning, furniture repair, property inspection, moving and junk removal to both residential and commercial customers through the following brands: ServiceMaster Restore, ServiceMaster Recovery Management ("SRM") ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck ("TMTI") (collectively, the "ServiceMaster Brands.")

References to "we," "us," "our" and "Company" in the accompanying consolidated financial statements (the "financial statements") are to the Company's business unless the context otherwise requires.

### 2. Significant Accounting Policies

The significant accounting policies described below, together with the other notes that follow, are an integral part of the financial statements.

#### **Basis of Preparation**

The historical results of our operations, financial position and cash flows have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All significant intercompany transactions and balances have been eliminated in consolidation.

#### **Use of Estimates**

The preparation of the financial statements requires management to make certain estimates and assumptions required under US GAAP that may differ from actual results. The more significant areas requiring the use of management estimates relate to the valuation of tangible and intangible assets.

#### **Accounts Receivable and Notes Receivable**

Accounts receivable consist primarily of national account revenue, royalties and franchise fees due from franchisees. Notes receivable consist primarily of licenses and equipment sold to franchisees. Accounts receivable are carried at their net realizable value. The Company accounts for credit losses using the Current Expected Credit Loss (CECL) model detailed in the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*.

The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers' trade accounts receivable. Due to the short-term nature of such receivables, the estimate of accounts receivable that may not be collected is based on aging of the accounts receivable balances and consideration of customers' financial and macroeconomic conditions. Balances are written off when determined to be uncollectible. The exposure to concentrations of credit risk is limited due to the diverse product offerings and geographic areas covered by our operations.

**Servicemaster Systems, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

Estimates are used to determine the allowance. It is based on an assessment of anticipated payment and all other historical, current and future information that is reasonably available.

<i>(in millions)</i>	<b>December 31, 2022</b>		
	<b>Accounts Receivable</b>	<b>Notes Receivable</b>	<b>Total</b>
Receivables	\$ 68.3	\$ 0.1	\$ 68.4
Less: Allowance for credit losses	(6.3)	-	(6.3)
<b>Receivables, net of allowance</b>	<b>\$ 62.0</b>	<b>\$ 0.1</b>	<b>\$ 62.1</b>

<i>(in millions)</i>	<b>December 31, 2021</b>		
	<b>Accounts Receivable</b>	<b>Notes Receivable</b>	<b>Total</b>
Receivables	\$ 59.2	\$ 0.2	\$ 59.4
Less: Allowance for credit losses	(5.9)	-	(5.9)
<b>Receivables, net of allowance</b>	<b>\$ 53.3</b>	<b>\$ 0.2</b>	<b>\$ 53.5</b>

**Inventories**

Inventories are recorded at the lower of cost (primarily on a weighted-average cost basis) or net realizable value. Our inventories primarily consist of finished goods to be used on the customers' premises or sold to franchisees.

**Property and Equipment and Intangible Assets**

Property and equipment consist of the following:

<i>(in millions)</i>	<b>December 31,</b>		<b>Estimated Useful Lives (Years)</b>
	<b>2022</b>	<b>2021</b>	
Building	\$ 6.4	\$ 0.3	39
Land	0.9	7.0	-
Leasehold improvements	1.3	1.3	1-39
Technology and communications	4.1	5.4	2-10
Machinery and equipment	2.8	5.8	5-10
Office equipment, furniture and fixtures	3.9	0.3	3-17
Less: Accumulated depreciation	(5.2)	(2.6)	
<b>Property and equipment, net</b>	<b>\$ 14.2</b>	<b>\$ 17.4</b>	

Depreciation expense of property and equipment was \$2.6 million and \$1.8 million for the years ended December 31, 2022 and 2021, respectively.

# **ServiceMaster Systems, LLC and Subsidiaries**

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## **Notes to Consolidated Financial Statements**

**December 31, 2022 and 2021**

---

Property and equipment, leasehold improvements and intangible assets with finite lives are depreciated and amortized on a straight-line basis over their estimated useful lives. Property and equipment lives are based on our previous experience for similar assets, potential market obsolescence and other industry and business data.

Amortization of leasehold improvements is provided for on a straight-line method over the estimated benefit period of the related assets or the lease term, if shorter. As required by accounting standards for the impairment or disposal of long-lived assets, property and equipment and finite-lived intangible assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, an impairment loss could be recognized equal to the difference between the carrying amount and the fair value of the asset. Changes in the estimated useful lives or in the asset values could cause us to adjust the book values or future expense accordingly. There were no triggering events identified for the years ended December 31, 2022 and 2021.

Indefinite-lived intangible assets, primarily trade names, are assessed annually for impairment during the fourth quarter or earlier upon the occurrence of certain events or substantive changes in circumstances. The Company performed an annual impairment analysis as of October 1, 2022, which resulted in a \$12.4 million impairment of the Furniture Medic tradename and a \$8.1 million impairment to the AmeriSpec tradename. See Note 4, *Intangible Assets*, for our intangible assets balances.

### **Member's Equity**

Our equity on the consolidated statements of financial position represents the Issuer's net investment in us and is presented as Member's Equity. Member's Equity includes the value of the net assets transferred to the Company, subsequent transfers of SRM and TMTI and the Issuer's share of our net income.

### **Fair Value Measurement**

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy defines a three-level valuation hierarchy for disclosure of fair value measurements as follows:

- Level 1 Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access;
- Level 2 Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and
- Level 3 Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# ServiceMaster Systems, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The carrying value of cash equivalents, accounts receivable, and accounts payable approximate fair value due to their short-term nature. The carrying value of the Company's debt approximates fair value due to the variable rate terms of the debt.

The transactions described in Note 5, *Acquisitions* have been accounted for as a business combination using the acquisition method in accordance with FASB Accounting Standards Codification ("ASC") 805, Business Combinations, and, accordingly, the purchase price has been allocated to the acquired assets and liabilities assumed at their estimated fair values as of the acquisition date. Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Determining the fair value of intangible assets required the use of significant judgment, including the discount rates and the long-term plans about future revenues and expenses, capital expenditures and changes in working capital.

### **Leases**

We determine if an arrangement is a lease at inception. We recognize a right-of-use ("ROU") asset and lease liability for all leases with terms of 12 months or more. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

### **Revenue**

#### ***Royalty Fees***

The Company has franchise agreements in the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec and TMTI businesses. Royalty fee revenue consists principally of sales-based royalties received as part of the consideration for the franchise right and is calculated as a percentage of system wide sales. Royalty fees are recognized at the agreed-upon contractual rates over time as the customer-level revenue is generated by the franchisees. Revenue is recognized for an estimate of the unreported royalty fees, which are reported and remitted to us in arrears.

#### ***Commercial Cleaning and Other National Accounts***

National account revenues are recognized at the agreed-upon contractual amounts over time as services are completed based on contractual arrangements to provide services at the customers' locations. The Company engages either a franchisee or third-party business to perform the services. Under these agreements, the Company is directly responsible for providing the services and receive payment directly from the customer. A receivable is recorded related to this revenue as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after services have been rendered.

# **ServiceMaster Systems, LLC and Subsidiaries**

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## **Notes to Consolidated Financial Statements**

**December 31, 2022 and 2021**

---

### ***Sales of Products***

Revenues are generated from selling products to franchisees. Revenues from product sales are generally recognized once control of the products transfers to the customer. A receivable is recorded related to these sales as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after a customer is invoiced.

### ***Franchise Fees***

Initial franchise fees result from the sale of a franchise license, which includes the use of the name, trademarks and proprietary methods. The franchise license is considered symbolic intellectual property and revenue related to the sale of this right is recognized at the agreed-upon contractual amount over the term of the initial franchise agreement.

### ***Referral Fees***

We have contractual arrangements with several national insurance companies to maintain a call center which receives and provides nonrecurring recovery and restoration referrals from the insurers to qualifying franchisees. We receive and recognize referral fees from franchisees at the agreed-upon contractual amount as revenue in the month the referral is issued.

### ***National Advertising Fund***

Franchisees contribute a percentage of customer-level revenue into a national advertising fund managed by us. In cases where we have ultimate control of the marketing and advertising, we recognize both revenue and expense for the amount earned.

### ***Advertising***

Advertising costs are expensed when the advertising occurs and are included in selling and administrative expenses. Advertising costs were \$19.0 million and \$15.7 million for the years ended December 31, 2022 and 2021, respectively. Advertising costs include national advertising fund expenses of \$18.1 million and \$14.5 million for the years ended December 31, 2022 and 2021, respectively, for which there is an equal amount recorded in revenue for the years ended December 31, 2022 and 2021

### ***Income Taxes***

The Company is a single-member limited liability corporation which has elected not to be taxed as a corporation, and consequently is not subject to U.S. federal or state income taxes. As such, for income tax purposes, the Company's earnings flow through directly to the Member.

### ***Comprehensive Income***

Comprehensive income represents net income for the period plus the results of certain other changes in Member's equity. The Company's comprehensive income is equal to its net income.

### ***Newly Issued Accounting Standards***

We have reviewed all recently issued, but not yet effective, accounting pronouncements and do not expect the future adoption of any such pronouncements to have a material impact on our financial condition or the results of our operations.



# ServiceMaster Systems, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

### 3. Revenue

The following table presents our revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major customer acquisition channels. We determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

<i>(in millions)</i>	Years Ended December 31,	
	2022	2021
<b>Major service line</b>		
Royalty fees	\$ 175.7	\$ 141.3
Commercial cleaning and other national accounts	84.2	84.0
Sales of products	10.5	12.0
Other	80.2	64.3
<b>Total</b>	<b>\$ 350.6</b>	<b>\$ 301.6</b>

#### Costs to Obtain a Contract with a Customer

The Company capitalizes the incremental costs of obtaining a contract with a customer, primarily commissions, and recognizes the expense on a straight-line basis, as adjusted to match the timing of revenue recognition, over the expected customer relationship period. As of December 31, 2022 and 2021, there was an immaterial amount of activity related to capitalizable cost to obtain a contract.

#### Contract Balances

We record a receivable related to revenue recognized on services once we have an unconditional right to invoice and receive payment in the future related to the services provided. All accounts receivables are recorded within accounts receivable, less allowances, on the consolidated statements of financial position.

Deferred revenue from initial franchise fees represents a contract liability and is recognized when cash payments are received in advance of the performance of services, including when the amounts are refundable. Amounts are recognized as revenue in proportion to the costs expected to be incurred in performing services under our contracts.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to taxing authorities.

**ServiceMaster Systems, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

**4. Intangible Assets**

The table below summarizes the intangible asset balances:

<i>(in millions)</i>	<b>December 31, 2022</b>			<b>Weighted Average Useful Lives (Years)</b>
	<b>Gross</b>	<b>Accumulated Amortization</b>	<b>Net</b>	
Trade names <sup>(1)</sup>	\$ 1,483.0	\$ -	\$ 1,483.0	
Customer relationships	180.3	8.3	172.0	9.8
Other	52.6	29.9	22.7	4.8
<b>Total</b>	<b>\$ 1,715.9</b>	<b>\$ 38.2</b>	<b>\$ 1,677.7</b>	

<i>(in millions)</i>	<b>December 31, 2021</b>			<b>Weighted Average Useful Lives (Years)</b>
	<b>Gross</b>	<b>Accumulated Amortization</b>	<b>Net</b>	
Trade names <sup>(1)</sup>	\$ 1,503.5	\$ -	\$ 1,503.5	
Customer relationships	43.4	4.7	38.7	10.8
Other	141.7	13.9	127.8	5.8
<b>Total</b>	<b>\$ 1,688.6</b>	<b>\$ 18.6</b>	<b>\$ 1,670.0</b>	

<sup>(1)</sup> Not subject to amortization

Amortization expense of \$19.6 million and \$15.1 million was recorded for the years ended December 31, 2022 and 2021, respectively.

For the existing intangible assets, we anticipate amortization expense of \$21.6 million per year for the years ending December 31, 2023, 2024, 2025, \$20.8 million for the year ended December 31, 2026, and \$19.8 million for the year ended December 31, 2027 and thereafter.

**5. Acquisitions**

**Acquisition of Two Men and a Truck, Inc.**

On August 3, 2021 (the "TMTI Transaction Date"), RW Purchaser entered into a transaction (the "TMTI Transaction") to diversify its service offerings and expand its business into a new sector. The Company acquired substantially all of the assets and liabilities associated with the following brands and businesses: Two Men and a Truck/International, Inc., Eberly Transportation, Inc., TMT/Gold Rush, LLC, TMT – Delhi, L.L.C., and TMT – Lansing, LLC from TMTI Holdco, Inc., Eberly Holdco, Inc., Melanie Bergeron, Jon Sorber, and James Brigham Sorber for \$358.0 million. The total purchase price of the TMTI Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of the TMTI Transaction.

Pursuant to the TMTI Transaction, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of TMTI between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in

# ServiceMaster Systems, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

connection with the TMTI Transaction were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the TMTI Transaction Date with the exception of goodwill, which remained at RW Purchaser.

The allocation of purchase price is as follows:

<i>(in millions)</i>	<b>August 3, 2021</b>
Restricted cash	\$ 5.8
Receivables	7.1
Prepaid expenses and other assets	1.4
Notes receivable	0.2
Property and equipment	10.4
Right-of-use asset	0.4
Intangible assets	277.9
Other assets	6.1
Accounts payable	(3.0)
Current portion of lease liability	(0.2)
Deferred revenue	(2.1)
Other current liabilities	(2.7)
Payroll and related expenses	(0.1)
Tax payable	(0.1)
Long-term lease liability	(0.2)
<b>Total net assets acquired</b>	<b>\$ 300.9</b>
Goodwill	\$ 57.1

### Other

On March 1, 2021, RW Purchaser acquired the loss recovery business (the "SRM Business") from DSI Holdings Corporation to diversify its service offerings and expand its business into a new sector. Total cash consideration for the transaction was \$20.9 million, primarily consisting of the ServiceMaster Recovery Management loss recovery network. The total purchase price of the SRM Business was allocated to the underlying assets acquired and liabilities assumed based upon management's estimated fair values at the date of acquisition. The total estimated fair value of the net identifiable tangible and intangible assets acquired was \$6.6 million and consisted of \$5.7 million of property and equipment, \$0.8 million of inventories, and \$0.1 million of intangible assets. The excess of purchase price over the estimated fair value of the net assets acquired resulted in \$14.3 million allocated to goodwill. The goodwill created through the purchase is attributable to the assumed future value of the cash flows from the business acquired. Approximately \$14.4 million of the acquired goodwill and intangible assets is deductible for tax purposes.

The Member entered into two agreements (termination agreement dated March 11, 2022 and asset purchase agreement dated June 2, 2022) related to ServiceMaster Coordinator License Agreements (collectively, the "Coordinator Agreements") for \$47.9 million.

**ServiceMaster Systems, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

**6. Long-term Debt, net**

Outstanding debt at ServiceMaster SPE Holdco, LLC for which the Company is a guarantor consists of the following at December 31, 2022 and 2021:

<i>(in millions)</i>	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Series 2020 Class A-2-I Notes, due January 2051	\$ 222.8	\$ 225.0
Series 2020 Class A-2-II Notes, due January 2051	401.0	405.1
Series 2020 Class A-1 Variable Rate Notes	-	10.0
Series 2021 Class A-2-I Notes, due July 2051	148.1	149.6
Series 2021 Class A-2-II Notes, due July 2051	246.9	249.4
Notes payable	-	0.1
Less: Debt issuance costs, net	(19.8)	(22.7)
<b>Total long-term debt, including current portion</b>	<b>999.0</b>	<b>1,016.5</b>
Less: Current portion	(10.4)	(20.5)
<b>Long-term debt, net</b>	<b>\$ 988.6</b>	<b>\$ 996.0</b>

**2020 Securitized Notes**

On December 9, 2020 (the “2020 Securitization Date”), a series of agreements (collectively, the “2020 Indenture”) were effectuated and gave rise to a revised legal entity structure of the Company’s subsidiaries as well as the issuance of approximately \$750,000,000 of Notes by the Company’s indirect wholly owned subsidiaries, ServiceMaster Funding LLC (the “Issuer”) and ServiceMaster of Canada Limited (“Canada Limited” and, collectively, the “Co-Issuers”). Pursuant to the agreement the Co-Issuers issued \$250,000,000 of Series 2020-1 2.841% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-I (the “Class A-2-I Notes”), \$450,000,000 of Series 2020-1, 3.337% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-II (the “Class A-2-II Notes”), and \$50,000,000 of variable funding notes, Series 2020 Class A-1 (the “Series 2020-1 Class A-1 Notes” and, collectively with the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes, the “2020 Notes”). Interest will accrue on the Series 2020-1 Class A-1 Notes at a variable rate depending on the outstanding amount drawn by the Co-Issuers from time to time thereunder, if any. The legal final maturity date of the Notes is in January 2051.

Unless earlier prepaid to the extent permitted, the 2020 Indenture provides for an anticipated repayment date of January 2028 for the Class A-2-I Notes and an anticipated repayment date of January 2031 for the Series 2020 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2020-1 Class A-1 Notes will expire in January 2026, subject to two automatic annual renewals at the election of the Co- Issuers if certain conditions are met.

The 2020 Notes have been guaranteed by indirect or direct wholly owned subsidiaries of the Company, ServiceMaster SPE Holdco LLC (“Holdco”) and RW Canada Intermediate Ltd., as well as all of the subsidiaries of the Issuer (collectively, the “Guarantors”). The 2020 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2020 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make- whole payments. The 2020 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default.

# **ServiceMaster Systems, LLC and Subsidiaries**

**(An indirect, wholly owned subsidiary of RW Purchaser, LLC)**

## **Notes to Consolidated Financial Statements**

### **December 31, 2022 and 2021**

---

The 2020 Indenture also provides for quarterly principal amortization in respect of the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes equal to 0.25% of their original principal amount through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

#### **2021 Senior Notes**

On July 30, 2021, in conjunction with the acquisition (See Note 5, Acquisitions) of Two Men and a Truck/International, Inc., the Co-Issuers entered into an agreement (the "2021 Indenture") for a senior note facility in an aggregate principal amount of \$400,000,000 with Citibank. The Issuer issued \$150,000,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-I, \$250,000,000 of Series 2021-1, 3.113% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-II (the "2021 Notes"). The legal final maturity date of the Notes is in July 2051. The 2021 Indenture provides for an anticipated repayment date of July 2028 for the Series 2021 Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2021 Class A-2-II Notes (as applicable, the "Anticipated Repayment Date"). The lending commitment under the Series 2021-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Issuer if certain conditions are met.

The 2021 Notes are secured by substantially all of the assets of the Issuer and the Guarantors. The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2021 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments. The 2021 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default. The 2021 Indenture also provides for quarterly principal amortization in respect of the Series 2021 Class A-2-I Notes and the Series 2021 Class A-2-II Notes equal to 0.25% of their original principal amount through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

#### **7. Commitments and Contingencies**

We lease certain property and equipment under various operating lease arrangements. Most of the property leases provide that we pay taxes, insurance and maintenance applicable to the leased premises. As leases for existing locations expire, we expect to renew the leases or substitute another location and lease.

In the ordinary course of conducting business activities, we are and may in the future become involved in various litigation and claims incidental to our business. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

# **ServiceMaster Systems, LLC and Subsidiaries**

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## **Notes to Consolidated Financial Statements**

### **December 31, 2022 and 2021**

---

#### **8. Related-Party Transactions**

##### **Management Fee**

The Company entered into a management agreement with Opco (the “Management Agreement”) where Opco is to provide, among other things, the managing of respective rights, powers, duties and obligations in connection with the Pre-Contribution Agreements, the franchise assets, the securitization IP, and all other securitization assets. In exchange for the services described above, the Company will pay an annual management fee equal to a fixed amount of \$7.8 million plus a variable fee of \$11,500 for every integer multiple of \$100,000 of aggregate U.S. retained collections, receivable on a weekly basis. The management fee will be subject to successive 2% annual increases following each anniversary of the closing date. Such fees are included in selling and administrative expenses in the consolidated statements of operations and comprehensive income. For the years ended December 31, 2022 and 2021 the Management fee was \$29.2 million and \$27.8 million, respectively.

#### **9. Disposals**

On September 30, 2021, the Company entered into four (4) separate asset sale agreements with existing franchisees to dispose of the following Company-owned branches:

- Service Master Merry Maids branch in Memphis, TN (“Memphis Branch”)
- ServiceMaster Restore branches in Charlotte, NC and Wichita, KS (“Charlotte and Wichita Branches”)
- ServiceMaster Restore branch in Chantilly, VA (“Chantilly Branch”)
- ServiceMaster Clean branch in Albuquerque, NM (“Albuquerque Branch”)

The transactions for each of the sales closed on October 29, 2021, with the exception of the sale of the Memphis Branch, which closed on October 25, 2021. The total consideration received for the sale of branches was de minimis and the Company will receive guaranteed royalty payments.

#### **10. Subsequent Events**

The Company evaluated subsequent events from December 31, 2022 through March 31, 2023, the date the financial statements were available to be issued. On November 22, 2022, the Company signed a letter of intent to sell the Furniture Medic and AmeriSpec businesses for \$25.0 million. As a result, the Company recorded an impairment charge for the indefinite lived tradenames as the carrying values of the tradenames were higher than the fair value. Refer to Note 2 *Significant Accounting Policies* for further reference. The Company anticipates the transaction will close by the second quarter of 2023. There were no other matters identified affecting the Company’s financial position or requiring further disclosure.

# **SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**

**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW  
PURCHASER, LLC)**

*Consolidated Financial Statements for the year ended December 31, 2021 and for the  
period from December 9, 2020 (Inception) to December 31, 2020*

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**

**TABLE OF CONTENTS**

---

	<b><u>Page</u></b>
Independent Auditor's Report	1 - 2
Consolidated Statements of Operations and Comprehensive Income	3
Consolidated Statements of Financial Position	4
Consolidated Statements of Member's Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7



## INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of RW Parent, LLC and  
The Management of ServiceMaster Systems, LLC  
Atlanta, Georgia

### Opinion

We have audited the consolidated financial statements of ServiceMaster Systems, LLC and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income, member's equity, and cash flows for the year ended December 31, 2021 and the period from December 9, 2020 (inception) to December 31, 2020, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and the period from December 9, 2020 (inception) to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

*Deloitte + Touche LLP*

March 31, 2022

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

<b>(in millions)</b>	<b>Year ended December 31, 2021</b>	<b>Period from December 9, 2020 (Inception) to December 31, 2020</b>
<b>Revenue</b>	<b>\$ 301.6</b>	<b>\$ 15.7</b>
Cost of services rendered	127.2	7.1
Selling and administrative expenses	69.7	3.5
Depreciation and amortization expense	16.9	1.1
Operating expenses	213.8	11.7
<b>Operating income</b>	<b>87.8</b>	<b>4.0</b>
Other income	(0.4)	-
<b>Net income and comprehensive income</b>	<b>\$ 88.2</b>	<b>\$ 4.0</b>

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(in millions)	As of December 31, 2021	As of December 31, 2020
<b>Assets:</b>		
Accounts receivable, less allowance	\$ 53.3	\$ 35.1
Inventories	7.2	5.7
Prepaid expenses and other assets	3.0	4.2
<b>Total Current Assets</b>	<b>63.5</b>	<b>45.0</b>
Property and equipment, net	17.4	6.0
Operating lease right-of-use asset	0.5	1.2
Notes receivable	0.2	-
Intangible assets, net	1,670.0	1,509.3
Other assets	0.1	-
<b>Total Assets</b>	<b>\$ 1,751.7</b>	<b>\$ 1,561.5</b>
<b>Liabilities and Member's Equity:</b>		
Accounts payable	\$ 15.9	\$ 8.9
Payroll and related expenses	0.6	0.4
Deferred revenue	2.7	3.1
Current portion of lease liability	0.4	0.4
Current portion of finance lease liability	-	0.2
Current portion of long-term debt	0.1	1.2
Other current liabilities	29.3	19.9
<b>Total Current Liabilities</b>	<b>49.0</b>	<b>34.1</b>
Long-term debt	-	0.1
Other long-term obligations	3.5	4.9
Long-term lease liability	0.1	0.8
Long-term portion of finance lease liability	-	0.5
<b>Total Liabilities</b>	<b>52.6</b>	<b>40.4</b>
Member's Equity	1,699.1	1,521.1
<b>Total Liabilities and Member's Equity</b>	<b>\$ 1,751.7</b>	<b>\$ 1,561.5</b>

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY**

(in millions)		Member's Equity
<b>Balance at December 9, 2020 (Inception)</b>	\$	–
Initial contribution from Member		1,517.1
Net income and comprehensive income		4.0
<b>Balance at December 31, 2020</b>	<b>\$</b>	<b>1,521.1</b>
Distribution to Member		(109.7)
Measurement period adjustment to the initial contribution		(102.3)
Contributions (TMTI and SRM)		301.8
Net income and comprehensive income		88.2
<b>Balance at December 31, 2021</b>	<b>\$</b>	<b>1,699.1</b>

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)	Year ended December 31, 2021	Period from December 9, 2020 (Inception) to December 31, 2020
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 88.2	\$ 4.0
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization expense	16.9	1.1
Other, net	2.7	–
<b>Changes in operating assets and liabilities</b>		
Accounts receivable	(11.1)	0.1
Inventories	(0.6)	0.2
Prepaid expenses and other assets	8.7	(0.2)
Accounts payable	4.1	1.9
Deferred revenue	(4.0)	(0.2)
Accrued and other current liabilities	6.9	0.4
Net cash provided by operating activities	111.8	7.3
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(0.3)	(0.4)
Net cash used in investing activities	(0.3)	(0.4)
<b>Cash Flows from Financing Activities</b>		
Payments on finance leases	(0.6)	–
Debt payments	(1.2)	–
Distribution to Member	(109.7)	(6.9)
Net cash used in financing activities	(111.5)	(6.9)
Net (decrease) increase in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of period	–	–
<b>Cash and cash equivalents end of period</b>	<b>\$ –</b>	<b>\$ –</b>
<b>Non-cash investing and financing activities</b>		
Initial non-cash contribution of assets and liabilities from Member on December 9, 2020	\$ –	\$ 1,517.1
Non-cash contribution of assets and liabilities in connection with acquisitions	\$ 301.8	\$ –
Non-cash measurement period adjustment to the initial contribution	\$ (102.3)	\$ –

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Note 1. Description of Business**

On October 1, 2020, RW Purchaser LLC (“RW Purchaser”) entered into a transaction (the “Transaction”) to acquire the following brands and businesses: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec (collectively, the “ServiceMaster Brands.”) from Terminix Global Holdings, Inc. which included substantially all assets and liabilities associated with the ServiceMaster Brands. The total purchase price of the Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of Transaction.

On December 9, 2020 (the “Securitization Date”), a series of agreements (collectively, the “Securitization”) were effectuated and gave rise to a revised legal entity structure of RW Purchaser’s subsidiaries as well as the issuance of approximately \$750,000,000 of Notes (as defined below) by RW Purchaser’s indirect subsidiaries, ServiceMaster Funding LLC (the “Issuer” or “Member”) and ServiceMaster of Canada Limited (collectively, the “Co-Issuers”), which have been guaranteed by commonly controlled RW Purchaser subsidiaries, ServiceMaster SPE Holdco LLC (“Holdco”) and RW Canada Intermediate Ltd., as well as all of the subsidiaries of the Issuer (collectively, the “Guarantors”), including ServiceMaster Systems, LLC (the “Company”).

References to “we,” “us,” “our” and “Company” in the accompanying consolidated financial statements (the “financial statements”) are to the Company’s business unless the context otherwise requires.

*Organizational Structure*

Pursuant to the Securitization, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the assets of the ServiceMaster Brands (the “Pre-Contribution Assets”) between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the Securitization were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the Securitization Date. As a result of the finalization of the determination of the fair value and allocation of the acquired net assets, a measurement period adjustment of \$102.3 million was recorded which reduced the value of the intangible assets allocated to the Company.

As part of the transfers, ServiceMaster Opco Holdings, LLC (“Opco”), a wholly owned subsidiary of RW Purchaser, entered into a contribution agreement with its 100% wholly owned subsidiary, Holdco; pursuant to which Opco contributed all of its right, title and interest in and to the Pre-Contribution Assets to Holdco. Subsequently, Holdco entered into a contribution agreement with its 100% wholly owned subsidiary, the Issuer, pursuant to which Holdco contributed all of its right, title and interest in and to the Pre-Contribution Assets to the Issuer. The Issuer then entered into a subsequent contribution agreement pursuant to which the Issuer contributed assets, net of liabilities, in the amount of \$1,517.1 million of the US portion of the ServiceMaster Brands to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

On March 1, 2021, RW Purchaser acquired the loss recovery business (the “SRM Business”) from DSI Holdings Corporation for \$20.9 million, primarily consisting of the ServiceMaster Recovery Management loss recovery network. The total purchase price of the SRM Business was allocated to the underlying assets acquired and liabilities assumed based upon management’s estimated fair values at the date of acquisition.

On July 30, 2021, a series of agreements were effectuated and gave rise to the issuance of approximately \$400,000,000 of Notes (as defined below in Note 7, *Long-term Debt*) by the Co-Issuers, which have been guaranteed by the Guarantors.

On August 3, 2021 (the “TMTI Transaction Date”), RW Purchaser entered into a transaction (the “TMTI Transaction”) to acquire substantially all of the assets and liabilities associated with the following brands and businesses: Two Men and a Truck/International, Inc., Eberly Transportation, Inc., TMT/Gold Rush, LLC, TMT – Delhi, L.L.C., and TMT – Lansing, LLC from TMTI Holdco, Inc., Eberly Holdco, Inc., Melanie Bergeron, Jon Sorber, and James Brigham Sorber. The total purchase price of the TMTI Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of the TMTI Transaction. The allocation of the purchase price is preliminary and may change in future periods, perhaps materially, as fair value estimates of the assets acquired, and liabilities assumed are refined and finalized during the allowable one-year measurement period.

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

Pursuant to the TMTI Transaction, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of TMTI between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the TMTI Transaction were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the TMTI Transaction Date. As these assets are a subset of the assets acquired as part of the TMTI Transaction on August 3, 2021, they are subject to a measurement period of one year from the date of the TMTI Transaction, August 3, 2021.

The Member then entered into a contribution agreement pursuant to which the Member contributed assets, net of liabilities, in the amount of \$301.8 million of TMTI (August 3, 2021) and SRM (March 1, 2021) to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

*2021 Senior Notes*

On July 30, 2021, in conjunction with the TMTI Transaction, as defined above, the Co-Issuers entered into an agreement (the “2021 Indenture”) for a senior note secured term loan facility in an aggregate principal amount of \$400,000,000 with Citibank. The Issuer issued \$150,000,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-I, \$250,000,000 of Series 2021-1, 3.113% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-II (the “2021 Notes”). The legal final maturity date of the Notes is in July 2051. The 2021 Indenture provides for an anticipated repayment date of July 2028 for the Series 2021 Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2021 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2021-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Issuer if certain conditions are met.

The 2021 Notes are secured by substantially all of the assets of the Issuer and the Guarantors. The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2021 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments.

*2020 Securitized Notes*

In connection with the 2020 Securitization, on December 9, 2020 the Co-Issuers entered into an agreement (the “2020 Indenture”) pursuant to which the Co-Issuers issued \$250,000,000 of Series 2020-1 2.841% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-I (the “Class A-2-I Notes”), \$450,000,000 of Series 2020-1, 3.337% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-II (the “Class A-2-II Notes”), and \$50,000,000 of variable funding notes, Series 2020 Class A-1 (the “Series 2020-1 Class A-1 Notes” and, collectively with the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes, the “2020 Notes”). Interest will accrue on the Series 2020-1 Class A-1 Notes at a variable rate depending on the outstanding amount drawn by the Co-Issuers from time to time thereunder, if any. The legal final maturity date of the Notes is in January 2051. As of December 31, 2020, no amounts were outstanding under the Series 2020-1 Class A-1 Notes. Unless earlier prepaid to the extent permitted, the 2020 Indenture provides for an anticipated repayment date of January 2028 for the Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2020 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2020-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Co-Issuers if certain conditions are met.

The 2020 Notes are secured by substantially all of the assets of the Co-Issuers and the Guarantors. The 2020 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2020 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments. The 2020 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default. The 2020 Indenture also provides for quarterly principal amortization in respect of the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes equal to 0.25% of their original principal amount



**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

*ServiceMaster Systems, LLC*

The Company is a single-member limited liability company subsidiary of the Issuer and an indirect wholly owned subsidiary of RW Purchaser. Through its subsidiaries, the Company franchises and operates restoration, cleaning, furniture repair, property inspection, moving, junk removal, and storage solution services to both residential and commercial customers through the ServiceMaster Brands: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck (“TMTI”) (collectively, the “ServiceMaster Brands.”)

**COVID-19**

COVID-19 continues to impact the global economy. The impact of the COVID-19 pandemic depends on factors largely beyond the Company’s knowledge or control. The Company did not experience any material operational, or supply chain disruptions related to various efforts to mitigate the spread of COVID-19. However, there remains uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. As such, the Company is unable to determine if it will have a material impact to its operations.

**Note 2. Significant Accounting Policies**

The significant accounting policies described below, together with the other notes that follow, are an integral part of the financial statements.

***Basis of Preparation***

The historical results of our operations, financial position and cash flows have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

***Use of Estimates***

The preparation of the financial statements requires management to make certain estimates and assumptions required under US GAAP that may differ from actual results. The more significant areas requiring the use of management estimates relate to revenue recognition; the allowance for uncollectible receivables; the possible outcome of outstanding legal matters; the deferral and amortization of customer acquisition costs; useful lives for determining depreciation and amortization expense; and the valuation of tangible and intangible assets.

***Cash and Cash Equivalents***

As part of the organizational design, all cash generated from the Company’s operations are to be transferred to a concentration account in the name of the Company. The Company utilizes a portion of the cash from operations to repay the Notes and related fees. Any residual or excess funds that remain with the Company after fulfilling scheduled payments associated with the Notes are further transferred to OpCo. Accordingly, all cash on-hand with the Company is transferred upstream within the organizational structure.

***Accounts Receivable***

Accounts receivable consist primarily of national account revenue due from customers, royalties and franchise fees due from franchisees. Accounts receivable are carried at their net realizable value. The Company accounts for credit losses using the Current Expected Credit Loss (CECL) model detailed in the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The Company’s expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers’ trade accounts receivable. Due to the short-term nature of such receivables, the estimate of accounts receivable that may not be collected is based on aging of the accounts receivable balances and consideration of customers’ financial and macroeconomic conditions. Balances are written off when determined to be uncollectible. The Company considered the current and expected future economic

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

and market conditions surrounding the COVID-19 pandemic and determined that the estimate of credit losses was not significantly impacted.

Estimates are used to determine the allowance. It is based on an assessment of anticipated payment and all other historical, current and future information that is reasonably available.

(in millions)	As of December 31, 2021		As of December 31, 2020	
Accounts receivable	\$	59.2	\$	35.1
Less: Allowance for credit losses		(5.9)		-
<b>Accounts receivable, net of allowance</b>	<b>\$</b>	<b>53.3</b>	<b>\$</b>	<b>35.1</b>

***Deferred Customer Acquisition Costs***

Customer acquisition costs, which are incremental and direct costs of obtaining a customer, are deferred and amortized over the expected customer relationship period.

***Inventory***

Inventories are recorded at the lower of cost (primarily on a weighted-average cost basis) or net realizable value. Our inventory primarily consists of finished goods to be used on the customers' premises or sold to franchisees.

***Property and Equipment and Intangible Assets***

Property and equipment consist of the following:

(in millions)	As of December 31, 2021		As of December 31, 2020		Estimated Useful Lives (Years)
Building	\$	0.3	\$	-	39
Land		7.0		-	-
Leaschold improvements		1.3		-	1-39
Technology and communications		5.4		5.3	2-10
Machinery and equipment		5.8		1.0	5-10
Office equipment, furniture and fixtures		0.3		0.5	3-17
Less: Accumulated depreciation		(2.6)		(0.8)	
<b>Property and equipment, net</b>	<b>\$</b>	<b>17.4</b>	<b>\$</b>	<b>6.0</b>	

Depreciation expense of property and equipment was \$1.8 million for the year ended December 31, 2021 and \$0.2 million for the period from December 9, 2020 (Inception) to December 31, 2020.

Property and equipment and intangible assets with finite lives are depreciated and amortized on a straight-line basis over their estimated useful lives. These lives are based on our previous experience for similar assets, potential market obsolescence and other industry and business data. As required by accounting standards for the impairment or disposal of long-lived assets, property and equipment and finite-lived intangible assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, an impairment loss could be recognized equal to the difference between the carrying amount and the fair value of the asset. Indefinite-lived intangible assets are tested annually for impairment by applying a fair-value based test. Changes in the estimated useful lives or in the asset values could cause us to adjust its book value or future expense accordingly.

Indefinite-lived intangible assets, primarily trade names, are assessed annually for impairment during the fourth quarter or earlier upon the occurrence of certain events or substantive changes in circumstances. The Company performed an annual

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

impairment analyses as of October 1, 2021 which did not result in any trade name impairments to continuing operations. See Note 4 to the financial statements for our intangible assets balances.

***Member's Equity***

Our equity on the statements of financial position represents the Issuer's net investment in us and is presented as Member's Equity. Member's Equity includes the value of the net assets transferred to the Company on the Securitization Date, subsequent transfers of SRM and TMTI and the Issuer's share of our net income since Inception.

***Leases***

We determine if an arrangement is a lease at inception. We recognize a right-of-use ("ROU") asset and lease liability for all leases with terms of 12 months or more. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. See Note 8 to the accompanying consolidated financial statements for information related to our leases.

***Revenue***

***Royalty fees***

The Company has franchise agreements in the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic and AmeriSpec businesses. Royalty fee revenue consists principally of sales-based royalties received as part of the consideration for the franchise right and is calculated as a percentage of customer-level revenue. Revenue is recognized by us at the agreed-upon contractual rates over time as the customer-level revenue is generated by the franchisees. A receivable is recognized for an estimate of the unreported royalty fees, which are reported and remitted to us in arrears.

***Commercial cleaning and other national accounts***

National account revenues are recognized at the agreed-upon contractual amounts over time as services are completed based on contractual arrangements to provide services at the customers' locations. The Company engages either a franchisee or non-franchisee business to perform the services. Under these agreements, the Company is directly responsible for providing the services and receive payment directly from the customer. A receivable is recorded related to this revenue as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after services have been rendered.

***Sales of products***

Revenues are generated from selling products to franchisees. Revenues from product sales are generally recognized once control of the products transfers to the customer. A receivable is recorded related to these sales as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after a customer is invoiced.

***Franchise Fees***

Initial franchise fees result from the sale of a franchise license, which includes the use of the name, trademarks and proprietary methods. The franchise license is considered symbolic intellectual property and revenue related to the sale of this right is recognized at the agreed-upon contractual amount over the term of the initial franchise agreement.

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

We have contractual arrangements with several national insurance companies to maintain a call center which receives and provides nonrecurring recovery and restoration referrals from the insurers to qualifying franchisees. We receive and recognize referral fees from franchisees at the agreed-upon contractual amount as revenue in the month the referral is issued.

We recognize revenue from Company owned locations at the point in time when services are provided to the customer.

*National advertising fund*

Franchisees contribute a percentage of customer-level revenue into a national advertising fund managed by us. In cases where we have ultimate control of the marketing and advertising, we recognize both revenue and expense for the amount earned.

**Advertising**

Advertising costs are expensed when the advertising occurs and are included in selling and administrative expenses. Advertising costs were \$15.7 million and \$1.1 million for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively. Advertising costs include national advertising fund expenses of \$14.5 million and \$0.7 million for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively, for which there is an equal amount recorded in revenue for the year ended December 31, 2021, and the period from December 9, 2020 (Inception) to December 31, 2020.

**Income Taxes**

The Company is a single-member, limited liability corporation which has elected not to be taxed as a corporation, and consequently is not subject to U.S. federal or state income taxes. As such, for income tax purposes, the Company's earnings flow through directly to the Member.

**Comprehensive Income**

Comprehensive income represents net income for the period plus the results of certain other changes in Member's equity. The Company's comprehensive income is equal to its net income.

**Newly Issued Accounting Standards**

We have reviewed all recently issued, but not yet effective, accounting pronouncements and do not expect the future adoption of any such pronouncements to have a material impact on our financial condition or the results of our operations.

**Note 3. Revenue**

The following table presents our revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major customer acquisition channels. We determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

(in millions)	Year ended December 31, 2021	Period from Inception to December 31, 2020
<b>Major service line</b>		
Royalty Fees	\$ 141.3	\$ 7.1
Commercial Cleaning and other National Accounts	84.0	5.5
Sales of Products	12.0	1.1
Other	64.3	2.0
<b>Total</b>	<b>\$ 301.6</b>	<b>\$ 15.7</b>

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Costs to Obtain a Contract with a Customer**

The Company capitalizes the incremental costs of obtaining a contract with a customer, primarily commissions, and recognizes the expense on a straight-line basis, as adjusted to match the timing of revenue recognition, over the expected customer relationship period. As of December 31, 2021 and 2020, there was an immaterial amount of activity related to capitalizable cost to obtain a contract.

**Contract Balances**

We record a receivable related to revenue recognized on services once we have an unconditional right to invoice and receive payment in the future related to the services provided. All accounts receivables are recorded within accounts receivables, less allowances, on the statements of financial position.

Deferred revenue from initial franchise fees represents a contract liability and is recognized when cash payments are received in advance of the performance of services, including when the amounts are refundable. Amounts are recognized as revenue in proportion to the costs expected to be incurred in performing services under our contracts.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to taxing authorities.

**Note 4. Intangible Assets**

The table below summarizes the other intangible asset balances:

<b>As of December 31, 2021</b>			
(in millions)	Gross	Accumulated Amortization	Net
Trade names <sup>(1)</sup>	\$ 1,503.5	\$ —	\$ 1,503.5
Customer relationships	43.4	4.7	38.7
Other	141.7	13.9	127.8
<b>Total</b>	<b>\$ 1,688.6</b>	<b>\$ 18.6</b>	<b>\$ 1,670.0</b>

<b>As of December 31, 2020</b>			
(in millions)	Gross	Accumulated Amortization	Net
Trade names <sup>(1)</sup>	\$ 1,335.0	\$ —	\$ 1,335.0
Customer relationships	46.0	1.0	45.0
Other	132.0	2.7	129.3
<b>Total</b>	<b>\$ 1,513.0</b>	<b>\$ 3.7</b>	<b>\$ 1,509.3</b>

(1) Not subject to amortization

Amortization expense of \$15.1 million and \$0.9 million was recorded for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively. For the existing intangible assets, we anticipate amortization expense of \$15.9 million per year for the years ending December 31, 2022, 2023, 2024, 2025 and 2026.

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Note 5. Commitments and Contingencies**

We lease certain property and equipment under various operating lease arrangements. Most of the property leases provide that we pay taxes, insurance and maintenance applicable to the leased premises. As leases for existing locations expire, we expect to renew the leases or substitute another location and lease. Please refer to Note 8, Leases, for further details.

In the ordinary course of conducting business activities, we are and may in the future become involved in judicial, administrative and regulatory proceedings involving both private parties and governmental authorities. These proceedings include insured and uninsured matters that are brought on an individual, collective, representative and class action basis, or other proceedings involving regulatory, employment, general and commercial liability, automobile liability, wage and hour, data privacy and other matters. Although it is not possible to predict with certainty the outcome or cost of these matters, we believe they will not have a material adverse effect on the financial statements.

**Note 6. Employee Benefit Plans**

The Company did not have employee benefit plans in place as of December 31, 2020. However, employees received compensation in lieu of a 401(k)-employer match in the amount of and recognized as an expense of \$0.2 million for the period from December 9, 2020 (Inception) to December 31, 2020, which were recorded in selling and administrative expenses on the consolidated statements of operations and comprehensive income. As of December 31, 2021, a 401(k)-employee benefit plan was in place. The amount of 401(k)-employer match was \$0.8 million for the year ended December 31, 2021 and was recognized in selling and administrative expenses on the consolidated statements of operations and comprehensive income.

**Note 7. Long-term Debt**

*Notes Payable*

The Company has notes payable with various parties. At December 31, 2021 and December 31, 2020, the amount owed under the notes payable were \$0.1 million and \$1.3 million, respectively. The entirety of the \$0.1 million notes payable balance at December 31, 2021 is payable within the following 12 months and classified as the current portion of long-term debt.

*2021 Senior Notes*

See Note 1 for a description of long-term debt issued under the 2021 Senior Notes.

*2020 Securitized Notes*

See Note 1 for a description of long-term debt incurred under the Securitization.

**Note 8. Leases**

The Company accounts for leases under FASB Accounting Standards Codification (“ASC”) 842, *Leases*. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets (“ROU”), net; current portion of lease liability; and long-term lease liability on the statements of financial position. Finance leases are included in property and equipment, net, current portion of finance lease liability and long-term finance lease liability and long-term debt on the statements of financial position.

We participate in a fleet agreement which allows us to obtain fleet vehicles through a leasing program. Vehicle leases have remaining lease terms of less than one year to eight years. For vehicle leases, we account for the lease and non-lease components separately.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments, including fixed non-lease components, over the lease term at commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Leases,

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

including subleases, with a lease term of 12 months or less are not recorded on the statements of financial position. Lease expense for minimum lease payments and fixed non-lease components is recognized on a straight-line basis over the lease term.

As of December 31, 2021, assets recorded under finance leases were \$0.1 million and accumulated depreciation associated with finance leases was \$0.1 million. As of December 31, 2020, assets recorded under finance leases were \$0.7 million and accumulated depreciation associated with finance leases was \$0.1 million. The operating lease cost component of lease expense was \$0.5 million and \$0.1 million for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively. The finance lease cost, depreciation of finance lease ROU assets, short-term lease cost and variable lease cost components of lease expense were immaterial.

As the rates implicit in our leases are not readily determinable, we use a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. We use the portfolio approach and group leases into categories by lease term length, applying the corresponding incremental borrowing rates to these categories of leases.

Supplemental cash flow information and other information for leases was as follows:

(in millions, unless otherwise noted)	For the year ended December 31, 2021	Period from Inception to December 31, 2020
ROU assets obtained in exchange for lease obligations:		
Operating leases	\$ 0.5	\$ -
Finance leases	-	-
Weighted Average Remaining Lease Term (in years):		
Operating leases	1.3 Years	3.2 Years
Finance leases	-	3.4 Years
Weighted Average Discount Rate:		
Operating leases	3.17%	3.17%
Finance leases	-	3.17%

As of December 31, 2021, the finance leases included within current portion of finance lease liability and long-term portion of finance lease liability are immaterial on the consolidated statements of financial position. As of December 31, 2021, there was \$0.4 million and \$0.1 million of operating leases included within current portion of lease liability and long-term portion of lease liability, respectively, on the consolidated statements of financial position. Future minimum lease payments under non-cancellable leases as of December 31, 2021 were as follows:

(in millions)	Operating Leases	Finance Leases
<b>Year ended December 31,</b>		
2022	\$ 0.4	\$ -
2023	0.1	-
2024	-	-
2025	-	-
2026	-	-
Thereafter	-	-
<b>Total future minimum lease payments</b>	<b>0.5</b>	<b>-</b>
Less imputed interest	-	-
<b>Total</b>	<b>\$ 0.5</b>	<b>\$ -</b>

**SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM DECEMBER 9, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Note 9. Related-party Transactions**

*Management Fee*

In connection with the Securitization, the Company entered into a management agreement with Opco on December 9, 2020 (the “Management Agreement”) where Opco is to provide, among other things, the managing of respective rights, powers, duties and obligations in connection with the Pre-Contribution Agreements, the franchise assets, the securitization IP, and all other securitization assets. In exchange for the services described above, the Company will pay an annual management fee equal to a fixed amount of \$7.8 million plus (B) a variable fee of \$11,500 for every integer multiple of \$100,000 of aggregate U.S. retained collections, receivable on a weekly basis. The management fee will be subject to successive 2% annual increases following each anniversary of the closing date. Such fees are included in selling and administrative expenses in the consolidated statement of operations and comprehensive income. For the year ended December 31, 2021 the Management fee was \$27.8 million. There was no such fee for the period from Inception to December 31, 2020.

**Note 10. Disposals**

On September 30, 2021, the Company entered into four (4) separate asset sale agreements with existing franchisees to dispose of the following Company-owned branches:

- Service Master Merry Maids branch in Memphis, TN (“Memphis Branch”)
- ServiceMaster Restore branches in Charlotte, NC and Wichita, KS (“Charlotte and Wichita Branches”)
- ServiceMaster Restore branch in Chantilly, VA (“Chantilly Branch”)
- ServiceMaster Clean branch in Albuquerque, NM (“Albuquerque Branch”)

The transactions for each of the sales closed on October 29, 2021, with the exception of the sale of the Memphis Branch, which closed on October 25, 2021. The total consideration received for the sale of branches was de minimis and the Company will receive guaranteed royalty payments.

**Note 11. Subsequent Events**

The Company evaluated subsequent events from December 31, 2021 through March 31, 2022, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require disclosure in the financial statements.



**THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.**

# **SERVICEMASTER SYTEMS, LLC AND SUBSIDIARIES**

*(Unaudited) Consolidated Financial Statements as of February 28, 2023 and  
December 31, 2022*

## **TABLE OF CONTENTS**

---

	<b><u>Page</u></b>
(Unaudited) Condensed Consolidated Statements of Operations and Comprehensive Income	1
(Unaudited) Condensed Consolidated Statements of Financial Position	2

**SERVICEMASTER SYTEMS, LLC AND SUBSIDIARIES**  
**(UNAUDITED) CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND**  
**COMPREHENSIVE INCOME**

<i>(in millions)</i>	2023	2022
<b>Revenue</b>	<b>\$ 54.0</b>	<b>\$ 350.6</b>
Cost of services rendered	21.2	127.7
Selling and administrative expenses	13.0	73.6
Depreciation and amortization expense	2.9	22.2
Impairment charge	0.0	20.5
Operating expenses	37.1	244.0
<b>Operating income</b>	<b>16.9</b>	<b>106.6</b>
Other expense/(income)	0.2	1.8
<b>Net income and comprehensive income</b>	<b>\$ 16.7</b>	<b>\$ 104.8</b>

**SERVICEMASTER SYTEMS, LLC AND SUBSIDIARIES**  
**(UNAUDITED) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<i>(in millions)</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Accounts receivable, less allowance	\$ 61.9	\$ 62.0
Inventories	0.8	0.8
Prepaid expenses and other assets	2.9	2.3
<b>Total current assets</b>	<b>65.6</b>	<b>65.1</b>
Property and equipment, net	14.7	14.2
Right-of-use asset	0.1	0.1
Notes receivable, less allowance and current portion	0.1	0.1
Intangible assets, net	1,675.2	1,677.7
Other assets	0.1	0.1
<b>Total assets</b>	<b>\$ 1,755.8</b>	<b>\$ 1,757.3</b>
<b>Liabilities And Member's Equity</b>		
Accounts payable	\$ 14.3	\$ 15.0
Accrued advertising	7.9	8.9
Payroll and other employee benefits	8.1	7.5
Deferred revenue	1.6	1.8
Current portion of lease liability	-	0.1
Other current liabilities	4.7	5.3
<b>Total current liabilities</b>	<b>36.6</b>	<b>38.6</b>
Other long-term liabilities	3.3	3.6
<b>Total liabilities</b>	<b>39.9</b>	<b>42.2</b>
Member's equity	1,715.9	1,715.1
<b>Total liabilities and member's equity</b>	<b>\$ 1,755.8</b>	<b>\$ 1,757.3</b>

**FINANCIAL STATEMENTS**  
**FOR**  
**SERVICEMASTER OPCO HOLDINGS, LLC**  
**AND SUBSIDIARIES**

**ServiceMaster OpCo  
Holdings, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Financial Statements**  
**December 31, 2022 and 2021**

**Servicemaster OpCo Holdings, LLC and Subsidiaries**

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

**Index**

**December 31, 2022 and 2021**

---

	<b>Page(s)</b>
<b>Report of Independent Auditors</b> .....	1–2
<b>Consolidated Financial Statements</b>	
Statements of Operations and Comprehensive Income .....	3
Statements of Financial Position .....	4
Statements of Member’s Equity .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7–22





## Report of Independent Auditors

To the Board of Managers of RW Parent, LLC and Management of Servicemaster OpCo Holdings, LLC

### ***Opinion***

We have audited the accompanying consolidated financial statements of Servicemaster OpCo Holdings, LLC and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of operations and comprehensive income, of members' equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Other Matter***

The consolidated financial statements of the Company as of December 31, 2021 and for the year then ended were audited by other auditors whose report, dated March 31, 2022, expressed an unmodified opinion on those statements.

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

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

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



### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with US GAAS, we:

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

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

*PricewaterhouseCoopers LLP*

Atlanta, Georgia  
March 31, 2023

**Servicemaster OpCo Holdings, LLC and Subsidiaries**  
 (An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Statements of Operations and Comprehensive Income**  
**Years Ended December 31, 2022 and 2021**

---

<i>(in millions)</i>	2022	2021
<b>Revenue</b>	<b>\$ 351.4</b>	<b>\$ 302.6</b>
Cost of services rendered	140.2	133.4
Selling and administrative expenses	87.8	100.0
Depreciation and amortization expense	24.3	18.7
Impairment charge	20.5	-
Operating expenses	<u>272.8</u>	<u>252.1</u>
<b>Operating income</b>	<b>78.6</b>	<b>50.5</b>
Interest expense	35.3	27.8
Other expense	2.4	3.8
<b>Net income and comprehensive income</b>	<b><u>\$ 40.9</u></b>	<b><u>\$ 18.9</u></b>

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

**ServiceMaster OpCo Holdings, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Statements of Financial Position**  
**December 31, 2022 and 2021**

<i>(in millions)</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 24.1	\$ 19.6
Restricted cash	9.7	13.9
Accounts receivable, less allowance	61.6	53.3
Current portion of notes receivable	1.5	2.3
Inventories	0.8	7.2
Prepaid expenses and other assets	15.3	14.0
<b>Total current assets</b>	<b>113.0</b>	<b>110.3</b>
Property and equipment, net	20.7	21.4
Right-of-use asset	13.1	15.0
Notes receivable, less allowance and current portion	4.2	7.0
Intangible assets, net	1,677.7	1,670.0
Other assets	0.1	0.1
<b>Total assets</b>	<b>\$ 1,828.8</b>	<b>\$ 1,823.8</b>
<b>Liabilities and Member's Equity</b>		
Accounts payable	\$ 16.1	\$ 18.5
Payroll and other employee benefits	12.8	10.8
Accrued advertising	8.9	10.5
Accrued interest payable	5.3	2.9
Deferred revenue	1.8	2.7
Current portion of lease liability	2.1	2.3
Current portion of long-term debt	10.4	20.5
Other current liabilities	3.2	15.2
<b>Total current liabilities</b>	<b>60.6</b>	<b>83.4</b>
Long-term debt, net of debt issue cost and current portion	988.6	996.0
Long-term lease liability	12.5	12.7
Other long-term liabilities	3.6	3.5
<b>Total liabilities</b>	<b>1,065.3</b>	<b>1,095.6</b>
Member's equity	763.5	728.2
<b>Total liabilities and member's equity</b>	<b>\$ 1,828.8</b>	<b>\$ 1,823.8</b>

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

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Consolidated Statements of Member's Equity

Years Ended December 31, 2022 and 2021

---

<i>(in millions)</i>	Member's Equity
<b>Balance at December 31, 2020</b>	<b>\$ 840.4</b>
Contribution (TMTI and SRM)	301.8
Contribution from Member	1.1
Distribution to Member	(434.0)
Net income and comprehensive income	18.9
	<hr/>
<b>Balance at December 31, 2021</b>	<b>728.2</b>
Contribution from Holdings	30.0
Contribution from RW Parent	5.1
Contribution from Member	0.2
Distribution to RW Parent	(2.4)
Distribution to Member	(38.5)
Net income and comprehensive income	40.9
	<hr/>
<b>Balance at December 31, 2022</b>	<b>\$ 763.5</b>

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

**ServiceMaster OpCo Holdings, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

<i>(in millions)</i>	2022	2021
<b>Cash flows from operating activities</b>		
Net income	\$ 40.9	\$ 18.9
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	24.3	18.7
Impairment loss	20.5	-
Share based compensation expense	5.1	-
Amortization of debt issuance costs	2.9	2.4
Amortization of operating right of use assets	1.9	-
Other, net	-	3.8
Changes in operating assets and liabilities		
Accounts receivable and notes receivable	(4.7)	(7.2)
Inventories	6.4	(0.6)
Prepaid expenses and other assets	(1.4)	(2.1)
Accounts payable	(2.4)	(1.0)
Deferred revenue	(0.7)	(4.0)
Operating lease right of use assets and lease liabilities, net	(0.5)	-
Accrued and other current liabilities	(9.1)	7.7
<b>Net cash provided by operating activities</b>	<b>83.2</b>	<b>36.6</b>
<b>Cash flows from investing activities</b>		
Distributor acquisitions	(47.9)	-
Capital expenditures	(3.9)	(1.1)
<b>Net cash used in investing activities</b>	<b>(51.8)</b>	<b>(1.1)</b>
<b>Cash flows from financing activities</b>		
Payments on finance leases	-	(0.6)
Debt payment	(45.4)	(36.9)
Proceeds from borrowings	25.0	440.0
Payments of debt issuance costs	-	(11.2)
Contribution from Holdings	30.0	-
Contribution from Member	0.2	1.1
Distribution to RW Parent	(2.4)	-
Distribution to Member	(38.5)	(434.0)
<b>Net cash used in financing activities</b>	<b>(31.1)</b>	<b>(41.6)</b>
Net increase/(decrease) in cash, cash equivalents and restricted cash	0.3	(6.1)
<b>Cash, cash equivalents and restricted cash</b>		
Beginning of year	33.5	39.6
End of year	\$ 33.8	\$ 33.5
<b>Noncash investing and financing activities</b>		
Noncash contribution of assets and liabilities in connection with acquisitions	\$ -	\$ 301.8
Cash paid for interest	32.3	29.3
Noncash contribution from RW Parent	5.1	-

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

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

### 1. Description of Business

#### ServiceMaster OpCo Holdings, LLC

ServiceMaster OpCo Holdings, LLC (the “Company”) is a limited liability company and a direct, wholly owned subsidiary of RW Purchaser LLC (“RW Purchaser” or “Member”). ServiceMaster Funding LLC (the “Issuer”), an indirect wholly owned subsidiary of the Company, will guarantee the Notes (as defined in Note 6, *Long-term Debt, net*), together with the other Guarantors (as defined below), pursuant to the Guarantee and Collateral Agreement. Through its direct wholly owned subsidiary ServiceMaster Holdco, LLC (“Holdco”), the Company acts as the manager of the securitization of restoration, cleaning, furniture repair, property inspection, moving and junk removal to both residential and commercial customers through the following brands: ServiceMaster Restore, ServiceMaster Recovery Management (“SRM”) ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck (“TMTI”) (collectively, the “ServiceMaster Brands.”)

References to “we,” “us,” “our” and “Company” in the accompanying consolidated financial statements (the “financial statements”) are to the Company’s business unless the context otherwise requires.

### 2. Significant Accounting Policies

The significant accounting policies described below, together with the other notes that follow, are an integral part of the financial statements.

#### Basis of Preparation

The historical results of our operations, financial position and cash flows have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

#### Use of Estimates

The preparation of the financial statements requires management to make certain estimates and assumptions required under US GAAP that may differ from actual results. The more significant areas requiring the use of management estimates relate to the valuation of tangible and intangible assets.

#### Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include highly liquid investments with maturity dates of three months or less from the date of purchase and are recorded at cost.

Restricted cash relates to the 2020 and 2021 securitized notes (as described in Note 6, *Long-term Debt, net*). As part of the transactions, the Company established certain cash and money market mutual fund accounts in the name of a financial institution (the “Trustee”) for the benefit of the Trustee and the noteholders and are restricted in their use. Restricted cash is comprised of cash collections and reserves due to the Trustee to be used for payments of principal, interest, commitment fees and other permissible operating expenses required for the notes of the Company.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

### Accounts Receivable and Notes Receivable

Accounts receivable consist primarily of national account revenue, royalties and franchise fees due from franchisees. Notes receivable consist primarily of licenses and equipment sold to franchisees. Accounts receivable are carried at their net realizable value. The Company accounts for credit losses using the Current Expected Credit Loss (CECL) model detailed in the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The Company’s expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers’ trade accounts receivable. Due to the short-term nature of such receivables, the estimate of accounts receivable that may not be collected is based on aging of the accounts receivable balances and consideration of customers’ financial and macroeconomic conditions. Balances are written off when determined to be uncollectible. The exposure to concentrations of credit risk is limited due to the diverse product offerings and geographic areas covered by our operations.

Estimates are used to determine the allowance. It is based on an assessment of anticipated payment and all other historical, current and future information that is reasonably available.

<i>(in millions)</i>	December 31, 2022		
	Accounts Receivable	Notes Receivable	Total
Receivables	\$ 68.0	\$ 6.0	\$ 74.0
Less: Allowance for credit losses	<u>(6.4)</u>	<u>(0.3)</u>	<u>(6.7)</u>
<b>Receivables, net of allowance</b>	<b>\$ 61.6</b>	<b>\$ 5.7</b>	<b>\$ 67.3</b>

<i>(in millions)</i>	December 31, 2021		
	Accounts Receivable	Notes Receivable	Total
Receivables	\$ 59.2	\$ 9.5	\$ 68.7
Less: Allowance for credit losses	<u>(5.9)</u>	<u>(0.2)</u>	<u>(6.1)</u>
<b>Receivables, net of allowance</b>	<b>\$ 53.3</b>	<b>\$ 9.3</b>	<b>\$ 62.6</b>

### Inventories

Inventories are recorded at the lower of cost (primarily on a weighted-average cost basis) or net realizable value. Our inventories primarily consist of finished goods to be used on the customers’ premises or sold to franchisees.



# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

### Property and Equipment and Intangible Assets

Property and equipment consist of the following:

<i>(in millions)</i>	December 31,		Estimated Useful Lives (Years)
	2022	2021	
Building	\$ 6.4	\$ 0.3	39
Land	0.9	7.0	-
Leasehold improvements	3.1	3.1	1-39
Technology and communications	12.3	9.3	2-10
Machinery and equipment	2.8	5.4	5-10
Office equipment, furniture and fixtures	4.4	0.8	3-17
Less: Accumulated depreciation	(9.2)	(4.5)	
<b>Property and equipment, net</b>	<b>\$ 20.7</b>	<b>\$ 21.4</b>	

Depreciation expense of property and equipment was \$4.7 million and \$3.6 million for the years ended December 31, 2022 and 2021, respectively.

Property and equipment, leasehold improvements and intangible assets with finite lives are depreciated and amortized on a straight-line basis over their estimated useful lives. Property and equipment lives are based on our previous experience for similar assets, potential market obsolescence and other industry and business data. Amortization of leasehold improvements is provided for on a straight-line method over the estimated benefit period of the related assets or the lease term, if shorter. As required by accounting standards for the impairment or disposal of long-lived assets, property and equipment and finite-lived intangible assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, an impairment loss could be recognized equal to the difference between the carrying amount and the fair value of the asset. Changes in the estimated useful lives or in the asset values could cause us to adjust the book values or future expense accordingly. There were no triggering events identified for the years ended December 31, 2022 and 2021.

Indefinite-lived intangible assets, primarily trade names, are assessed annually for impairment during the fourth quarter or earlier upon the occurrence of certain events or substantive changes in circumstances. The Company performed an annual impairment analysis as of October 1, 2022, which resulted in a \$12.4 million impairment of the Furniture Medic tradename and a \$8.1 million impairment to the AmeriSpec tradename. See Note 4, *Intangible Assets*, for our intangible assets balances.

### Member's Equity

Our equity on the consolidated statements of financial position represents RW Purchaser's net investment in us and is presented as Member's equity. Member's equity includes net cash transfers and other net asset transfers to and from RW Purchaser and us.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

### Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy defines a three-level valuation hierarchy for disclosure of fair value measurements as follows:

- Level 1 Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access;
- Level 2 Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and
- Level 3 Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The carrying value of cash equivalents, accounts receivable, and accounts payable approximate fair value due to their short-term nature. The carrying value of the Company's debt approximates fair value due to the variable rate terms of the debt.

The transactions described in Note 5, *Acquisitions* have been accounted for as a business combination using the acquisition method in accordance with FASB Accounting Standards Codification ("ASC") 805, Business Combinations, and, accordingly, the purchase price has been allocated to the acquired assets and liabilities assumed at their estimated fair values as of the acquisition date. Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Determining the fair value of intangible assets required the use of significant judgment, including the discount rates and the long-term plans about future revenues and expenses, capital expenditures and changes in working capital.

### Leases

We determine if an arrangement is a lease at inception. We recognize a right-of-use ("ROU") asset and lease liability for all leases with terms of 12 months or more. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. See Note 7, *Leases* to the accompanying consolidated financial statements for information related to our leases.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

### **Revenue**

#### ***Royalty Fees***

The Company has franchise agreements in the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and TMTI businesses. Royalty fee revenue consists principally of sales-based royalties received as part of the consideration for the franchise right and is calculated as a percentage of system wide sales. Royalty fees are recognized at the agreed-upon contractual rates over time as the customer-level revenue is generated by the franchisees. Revenue is recognized for an estimate of the unreported royalty fees, which are reported and remitted to us in arrears.

#### ***Commercial Cleaning and Other National Accounts***

National account revenues are recognized at the agreed-upon contractual amounts over time as services are completed based on contractual arrangements to provide services at the customers' locations. The Company engages either a franchisee or third-party business to perform the services. Under these agreements, the Company is directly responsible for providing the services and receive payment directly from the customer.

A receivable is recorded related to this revenue as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after services have been rendered.

#### ***Sales of Products***

Revenues are generated from selling products to franchisees. Revenues from product sales are generally recognized once control of the products transfers to the customer. A receivable is recorded related to these sales as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after a customer is invoiced.

#### ***Franchise Fees***

Initial franchise fees result from the sale of a franchise license, which includes the use of the name, trademarks and proprietary methods. The franchise license is considered symbolic intellectual property and revenue related to the sale of this right is recognized at the agreed-upon contractual amount over the term of the initial franchise agreement.

#### ***Referral Fees***

We have contractual arrangements with several national insurance companies to maintain a call center which receives and provides nonrecurring recovery and restoration referrals from the insurers to qualifying franchisees. We receive and recognize referral fees from franchisees at the agreed-upon contractual amount as revenue in the month the referral is issued.

#### ***National Advertising Fund***

Franchisees contribute a percentage of customer-level revenue into a national advertising fund managed by us. In cases where we have ultimate control of the marketing and advertising, we recognize both revenue and expense for the amount earned.

### **Advertising**

Advertising costs are expensed when the advertising occurs and are included in selling and administrative expenses. Advertising costs were \$19.2 million and \$15.6 million for the years ended December 31, 2022 and 2021, respectively. Advertising costs include national advertising fund expenses of \$18.1 million and \$14.5 million for the years ended December 31, 2022 and 2021, respectively, for which there is an equal amount recorded in revenue for the years ended December 31, 2022 and 2021.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

### Stock Compensation

The Company accounts for equity-based compensation in accordance with ASC 718, Compensation – Stock Compensation. Accordingly, in exchange for employee and director services, compensation is given in the form of equity awards. The equity awards are recorded based on the grant date fair value and expensed over the requisite service period for the respective award.

The Company's equity-based awards include profit interest time units and profits interest performance units issued by the Company, which vest based on either time or the achievement of certain performance conditions. The Company records forfeitures as they occur. Compensation expense resulting from time-based vesting awards is recognized in the Company's consolidated statements of operations and comprehensive income, primarily within selling and administrative expenses, at the grant date fair value over the requisite service period. Compensation expense resulting from performance-based awards is recognized over the requisite service period when it is probable that the performance condition will be met. The calculated compensation expense for performance-based awards is adjusted based on an estimate of awards ultimately expected to vest. No performance-based compensation expense has been recorded by the Company as it is not deemed probable that the performance condition will be met.

The Company estimates grant date fair value using a Black-Scholes option pricing model that uses assumptions including expected volatility, expected term, and the expected risk-free rate of return. The Company has determined that the Black-Scholes option pricing model, as well as the underlying assumptions used in its application, is appropriate in estimating the fair value of its award grants.

The Company has included \$5.1 million of share based compensation expense related to time-based vesting awards in the statement of Member's Equity within contribution from RW Parent LLC ("RW Parent").

### Income Taxes

The Company is a single-member, limited liability corporation which has elected not to be taxed as a corporation, and consequently is not subject to U.S. federal or state income taxes. As such, for income tax purposes, the Company's earnings flow through directly to the Member.

### Comprehensive Income

Comprehensive income represents net income for the period plus the results of certain other changes in Member's equity. The Company's comprehensive income is equal to its net income.

### Newly Issued Accounting Standards

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments in this ASU provide guidance aimed at easing the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. In response to concerns about structural risks of interbank offered rates (IBORs), and, particularly, the risk of cessation of the London Interbank Offered Rate (LIBOR), regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. The guidance was effective upon issuance and may be applied prospectively to contract modifications made on or before December 31, 2022. The Company's debt agreements utilize LIBOR and have not yet discontinued its use. The Company plans to apply the amendments in this ASU to account for contract modifications due to changes in reference rates when applicable. The Company does not expect these amendments to have a material impact on our financial statements and related disclosures.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

The Company has reviewed all other recently issued, but not yet effective, accounting pronouncements and do not expect the future adoption of any such pronouncements will have a material impact on our financial condition or the results of our operations.

### 3. Revenue

The following table presents our revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major customer acquisition channels. We determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

<i>(in millions)</i>	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Major service line</b>		
Royalty fees	\$ 175.7	\$ 141.4
Commercial cleaning and other national accounts	84.2	84.0
Sales of products	10.5	12.0
Other	81.0	65.2
<b>Total</b>	<b>\$ 351.4</b>	<b>\$ 302.6</b>

#### Costs to Obtain a Contract with a Customer

The Company capitalizes the incremental costs of obtaining a contract with a customer, primarily commissions, and recognizes the expense on a straight-line basis, as adjusted to match the timing of revenue recognition, over the expected customer relationship period. As of December 31, 2022 and 2021, there was an immaterial amount of activity related to capitalizable cost to obtain a contract.

#### Contract Balances

We record a receivable related to revenue recognized on services once we have an unconditional right to invoice and receive payment in the future related to the services provided. All accounts receivables are recorded within accounts receivable, less allowances, on the consolidated statements of financial position.

Deferred revenue from initial franchise fees represents a contract liability and is recognized when cash payments are received in advance of the performance of services, including when the amounts are refundable. Amounts are recognized as revenue in proportion to the costs expected to be incurred in performing services under our contracts.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to taxing authorities.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

### 4. Intangible Assets

The table below summarizes the intangible asset balances:

<i>(in millions)</i>	December 31, 2022			Weighted Average Useful Lives (Years)
	Gross	Accumulated Amortization	Net	
Trade names <sup>(1)</sup>	\$ 1,483.0	\$ -	\$ 1,483.0	
Customer relationships	180.3	8.3	172.0	9.8
Other	52.6	29.9	22.7	4.8
<b>Total</b>	<b>\$ 1,715.9</b>	<b>\$ 38.2</b>	<b>\$ 1,677.7</b>	

<i>(in millions)</i>	December 31, 2021			Weighted Average Useful Lives (Years)
	Gross	Accumulated Amortization	Net	
Trade names <sup>(1)</sup>	\$ 1,503.5	\$ -	\$ 1,503.5	
Customer relationships	43.4	4.7	38.7	10.8
Other	141.7	13.9	127.8	5.8
<b>Total</b>	<b>\$ 1,688.6</b>	<b>\$ 18.6</b>	<b>\$ 1,670.0</b>	

<sup>(1)</sup> Not subject to amortization

Amortization expense of \$19.6 million and \$15.1 million was recorded for the years ended December 31, 2022 and 2021, respectively.

For the existing intangible assets, we anticipate amortization expense of \$21.6 million per year for the years ending December 31, 2023, 2024, 2025, \$20.8 million for the year ended December 31, 2026, and \$19.8 million for the year ended December 31, 2027 and thereafter.

### 5. Acquisitions

#### Acquisition of Two Men and a Truck, Inc.

On August 3, 2021 (the "TMTI Transaction Date"), RW Purchaser entered into a transaction (the "TMTI Transaction") to diversify its service offerings and expand its business into a new sector. The Company acquired substantially all of the assets and liabilities associated with the following brands and businesses: Two Men and a Truck/International, Inc., Eberly Transportation, Inc., TMT/Gold Rush, LLC, TMT – Delhi, L.L.C., and TMT – Lansing, LLC from TMTI Holdco, Inc., Eberly Holdco, Inc., Melanie Bergeron, Jon Sorber, and James Brigham Sorber for \$358.0 million. The total purchase price of the TMTI Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of the TMTI Transaction.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Pursuant to the TMTI Transaction, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of TMTI between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the TMTI Transaction were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the TMTI Transaction Date with the exception of goodwill, which remained at RW Purchaser.

The allocation of purchase price is as follows:

<i>(in millions)</i>	<b>August 3, 2021</b>
Restricted cash	\$ 5.8
Receivables	7.1
Prepaid expenses and other assets	1.4
Notes receivable	0.2
Property and equipment	10.4
Right-of-use asset	0.4
Intangible assets	277.9
Other assets	6.1
Accounts payable	(3.0)
Current portion of lease liability	(0.2)
Deferred revenue	(2.1)
Other current liabilities	(2.7)
Payroll and related expenses	(0.1)
Tax payable	(0.1)
Long-term lease liability	(0.2)
<b>Total net assets acquired</b>	<b>\$ 300.9</b>
Goodwill	\$ 57.1

### Other

On March 1, 2021, RW Purchaser acquired the loss recovery business (the "SRM Business") from DSI Holdings Corporation to diversify its service offerings and expand its business into a new sector. Total cash consideration for the transaction was \$20.9 million, primarily consisting of the ServiceMaster Recovery Management loss recovery network. The total purchase price of the SRM Business was allocated to the underlying assets acquired and liabilities assumed based upon management's estimated fair values at the date of acquisition. The total estimated fair value of the net identifiable tangible and intangible assets acquired was \$6.6 million and consisted of \$5.7 million of property and equipment, \$0.8 million of inventories, and \$0.1 million of intangible assets. The excess of purchase price over the estimated fair value of the net assets acquired resulted in \$14.3 million allocated to goodwill. The goodwill created through the purchase is attributable to the assumed future value of the cash flows from the business acquired. Approximately \$14.4 million of the acquired goodwill and intangible assets is deductible for tax purposes.

The Member entered into two agreements (termination agreement dated March 11, 2022 and asset purchase agreement dated June 2, 2022) related to ServiceMaster Coordinator License Agreements (collectively, the "Coordinator Agreements") for \$47.9 million.

**ServiceMaster OpCo Holdings, LLC and Subsidiaries**  
(An indirect, wholly owned subsidiary of RW Purchaser, LLC)  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

**6. Long-term Debt, net**

Outstanding long-term debt consists of the following:

<i>(in millions)</i>	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Series 2020 Class A-2-I Notes, due January 2051	\$ 222.8	\$ 225.0
Series 2020 Class A-2-II Notes, due January 2051	401.0	405.1
Series 2020 Class A-1 Variable Rate Notes	-	10.0
Series 2021 Class A-2-I Notes, due July 2051	148.1	149.6
Series 2021 Class A-2-II Notes, due July 2051	246.9	249.4
Notes payable	-	0.1
Less: Debt issuance costs, net	<u>(19.8)</u>	<u>(22.7)</u>
<b>Total long-term debt, including current portion</b>	<b>999.0</b>	<b>1,016.5</b>
Less: Current portion	<u>(10.4)</u>	<u>(20.5)</u>
<b>Long-term debt, net</b>	<b>\$ 988.6</b>	<b>\$ 996.0</b>

Interest expense was \$32.4 million and \$27.8 million for all credit facilities described below for the years ended December 31, 2022 and 2021, respectively.

The debt issuance costs were capitalized and are shown net of the long-term debt on the consolidated statements of financial position. The debt issuance costs are amortized on a straight-line basis (which approximates the effective interest method) over the term of the respective notes. The Company recognized \$2.9 million and \$2.4 million of amortization expense for all credit facilities described above for the years ended December 31, 2022 and 2021, respectively.

**Future Minimum Principal Payments**

<i>(in millions)</i>	<b>Amount</b>
2023	\$ 10.4
2024	10.3
2025	10.3
2026	10.3
2027	10.3
Thereafter	<u>967.2</u>
<b>Total future minimum payments</b>	<b>\$ 1,018.8</b>

**2020 Securitized Notes**

On December 9, 2020 (the "2020 Securitization Date"), a series of agreements (collectively, the "2020 Indenture") were effectuated and gave rise to a revised legal entity structure of the Company's subsidiaries as well as the issuance of approximately \$750,000,000 of Notes by the Company's indirect wholly owned subsidiaries, ServiceMaster Funding LLC (the "Issuer") and ServiceMaster of Canada Limited ("Canada Limited" and, collectively, the "Co-Issuers").

Pursuant to the agreement the Co-Issuers issued \$250,000,000 of Series 2020-1 2.841% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-I (the "Class A-2-I Notes"), \$450,000,000 of



# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

Series 2020-1, 3.337% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-II (the "Class A-2-II Notes"), and \$50,000,000 of variable funding notes, Series 2020 Class A-1 (the "Series 2020-1 Class A-1 Notes" and, collectively with the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes, the "2020 Notes").

Interest will accrue on the Series 2020-1 Class A-1 Notes at a variable rate depending on the outstanding amount drawn by the Co-Issuers from time to time thereunder, if any. The legal final maturity date of the Notes is in January 2051.

Unless earlier prepaid to the extent permitted, the 2020 Indenture provides for an anticipated repayment date of January 2028 for the Class A-2-I Notes and an anticipated repayment date of January 2031 for the Series 2020 Class A-2-II Notes (as applicable, the "Anticipated Repayment Date"). The lending commitment under the Series 2020-1 Class A-1 Notes will expire in January 2026, subject to two automatic annual renewals at the election of the Co-Issuers if certain conditions are met.

The 2020 Notes have been guaranteed by indirect or direct wholly owned subsidiaries of the Company, ServiceMaster SPE Holdco LLC ("Holdco") and RW Canada Intermediate Ltd., as well as all of the subsidiaries of the Issuer (collectively, the "Guarantors"). The 2020 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2020 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments. The 2020 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default.

The 2020 Indenture also provides for quarterly principal amortization in respect of the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes equal to 0.25% of their original principal amount through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

### 2021 Senior Notes

On July 30, 2021, in conjunction with the acquisition (See Note 5, *Acquisitions*) of Two Men and a Truck/International, Inc., the Co-Issuers entered into an agreement (the "2021 Indenture") for a senior note facility in an aggregate principal amount of \$400,000,000 with Citibank. The Issuer issued \$150,000,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-I, \$250,000,000 of Series 2021-1, 3.113% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-II (the "2021 Notes"). The legal final maturity date of the Notes is in July 2051. The 2021 Indenture provides for an anticipated repayment date of July 2028 for the Series 2021 Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2021 Class A-2-II Notes (as applicable, the "Anticipated Repayment Date"). The lending commitment under the Series 2021-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Issuer if certain conditions are met.

The 2021 Notes are secured by substantially all of the assets of the Issuer and the Guarantors. The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2021 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

The 2021 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default. The 2021 Indenture also provides for quarterly principal amortization in respect of the Series 2021 Class A-2-I Notes and the Series 2021 Class A-2-II Notes equal to 0.25% of their original principal amount through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

Under the 2021 Indenture and the 2020 Indenture, the Company makes weekly payments of principal and interest for the balances outstanding under the 2021 Notes and the 2020 Notes. The payments are remitted to the Trustee weekly based on retained collections during the previous weekly collection period. The Company classifies such advance debt payments during the period they are held by the Trustee in Prepaid Expenses and Other Assets. The balances of the advance debt payments held by the Trustee amounted to \$10.6 million and \$8.5 million as of December 31, 2022 and 2021, respectively.

### Letters of Credit

In connection with the Securitization, a commercial bank issued an interest reserve letter of credit in an amount up to \$8.9 million in favor of Citibank N.A. (the "Trustee") for the benefit of the senior noteholders and/or the servicer of the Securitization (each, a "Beneficiary"). The \$8.9 million funds will be made available to either Beneficiary in order for the Company to comply with the required interest reserve amounts pursuant to the Indenture (as defined in Note 6, *Long-term Debt, net*). The terms of the letter of credit automatically renew without an amendment on each anniversary of the date of issuance for a one-year period with a final expiry date of January 15, 2027. The Company intends to renew the letter of credit for as long as the Company holds the Notes (as defined in Note 6, *Long-term Debt, net*). As of December 31, 2022, no amounts were outstanding under the letter of credit.

The Company also has a letter of credit in the amount of \$6.1 million as of December 31, 2022, associated with a captive insurance program within TMTI. As of December 31, 2022, no amounts were outstanding under the letter of credit.

## 7. Leases

The Company accounts for leases under FASB ASC 842, *Leases*. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets ("ROU"), net; current portion of lease liability; and long-term lease liability on the consolidated statements of financial position.

Finance leases are included in property and equipment, net; current portion of finance lease liability and long-term finance lease liability and long-term debt on the consolidated statements of financial position.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments, including fixed nonlease components, over the lease term at commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Leases, including subleases, with a lease term of 12 months or less are not recorded on the consolidated statements of financial position. Lease expense for minimum lease payments and fixed nonlease components is recognized on a straight-line basis over the lease term.

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

As of December 31, 2022, no assets were recorded under finance leases. As of December 31, 2021, assets recorded under finance leases were \$0.1 million and accumulated depreciation associated with finance leases were \$0.1 million. The operating lease cost component of lease expense was \$2.3 million and \$2.4 million for the years ended December 31, 2022 and 2021, respectively. The ROU assets, short-term lease cost and variable lease cost components of lease expense were immaterial.

As the rates implicit in our leases are not readily determinable, we use a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. We use the portfolio approach and group leases into categories by lease term length, applying the corresponding incremental borrowing rates to these categories of leases.

Supplemental cash flow information and other information for leases was as follows:

<i>(in millions, unless otherwise noted)</i>	<u>Years Ended December 31,</u>	
	2022	2021
<b>ROU assets obtained in exchange for lease obligations</b>		
Operating leases	\$ -	\$ 8.9
<b>Weighted average remaining lease term (in years)</b>		
Operating leases	8.5 Years	9.0 Years
<b>Weighted average discount rate</b>		
Operating leases	3.17 %	3.17 %

As of December 31, 2022, the finance leases included within current portion of finance lease liability and long-term portion of finance lease liability are immaterial on the consolidated statements of financial position. There was \$2.1 million and \$12.5 million of operating leases included within current portion of lease liability and long-term portion of lease liability, respectively, on the consolidated statements of financial position.

Future minimum lease payments under noncancellable leases as of December 31, 2022 were as follows:

<i>(in millions)</i>	<b>Operating Leases</b>
<b>Year ending December 31,</b>	
2023	\$ 2.2
2024	2.0
2025	2.1
2026	2.1
2027	2.1
Thereafter	6.1
<b>Total future minimum lease payments</b>	<b>16.6</b>
Less: Imputed interest	(2.0)
<b>Total</b>	<b>\$ 14.6</b>

# ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

---

### 8. Disposals

On September 30, 2021, the Company, through a wholly owned subsidiary, entered into four (4) separate asset sale agreements with existing franchisees to dispose of the following Company-owned branches:

- Service Master Merry Maids branch in Memphis, TN (“Memphis Branch”)
- ServiceMaster Restore branches in Charlotte, NC and Wichita, KS (“Charlotte and Wichita Branches”)
- ServiceMaster Restore branch in Chantilly, VA (“Chantilly Branch”)
- ServiceMaster Clean branch in Albuquerque, NM (“Albuquerque Branch”)

The transactions for each of the sales closed on October 29, 2021, with the exception of the sale of the Memphis Branch, which closed on October 25, 2021. The total consideration received for the sale of branches was de minimis and the Company will receive guaranteed royalty payments.

### 9. Commitments and Contingencies

We lease certain property and equipment under various operating lease arrangements. Most of the property leases provide that we pay taxes, insurance and maintenance applicable to the leased premises. As leases for existing locations expire, we expect to renew the leases or substitute another location and lease. Please refer to Note 7, *Leases*, for further details.

In the ordinary course of conducting business activities, we are and may in the future become involved in various litigation and claims incidental to our business. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

### 10. Management Services Agreement

The Company has a management agreement with a related party. Under the agreement, the Company pays fees for management services, which totaled approximately \$3.0 million and \$2.1 million for the years ended December 31, 2022 and 2021. The fees were recorded in the consolidated statements of operations and comprehensive income in selling and administrative expenses.

### 11. Equity Agreements and Incentive Equity Plan

RW Management Holdings LLC, a member of RW Parent, entered into the 2020 RW Management Holdings LLC Profits Interest Incentive Plan (the Equity Plan). The Equity Plan is designed to provide an incentive to employees of RW Parent or any of its subsidiaries.

## ServiceMaster OpCo Holdings, LLC and Subsidiaries

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

### Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Under the Plan, interest units (“Unit Awards”) of RW Parent may be issued to the employees of the Company or any of its subsidiaries. The Unit Awards are subject to the terms of the Equity Plan, as well as, the terms of the respective unit grant agreements, which among other matters, define the vesting term.

As of December 31, 2022 and 2021, RW Management Holdings LLC had approximately 132,800 and 132,800 total Profits Interest Units reserved for issuance under the Equity Plan.

RW Parent granted 6,255 and 15,501 Profits Interest Time Units to certain employees providing services to the Company during the years ended December 31, 2022 and 2021, respectively.

RW Parent granted 10,480 and 15,501 Profits Interest Performance Units to certain employees providing services to the Company during the years ended December 31, 2022 and 2021, respectively.

	<b>Profits Interest Time Units</b>	<b>Profits Interest Performance Units</b>
<b>December 31, 2020</b>	<b>29,006</b>	<b>29,006</b>
Granted	15,501	15,501
Forfeited	(4,150)	(4,150)
<b>December 31, 2021</b>	<b>40,357</b>	<b>40,357</b>
Granted	6,255	10,480
Forfeited	(17,070)	(25,569)
<b>End of Period – December 31, 2022</b>	<b>29,542</b>	<b>25,268</b>
Vested	9,272	-

The Company recognized \$5.1 million in compensation expense in selling and administrative expenses in the consolidated statements of operations and comprehensive income for the time-based vesting awards for the year ended December 31, 2022.

The fair value of all incentive units granted was estimated using a Black-Scholes option pricing model using the following assumptions:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Risk-free interest rate range	(1.6%)-1.9%	(1.9%)-(1.4)%
Expected volatility	28.2 %	26.4 %
Weighted-average expected option life (in years)	5.0 years	5.0 years
Weighted-average grant-date fair value	\$ 317.00	\$ 217.00
Dividend yield	0.0 %	0.0 %

The remaining unrecognized compensation expense for these awards were \$19.7 million and \$33.6 million as of December 31, 2022 and 2021, respectively.

# **ServiceMaster OpCo Holdings, LLC and Subsidiaries**

(An indirect, wholly owned subsidiary of RW Purchaser, LLC)

## **Notes to Consolidated Financial Statements**

**December 31, 2022 and 2021**

---

The expected term of the incentive units is based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based on the historical volatility of several entities that are similar to the Company as the Company does not have sufficient historical transactions of its own shares on which to base expected volatility.

### **12. Subsequent Events**

The Company evaluated subsequent events from December 31, 2022 through March 31, 2023, the date the financial statements were available to be issued. On November 22, 2022, the Company signed a letter of intent to sell the Furniture Medic and AmeriSpec businesses for \$25.0 million. As a result, the Company recorded an impairment charge for the indefinite lived tradenames as the carrying values of the tradenames were higher than the fair value. Refer to Note 2 *Significant Accounting Policies* for further reference. The Company anticipates the transaction will close by the second quarter of 2023. There were no other matters identified affecting the Company's financial position or requiring further disclosure.

# **SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**

**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW  
PURCHASER, LLC)**

*Consolidated Financial Statements for the year ended December 31, 2021 and for the  
period from October 1, 2020 (Inception) to December 31, 2020*

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**

**TABLE OF CONTENTS**

---

	<b><u>Page</u></b>
Independent Auditor's Report	1 - 2
Consolidated Statements of Operations and Comprehensive Income	3
Consolidated Statements of Financial Position	4
Consolidated Statements of Member's Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7



## INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of RW Parent, LLC and  
The Management of ServiceMaster OpCo Holdings, LLC  
Atlanta, Georgia

### Opinion

We have audited the consolidated financial statements of ServiceMaster OpCo Holdings, LLC and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income, member's equity, and cash flows for the year ended December 31, 2021 and the period from October 1, 2020 (inception) to December 31, 2020, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and the period from October 1, 2020 (inception) to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

*Deloitte + Touche LLP*

March 31, 2022

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

(in millions)	Year ended December 31, 2021	Period from October 1, 2020 (Inception) to December 31, 2020
<b>Revenue</b>	<b>\$ 302.6</b>	<b>\$ 62.5</b>
Cost of services rendered	133.4	31.4
Selling and administrative expenses	100.0	23.5
Depreciation and amortization expense	18.7	4.4
Operating expenses	252.1	59.3
<b>Operating income</b>	<b>50.5</b>	<b>3.2</b>
Other expense	3.8	-
Interest expense	27.8	1.5
<b>Net income and comprehensive income</b>	<b>\$ 18.9</b>	<b>\$ 1.7</b>

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(in millions)	As of December 31, 2021		As of December 31, 2020	
<b>Assets:</b>				
Cash and cash equivalents	\$	19.6	\$	32.6
Restricted cash		13.9		7.0
Accounts receivable, less allowance		53.3		38.4
Current portion of notes receivable		2.3		-
Inventories		7.2		5.7
Prepaid expenses and other assets		14.0		4.3
<b>Total Current Assets</b>		<b>110.3</b>		<b>88.0</b>
Property and equipment, net		21.4		8.2
Operating lease right-of-use asset		15.0		8.4
Notes receivable, less allowance		7.0		9.7
Intangible assets, net		1,670.0		1,407.0
Other assets		0.1		-
<b>Total Assets</b>	<b>\$</b>	<b>1,823.8</b>	<b>\$</b>	<b>1,521.3</b>
<b>Liabilities and Member's Equity:</b>				
Accounts payable	\$	18.5	\$	16.5
Payroll and related expenses		2.0		6.2
Accrued interest payable		2.9		1.3
Deferred revenue		2.7		3.1
Current portion of lease liability		2.3		0.8
Current portion of finance lease liability		-		0.2
Current portion of long-term debt		20.5		5.9
Other current liabilities		34.5		21.6
<b>Total Current Liabilities</b>		<b>83.4</b>		<b>55.6</b>
Long-term debt		996.0		612.3
Other long-term obligations		3.5		4.9
Long-term lease liability		12.7		7.6
Long-term portion of finance lease liability		-		0.5
<b>Total Liabilities</b>		<b>1,095.6</b>		<b>680.9</b>
Member's Equity		728.2		840.4
<b>Total Liabilities and Member's Equity</b>	<b>\$</b>	<b>1,823.8</b>	<b>\$</b>	<b>1,521.3</b>

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY**

(in millions)

	<b>Member's Equity</b>
<b>Balance at October 1, 2020</b>	<b>\$ —</b>
Initial contribution from Member	1,433.5
Contributions from Member	7.3
Distribution to Member	(602.1)
Net income and comprehensive income	1.7
<b>Balance at December 31, 2020</b>	<b>\$ 840.4</b>
Contribution (TMTI and SRM)	301.8
Contribution from Member	1.1
Distribution to Member	(434.0)
Net income and comprehensive income	18.9
<b>Balance at December 31, 2021</b>	<b>\$ 728.2</b>

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)	For the year ended December 31, 2021	Period from October 1, 2020 (Inception) to December 31, 2020
<b>Cash Flows from Operating Activities</b>	\$	\$
Net income	18.9	1.7
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization expense	18.7	4.4
Amortization of debt issuance costs	2.4	0.2
Non-cash lease expense	–	0.2
Other, net	3.8	–
<b>Changes in operating assets and liabilities</b>		
Accounts receivable and notes receivable	(7.2)	0.4
Inventories	(0.6)	(0.4)
Prepaid expenses and other assets	(2.1)	(3.5)
Accounts payable	(1.0)	7.8
Deferred revenue	(4.0)	(0.3)
Operating lease liability	–	(0.2)
Accrued and other current liabilities	7.7	8.2
Net cash provided by operating activities	36.6	18.5
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(1.1)	(0.7)
Net cash used in investing activities	(1.1)	(0.7)
<b>Cash Flows from Financing Activities</b>		
Payments on finance leases	(0.6)	–
Debt payment	(36.9)	(0.2)
Proceeds from borrowings	440.0	634.9
Debt issuance costs	(11.2)	(18.1)
Contribution from Member	1.1	7.3
Distribution to Member	(434.0)	(602.1)
Net cash (used in) provided by financing activities	(41.6)	21.8
Net (decrease) increase in cash, cash equivalents and restricted cash	(6.1)	39.6
Cash, cash equivalents and restricted cash at beginning of period	39.6	–
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 33.5</b>	<b>\$ 39.6</b>
<b>Non-cash investing and financing activities</b>		
Initial non-cash contribution of assets and liabilities from Member on October 1, 2020	\$ –	\$ 1,433.5
Non-cash contribution of assets and liabilities in connection with acquisitions	\$ 301.8	\$ –
Cash paid for interest	\$ 29.3	\$ –

See accompanying notes to the consolidated financial statements.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Note 1. Description of Business**

*ServiceMaster Opco Holdings, LLC*

ServiceMaster Opco Holdings, LLC (the “Company”) is a newly formed limited liability company and a direct, wholly owned subsidiary of RW Purchaser LLC (“RW Purchaser” or “Member”). ServiceMaster Funding LLC (the “Issuer”), an indirect wholly owned subsidiary of the Company, will guarantee the Notes (as defined in Note 7, *Long-term Debt*), together with the other Guarantors (as defined below), pursuant to the Guarantee and Collateral Agreement. Through its direct wholly owned subsidiary ServiceMaster Holdco, LLC (“Holdco”), the Company acts as the manager of the securitization of restoration, cleaning, furniture repair, property inspection, moving, junk removal, and storage solution services to both residential and commercial customers through the ServiceMaster Brands: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck (“TMT”) (collectively, the “ServiceMaster Brands.”)

References to “we,” “us,” “our” and “Company” in the accompanying consolidated financial statements (the “financial statements”) are to the Company’s business unless the context otherwise requires.

*Organizational Structure*

On October 1, 2020, RW Purchaser entered into a transaction (the “Transaction”) to acquire substantially all of the assets and liabilities associated with the following brands and businesses: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic and AmeriSpec (collectively, the “ServiceMaster Brands”) from Terminix Global Holdings, Inc. The total purchase price of the Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of Transaction.

On December 9, 2020 (the “Securitization Date”), a series of agreements (collectively, the “Securitization”) were effectuated and gave rise to a revised legal entity structure of RW Purchaser’s subsidiaries as well as the issuance of approximately \$750,000,000 of Notes (as defined in Note 7, *Long-term Debt*) by RW Purchaser’s indirect subsidiaries, Issuer and ServiceMaster of Canada Limited (“Canada Limited” and collectively, the “Co-Issuers”), which have been guaranteed by commonly controlled RW Purchaser subsidiaries, Holdco and RW Canada Intermediate Ltd., as well as all of the subsidiaries of the Issuer (collectively, the “Guarantors”).

Pursuant to the Securitization, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of the ServiceMaster Brands between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the Securitization were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the Securitization Date.

At the Securitization Date the Member then entered into a contribution agreement pursuant to which the Member contributed assets, net of liabilities, in the amount of \$1,433.5 million of the US portion of the ServiceMaster Brands to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

On March 1, 2021, the Company acquired the loss recovery business (the “SRM Business”) from DSI Holdings Corporation for \$20.9 million, primarily consisting of the ServiceMaster Recovery Management loss recovery network. The total purchase price of the SRM Business was allocated to the underlying assets acquired and liabilities assumed based upon management’s estimated fair values at the date of acquisition. The total estimated fair value of the net identifiable tangible and intangible assets acquired was \$6.6 million and consisted of \$5.7 million of property and equipment, \$0.8 million of inventories, and \$0.1 million of intangible assets. The excess of purchase price over the estimated fair value of the net assets acquired resulted in \$14.3 million allocated to goodwill.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

On July 30, 2021, a series of agreements were effectuated and gave rise to the issuance of approximately \$400,000,000 of Notes (as defined below in Note 7, *Long-term Debt*) by the Co-Issuers, which have been guaranteed by the Guarantors.

On August 3, 2021 (the “TMTI Transaction Date”), RW Purchaser entered into a transaction (the “TMTI Transaction”) to acquire substantially all of the assets and liabilities associated with the following brands and businesses: Two Men and a Truck/International, Inc., Eberly Transportation, Inc., TMT/Gold Rush, LLC, TMT – Delhi, L.L.C., and TMT – Lansing, LLC from TMTI Holdco, Inc., Eberly Holdco, Inc., Melanie Bergeron, Jon Sorber, and James Brigham Sorber. The total purchase price of the TMTI Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of the TMTI Transaction. The allocation of the purchase price is preliminary and may change in future periods, perhaps materially, as fair value estimates of the assets acquired, and liabilities assumed are refined and finalized during the allowable one-year measurement period.

Pursuant to the TMTI Transaction, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of TMTI between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the TMTI Transaction were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the TMTI Transaction Date. As these assets are a subset of the assets acquired as part of the TMTI Transaction on August 3, 2021, they are subject to a measurement period of one year from the date of the TMTI Transaction, August 3, 2021.

The Member then entered into a contribution agreement pursuant to which the Member contributed assets, net of liabilities, in the amount of \$301.8 million of the TMTI (August 3, 2021) and SRM (March 1, 2021) to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

#### ***COVID-19***

COVID-19 continues to impact the global economy. The impact of the COVID-19 pandemic depends on factors largely beyond the Company’s knowledge or control. The Company did not experience any material operational, or supply chain disruptions related to various efforts to mitigate the spread of COVID-19. However, there remains uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. As such, the Company is unable to determine if it will have a material impact to its operations.

#### **Note 2. Significant Accounting Policies**

The significant accounting policies described below, together with the other notes that follow, are an integral part of the financial statements.

##### ***Basis of Preparation***

The historical results of our operations, financial position and cash flows have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

##### ***Use of Estimates***

The preparation of the financial statements requires management to make certain estimates and assumptions required under US GAAP that may differ from actual results. The more significant areas requiring the use of management estimates relate to revenue recognition; the allowance for uncollectible receivables; the possible outcome of outstanding legal matters; the deferral and amortization of customer acquisition costs; useful lives for determining depreciation and amortization expense; and the valuation of tangible and intangible assets.

##### ***Cash, Cash Equivalents and Restricted Cash***

Cash and cash equivalents include highly liquid investments with maturity dates of three months or less from the date of purchase and are recorded at cost.



**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

Restricted cash relates to the 2021 and 2020 Securitizations. As part of the transactions, the Company established certain cash and money market mutual fund accounts in the name of a financial institution (the “Trustee”) for the benefit of the Trustee and the noteholders and are restricted in their use. Restricted cash is comprised of cash collections and reserves due to the Trustee to be used for payments of principal, interest, commitment fees and other permissible operating expenses required for the notes of the Company.

***Accounts and Notes Receivable***

Accounts receivable and notes receivable consist primarily of national account revenue due from customers, royalties and franchise fees due from franchisees and amounts financed for franchisees through our financing entity. Accounts receivable are carried at their net realizable value. The Company accounts for credit losses using the Current Expected Credit Loss (CECL) model detailed in the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The Company’s expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers’ trade accounts receivable. Due to the short-term nature of such receivables, the estimate of accounts receivable that may not be collected is based on aging of the accounts receivable balances and consideration of customers’ financial and macroeconomic conditions. Balances are written off when determined to be uncollectible. The Company considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and determined that the estimate of credit losses was not significantly impacted.

Estimates are used to determine the allowance. It is based on an assessment of anticipated payment and all other historical, current and future information that is reasonably available.

(in millions)	As of December 31, 2021		
	Accounts Receivable	Notes Receivable	Total
Receivables	\$ 59.2	\$ 9.5	\$ 68.7
Less: Allowance for credit losses	(5.9)	(0.2)	(6.1)
<b>Receivables, net of allowance</b>	<b>\$ 53.3</b>	<b>\$ 9.3</b>	<b>\$ 62.6</b>

(in millions)	As of December 31, 2020		
	Accounts Receivable	Notes Receivable	Total
Receivables	\$ 38.8	\$ 10.0	\$ 48.8
Less: Allowance for credit losses	(0.4)	(0.3)	(0.7)
<b>Receivables, net of allowance</b>	<b>\$ 38.4</b>	<b>\$ 9.7</b>	<b>\$ 48.1</b>

***Deferred Customer Acquisition Costs***

Customer acquisition costs, which are incremental and direct costs of obtaining a customer, are deferred and amortized over the expected customer relationship period.

***Inventories***

Inventories are recorded at the lower of cost (primarily on a weighted-average cost basis) or net realizable value. Our inventories primarily consist of finished goods to be used on the customers’ premises or sold to franchisees.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

***Property and Equipment and Intangible Assets***

Property and equipment consist of the following:

(in millions)	As of December 31, 2021	As of December 31, 2020	Estimated Useful Lives (Years)
Building	\$ 0.3	\$ –	39
Land	7.0	–	–
Leasehold improvements	3.1	1.8	1-39
Technology and communications	9.3	5.8	2-10
Machinery and equipment	5.4	1.0	5-10
Office equipment, furniture and fixtures	0.8	0.5	3-17
Less: Accumulated depreciation	(4.5)	(0.9)	
Property and equipment, net	<b>\$ 21.4</b>	<b>\$ 8.2</b>	

Depreciation expense of property and equipment was \$3.6 million for the year ended December 31, 2021 and \$0.9 million for the period from Inception to December 31, 2020.

Property and equipment and intangible assets with finite lives are depreciated and amortized on a straight-line basis over their estimated useful lives. These lives are based on our previous experience for similar assets, potential market obsolescence and other industry and business data. As required by accounting standards for the impairment or disposal of long-lived assets, property and equipment and finite-lived intangible assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, an impairment loss could be recognized equal to the difference between the carrying amount and the fair value of the asset. Changes in the estimated useful lives or in the asset values could cause us to adjust its book value or future expense accordingly.

Indefinite-lived intangible assets, primarily trade names, are assessed annually for impairment during the fourth quarter or earlier upon the occurrence of certain events or substantive changes in circumstances. The Company performed an annual impairment analyses as of October 1, 2021 which did not result in any trade name impairments to continuing operations. See Note 4, *Intangible Assets*, for our intangible asset balances.

***Member's Equity***

Our equity on the consolidated statements of financial position represents RW Purchaser's net investment in us and is presented as Member's equity. Member's equity includes net cash transfers and other net asset transfers to and from RW Purchaser and us.

***Leases***

We determine if an arrangement is a lease at inception. We recognize a right-of-use ("ROU") asset and lease liability for all leases with terms of 12 months or more. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. See Note 8 to the accompanying consolidated financial statements for information related to our leases.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

***Revenue***

*Royalty fees*

The Company has franchise agreements in the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck businesses. Royalty fee revenue consists principally of sales-based royalties received as part of the consideration for the franchise right and is calculated as a percentage of customer-level revenue. Royalty Fees are recognized at the agreed-upon contractual rates over time as the customer-level revenue is generated by the franchisees. A receivable is recognized for an estimate of the unreported royalty fees, which are reported and remitted to us in arrears.

*Commercial cleaning and other national accounts*

National account revenues are recognized at the agreed-upon contractual amounts over time as services are completed based on contractual arrangements to provide services at the customers' locations. The Company engages either a franchisee or third-party business to perform the services. Under these agreements, the Company is directly responsible for providing the services and receive payment directly from the customer. A receivable is recorded related to this revenue as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after services have been rendered.

*Sales of products*

Revenues are generated from selling products to franchisees. Revenues from product sales are generally recognized once control of the products transfers to the customer. A receivable is recorded related to these sales as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after a customer is invoiced.

*Franchise Fees*

Initial franchise fees result from the sale of a franchise license, which includes the use of the name, trademarks and proprietary methods. The franchise license is considered symbolic intellectual property and revenue related to the sale of this right is recognized at the agreed-upon contractual amount over the term of the initial franchise agreement.

We have contractual arrangements with several national insurance companies to maintain a call center which receives and provides nonrecurring recovery and restoration referrals from the insurers to qualifying franchisees. We receive and recognize referral fees from franchisees at the agreed-upon contractual amount as revenue in the month the referral is issued. The Company also collects a renewal fee from franchisees based on the terms of the initial franchise agreement entered into between the Company and franchisees.

We recognize revenue from Company owned locations at the point in time when services are provided to the customer.

*National advertising fund*

Franchisees contribute a percentage of customer-level revenue into a national advertising fund managed by us. In cases where we have ultimate control of the marketing and advertising, we recognize both revenue and expense for the amount earned.

***Advertising***

Advertising costs are expensed when the advertising occurs and are included in selling and administrative expenses. Advertising costs were \$15.6 million and \$4.4 million for the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively. Advertising costs include national advertising fund expenses of \$14.5 million and \$2.8 million for the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively, for which there is an equal amount recorded in revenue for the year ended December 31, 2021, and the period from Inception to December 31, 2020.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

***Income Taxes***

The Company is a single-member, limited liability corporation which has elected not to be taxed as a corporation, and consequently is not subject to U.S. federal or state income taxes. As such, for income tax purposes, the Company's earnings flow through directly to the Member.

***Comprehensive Income***

Comprehensive income represents net income for the period plus the results of certain other changes in Member's equity. The Company's comprehensive income is equal to its net income.

***Newly Issued Accounting Standards***

*Accounting Standards Issued But Not Yet Effective*

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this ASU provide guidance aimed at easing the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. In response to concerns about structural risks of interbank offered rates (IBORs), and, particularly, the risk of cessation of the London Interbank Offered Rate (LIBOR), regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. The amendments in this ASU are effective for all entities as of March 12, 2020 through December 31, 2022. The Company's debt agreements utilize LIBOR and have not yet discontinued its use. We plan to apply the amendments in this ASU to account for contract modifications due to changes in reference rates when applicable. We do not expect these amendments to have a material impact on our financial statements and related disclosures.

We have reviewed all other recently issued, but not yet effective, accounting pronouncements and do not expect the future adoption of any such pronouncements will have a material impact on our financial condition or the results of our operations.

**Note 3. Revenue**

The following table presents our revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major customer acquisition channels. We determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

(in millions)	Year ended December 31, 2021	Period from Inception to December 31, 2020
<b>Major service line</b>		
Royalty Fees	\$ 141.4	\$ 28.4
Commercial Cleaning and other National Accounts	84.0	21.8
Sales of Products	12.0	3.7
Other	65.2	8.6
<b>Total</b>	<b>\$ 302.6</b>	<b>\$ 62.5</b>

**Costs to Obtain a Contract with a Customer**

The Company capitalizes the incremental costs of obtaining a contract with a customer, primarily commissions, and recognizes the expense on a straight-line basis, as adjusted to match the timing of revenue recognition, over the expected customer relationship period. As of December 31, 2021 and 2020, there was an immaterial amount of activity related to capitalizable cost to obtain a contract.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Contract Balances**

We record a receivable related to revenue recognized on services once we have an unconditional right to invoice and receive payment in the future related to the services provided. All accounts receivables are recorded within accounts receivables, less allowances, on the consolidated statements of financial position.

Deferred revenue from initial franchise fees represents a contract liability and is recognized when cash payments are received in advance of the performance of services, including when the amounts are refundable. Amounts are recognized as revenue in proportion to the costs expected to be incurred in performing services under our contracts.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to taxing authorities.

**Note 4. Intangible Assets**

The table below summarizes the other intangible asset balances:

As of December 31, 2021			
(in millions)	Gross	Accumulated Amortization	Net
Trade names <sup>(1)</sup>	\$ 1,503.5	\$ –	\$ 1,503.5
Customer relationships	43.4	4.7	38.7
Other	141.7	13.9	127.8
<b>Total</b>	<b>\$ 1,688.6</b>	<b>\$ 18.6</b>	<b>\$ 1,670.0</b>

As of December 31, 2020			
(in millions)	Gross	Accumulated Amortization	Net
Trade names <sup>(1)</sup>	\$ 1,241.5	\$ –	\$ 1,241.5
Customer relationships	43.4	0.9	42.5
Other	125.6	2.6	123.0
<b>Total</b>	<b>\$ 1,410.5</b>	<b>\$ 3.5</b>	<b>\$ 1,407.0</b>

(1) Not subject to amortization

Amortization expense of \$15.1 million and \$3.5 million was recorded in the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively. For the existing intangible assets, we anticipate amortization expense of \$15.9 million per year for the years ending December 31, 2022, 2023, 2024, 2025 and 2026.

**Note 5. Commitments and Contingencies**

We lease certain property and equipment under various operating lease arrangements. Most of the property leases provide that we pay taxes, insurance and maintenance applicable to the leased premises. As leases for existing locations expire, we expect to renew the leases or substitute another location and lease. Please refer to Note 8, *Leases*, for further details.

In the ordinary course of conducting business activities, we are and may in the future become involved in various litigation and claims incidental to our business. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Note 6. Employee Benefit Plans**

The Company did not have employee benefit plans in place as of December 31, 2020. However, employees received compensation in lieu of a 401(k)-employer match in the amount of and recognized as an expense of \$0.2 million for the period from Inception to December 31, 2020, which were recorded in selling and administrative expenses on the consolidated statements of operations and comprehensive income. As of December 31, 2021, a 401(k)-employee benefit plan was in place. The amount of 401(k)-employer match was \$0.8 million for the year ended December 31, 2021 and was recognized in selling and administrative expenses on the consolidated statements of operations and comprehensive income.

**Note 7. Long-term Debt**

Outstanding debt consists of the following:

(in millions)	As of December 31,	
	2021	2020
Series 2020 Class A-2-I Notes, due January 2051	\$ 225.0	\$ 226.8
Series 2020 Class A-2-II Notes, due January 2051	405.1	408.1
Series 2020 Class A-1 Variable Rate Notes	10.0	–
Series 2021 Class A-2-I Notes, due July 2051	149.6	–
Series 2021 Class A-2-II Notes, due July 2051	249.4	–
Notes payable	0.1	1.2
Less debt issuance costs, net	(22.7)	(17.9)
<b>Total long-term debt, including current portion</b>	<b>1,016.5</b>	<b>618.2</b>
Less current portion	(20.5)	(5.9)
<b>Long-term debt, net</b>	<b>\$ 996.0</b>	<b>\$ 612.3</b>

Interest expense was \$27.8 million for all credit facilities described below for the year ended December 31, 2021 and \$1.3 million for the period from Inception to December 31, 2020.

*Future Minimum Principal Payments*

(in millions)	Amount	
2022	\$	20.5
2023		10.3
2024		10.3
2025		10.3
2026		10.3
Thereafter		977.5
<b>Total future minimum payments</b>	<b>\$</b>	<b>1,039.2</b>

*2021 Senior Notes*

On July 30, 2021, in conjunction with the TMTI Transaction, as defined above, the Co-Issuers entered into an agreement (the “2021 Indenture”) for a senior note secured term loan facility in an aggregate principal amount of \$400,000,000 with Citibank. The Issuer issued \$150,000,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-I, \$250,000,000 of Series 2021-1, 3.113% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-II (the “2021 Notes”). The legal final maturity date of the Notes is in July 2051. The 2021 Indenture provides for an anticipated repayment date of July 2028 for the Series 2021 Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2021 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2021-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Issuer if certain conditions are met.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

The 2021 Notes are secured by substantially all of the assets of the Issuer and the Guarantors. The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2021 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments.

In connection with the 2021 Notes, the Company incurred \$7.2 million of debt issuance costs. The debt issuance costs were capitalized and amortized on a straight-line basis (which approximates the effective interest method) over the term of the 2021 Notes. The Company incurred \$0.3 million of amortization expense of the 2021 Note issuance costs for the year ended December 31, 2021.

*2020 Securitized Notes*

In connection with the 2020 Securitization, on December 9, 2020 the Co-Issuers entered into an agreement (the “2020 Indenture”) pursuant to which the Co-Issuers issued \$250,000,000 of Series 2020-1 2.841% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-I (the “Class A-2-I Notes”), \$450,000,000 of Series 2020-1, 3.337% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-II (the “Class A-2-II Notes”), and \$50,000,000 of variable funding notes, Series 2020 Class A-1 (the “Series 2020-1 Class A-1 Notes” and, collectively with the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes, the “2020 Notes”). Interest will accrue on the Series 2020-1 Class A-1 Notes at a variable rate depending on the outstanding amount drawn by the Co-Issuers from time to time thereunder, if any. The legal final maturity date of the Notes is in January 2051. As of December 31, 2020, no amounts were outstanding under the Series 2020-1 Class A-1 Notes. Unless earlier prepaid to the extent permitted, the 2020 Indenture provides for an anticipated repayment date of January 2028 for the Class A-2-I Notes and an anticipated repayment date of January 2031 for the Series 2020 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2020-1 Class A-1 Notes will expire in January 2026, subject to two automatic annual renewals at the election of the Co-Issuers if certain conditions are met. The Series 2020 Class A-2-I Notes were allocated to the Issuer and Canada Limited in the amount of \$226,750,000 and \$23,250,000, respectively. The Series 2020 Class A-2-II Notes were allocated to the Issuer and Canada Limited in the amount of \$408,150,000 and \$41,850,000, respectively.

The Company incurred \$20.0 million of debt issuance costs directly attributable to the 2020 Notes. The debt issuance costs were capitalized and are shown net of the long-term debt on the consolidated statements of financial position. The debt issuance costs are amortized on a straight-line basis (which approximates the effective interest method) over the term of the 2020 Notes. For the year ended December 31, 2021, the Company recognized \$2.0 million of amortization expense of debt issuance costs related to the 2020 Notes and \$0.2 million for the period from Inception to December 31, 2020.

The 2020 Notes are secured by substantially all of the assets of the Co-Issuers and the Guarantors. The 2020 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2020 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments. The 2020 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default. The 2020 Indenture also provides for quarterly principal amortization in respect of the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes equal to 0.25% of their original principal amount through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

Under the 2021 Indenture and the 2020 Indenture, the Company makes weekly payments of principal and interest for the balances outstanding under the 2021 Notes and the 2020 Notes. The payments are remitted to the Trustee weekly based on retained collections during the previous weekly collection period. The Company classifies such advance debt payments during the period they are held by the Trustee in Prepaid Expenses and Other Assets. The balances of the advance debt payments held by the Trustee amounted to \$8.5 million as of December 31, 2021. There was no such balance held by the Trustee as of December 31, 2020.

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

*Bridge Loan – 2021*

On June 16, 2021, the Company entered into an agreement (the “2021 Bridge Loan Agreement”) for a term loan in which the Company and RW Canada Ltd., a direct wholly owned subsidiary, would receive a \$300,000,000 term loan (the “2021 Bridge Loan”). The 2021 Bridge Loan would have matured 270 days after the acquisition close date which is on June 30, 2021 and no funds were borrowed under this facility prior to maturity.

In connection with the 2021 Bridge Loan, the Company incurred \$3.8 million in loan commitment fees, which were expensed in other expense in the consolidated statements of operations and comprehensive income during the year ended December 31, 2021.

*Bridge Loan – 2020*

On October 1, 2020, the Company entered into an agreement (the “Bridge Loan Agreement”) for a term loan in which the Company and RW Canada Ltd., a direct wholly owned subsidiary, received a \$610,000,000 and \$65,000,000 term loan respectively (“collectively, the “Bridge Loan”). Interest accrues on the Bridge Loan at a variable rate equal to the alternate base rate plus the applicable margin, where the alternate base rate depends on the interest rate last quoted by the Wall Street Journal or, if the Wall Street Journal ceases to quote such a rate, the Federal Funds Effective Rate. In addition, a revolving line of credit in the amount of \$50,000,000 was made available to the Company. The Bridge Loan was set to mature on May 24, 2021. The full amount of the Bridge Loan was repaid in December 2020 and the revolving line of credit was undrawn at the time of extinguishment.

In connection with the Bridge Loan, the Company incurred \$24.5 million of debt issuance costs. The debt issuance costs were capitalized and amortized on a straight-line basis over the term of the Bridge Loan. The Company incurred \$6.1 million of amortization expense of the Bridge Loan debt issuance costs and \$5.5 million of interest expense for the three months ended December 31, 2020. On December 9, 2020, the Bridge Loan was repaid and extinguished using proceeds from the Notes (as defined above). In connection with the early extinguishment of the Bridge Loan, a \$3.6 million rebate was received and applied against the \$18.4 million of unamortized debt issuance costs resulting in a \$14.8 million loss on extinguishment of debt.

*Letters of Credit*

In connection with the Securitization, a commercial bank issued an interest reserve letter of credit in an amount up to \$10.4 million in favor of Citibank N.A. (the “Trustee”) for the benefit of the senior noteholders and/or the servicer of the Securitization (each, a “Beneficiary”). The \$10.4 million funds will be made available to either Beneficiary in order for the Company to comply with the required interest reserve amounts pursuant to the Indenture (as defined in Note 7, *Long-term Debt*). The terms of the letter of credit automatically renew without an amendment on each anniversary of the date of issuance for a one-year period with a final expiry date of January 15, 2027. The Company intends to renew the letter of credit for as long as the Company holds the Notes (as defined in Note 7, *Long-term Debt*). As of December 31, 2021, no amounts were outstanding under the letter of credit.

The Company also has a letter of credit in the amount of \$6.1 million as of December 31, 2021, associated with a captive insurance program within TMTI. As of December 31, 2021, no amounts were outstanding under the letter of credit.

*Notes Payable*

The Company has notes payable with various parties. At December 31, 2021 and 2020 the amount owed under the notes payable was \$0.1 million and \$1.2 million, respectively. The entirety of the \$0.1 million is payable within the following 12 months and included in current portion of long-term debt.



**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

**Note 8. Leases**

The Company accounts for leases under FASB Accounting Standards Codification (“ASC”) 842, *Leases*. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets (“ROU”), net; current portion of lease liability; and long-term lease liability on the consolidated statements of financial position. Finance leases are included in property and equipment, net; current portion of finance lease liability and long-term finance lease liability and long-term debt on the consolidated statements of financial position.

We participate in a fleet agreement which allows us to obtain fleet vehicles through a leasing program. Vehicle leases have remaining lease terms of less than one year to eight years. For vehicle leases, we account for the lease and non-lease components separately.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments, including fixed non-lease components, over the lease term at commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Leases, including subleases, with a lease term of 12 months or less are not recorded on the consolidated statements of financial position. Lease expense for minimum lease payments and fixed non-lease components is recognized on a straight-line basis over the lease term.

As of December 31, 2021, assets recorded under finance leases were \$0.1 million and accumulated depreciation associated with finance leases were \$0.1 million. As of December 31, 2020, assets recorded under finance leases were \$0.7 million and accumulated depreciation associated with finance leases were \$0.1 million. The operating lease cost component of lease expense was \$2.4 million and \$0.3 million for the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively. The finance lease cost, depreciation of finance lease ROU assets, short-term lease cost and variable lease cost components of lease expense were immaterial.

As the rates implicit in our leases are not readily determinable, we use a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. We use the portfolio approach and group leases into categories by lease term length, applying the corresponding incremental borrowing rates to these categories of leases.

Supplemental cash flow information and other information for leases was as follows:

(in millions, unless otherwise noted)	Year ended December 31, 2021	Period from Inception to December 31, 2020
<b>ROU assets obtained in exchange for lease obligations:</b>		
Operating leases	\$ 8.9	\$ –
Finance leases	–	–
<b>Weighted Average Remaining Lease Term (in years):</b>		
Operating leases	9.0 Years	11.9 Years
Finance leases	–	3.4 Years
<b>Weighted Average Discount Rate:</b>		
Operating leases	3.17%	3.17%
Finance leases	–	3.17%

As of December 31, 2021, the finance leases included within current portion of finance lease liability and long-term portion of finance lease liability are immaterial on the consolidated statements of financial position. As of December 31, 2021, there was \$2.3 million and \$12.7 million of operating leases included within current portion of lease liability and long-term portion of lease liability, respectively, on the consolidated statements of financial position. Future minimum lease payments under non-cancellable leases as of December 31, 2021 were as follows:

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**  
**AND FOR THE PERIOD FROM OCTOBER 1, 2020 (INCEPTION) TO DECEMBER 31, 2020**

(in millions)	Operating Leases	Finance Leases
<b>Year ending December 31,</b>		
2022	\$ 2.3	\$ –
2023	2.0	–
2024	1.8	–
2025	1.9	–
2026	1.9	–
Thereafter	7.7	–
<b>Total future minimum lease payments</b>	<b>17.6</b>	<b>–</b>
Less imputed interest	(2.6)	–
<b>Total</b>	<b>\$ 15.0</b>	<b>\$ –</b>

**Note 9. Disposals**

On September 30, 2021, the Company, through a wholly owned subsidiary, entered into four (4) separate asset sale agreements with existing franchisees to dispose of the following Company-owned branches:

- Service Master Merry Maids branch in Memphis, TN (“Memphis Branch”)
- ServiceMaster Restore branches in Charlotte, NC and Wichita, KS (“Charlotte and Wichita Branches”)
- ServiceMaster Restore branch in Chantilly, VA (“Chantilly Branch”)
- ServiceMaster Clean branch in Albuquerque, NM (“Albuquerque Branch”)

The transactions for each of the sales closed on October 29, 2021, with the exception of the sale of the Memphis Branch, which closed on October 25, 2021. The total consideration received for the sale of branches was de minimis and the Company will receive guaranteed royalty payments.

**Note 10. Management Services Agreement**

The Company has a management agreement with a related party. Under the agreement, the Company pays fees for management services, which totaled approximately \$2.1 million and \$0.5 million for the year ended December 31, 2021 and for the period from Inception to December 31, 2020. The fees were recorded in the consolidated statements of operations and comprehensive income in selling and administrative expenses.

**Note 11. Subsequent Events**

The Company evaluated subsequent events from December 31, 2021 through March 31, 2022, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require disclosure in the financial statements.

**THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.**

# **SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**

*(Unaudited) Consolidated Financial Statements as of February 28, 2023 and  
December 31, 2022*

## TABLE OF CONTENTS

---

	<b><u>Page</u></b>
(Unaudited) Condensed Consolidated Statements of Operations and Comprehensive Income	1
(Unaudited) Condensed Consolidated Statements of Financial Position	2

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(UNAUDITED) CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND**  
**COMPREHENSIVE INCOME**

<i>(in millions)</i>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	<b>\$ 56.3</b>	<b>\$ 351.4</b>
Cost of services rendered	22.4	140.2
Selling and administrative expenses	18.8	87.8
Depreciation and amortization expense	3.6	24.3
Impairment charge	-	20.5
Operating expenses	<u>44.8</u>	<u>272.8</u>
<b>Operating income</b>	<b>11.5</b>	<b>78.6</b>
Interest expense	5.3	35.3
Other expense	0.7	2.4
<b>Net income and comprehensive income</b>	<b><u>\$ 5.5</u></b>	<b><u>\$ 40.9</u></b>

**SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES**  
**(UNAUDITED) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<i>(in millions)</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 33.2	\$ 24.1
Restricted cash	4.6	9.7
Accounts receivable, less allowance	62.8	61.6
Current portion of notes receivable	1.4	1.5
Inventories	0.8	0.8
Prepaid expenses and other assets	11.5	15.3
<b>Total current assets</b>	<b>114.3</b>	<b>113.0</b>
Property and equipment, net	21.3	20.7
Right-of-use asset	12.8	13.1
Notes receivable, less allowance and current portion	4.0	4.2
Intangible assets, net	1,675.2	1,677.7
Other assets	0.1	0.1
<b>Total assets</b>	<b>\$ 1,827.7</b>	<b>\$ 1,828.8</b>
<b>Liabilities and Member's Equity</b>		
Accounts payable	\$ 15.2	\$ 16.1
Payroll and other employee benefits	13.4	12.8
Accrued advertising	7.9	8.9
Accrued interest payable	2.6	5.3
Deferred revenue	1.6	1.8
Current portion of lease liability	-	2.1
Current portion of long-term debt	10.4	10.4
Other current liabilities	2.5	3.2
<b>Total current liabilities</b>	<b>53.6</b>	<b>60.6</b>
Long-term debt, net of debt issue cost and current portion	986.5	988.6
Long-term lease liability	12.4	12.5
Other long-term liabilities	3.3	3.6
<b>Total liabilities</b>	<b>1,055.8</b>	<b>1,065.3</b>
Member's equity	771.9	763.5
<b>Total liabilities and member's equity</b>	<b>\$ 1,827.7</b>	<b>\$ 1,828.8</b>

## FDD EXHIBIT C

### STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 or (866) 275-2677	Commissioner of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
INDIANA	Indiana Securities Division Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202 (410) 576-7042	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division 525 West Ottawa Street Williams Building, 6th Floor Lansing, MI 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau 525 West Ottawa Street Williams Building, 6th Floor Lansing, MI 48933
MINNESOTA	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East Suite 280 St. Paul, MN 55101-2198
NEW YORK	NYS Department of Law Bureau of Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236	Secretary of State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231



STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
RHODE ISLAND	Securities Division Department of Business Regulations 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9585	Director of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of the Division of Insurance South Dakota Department of Labor and Regulation Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501
VIRGINIA	State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk, Virginia State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	Director of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
WISCONSIN	Division of Securities Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703 608-266-8557	Division of Securities, Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703

**LIST OF FRANCHISEES**  
**(As of December 31, 2022)**

#	First Name	Last Name	Address	City	State	Zip	Telephone
9008	Kara	MacDonald	6726 Greenwood Street	Anchorage	AK	99518	(907) 522-3020
3476	Richard	Carr	3900 Steven Drive	Wasilla	AK	99654	(907) 376-1123
5208	Richard	Carr	3900 Steven Drive	Wasilla	AK	99654	(907) 376-1123
9354	Steve	Warner	1215 2nd Avenue North	Birmingham	AL	35203	(205) 540-4375
10871	Charles	Rich	207 East Fern Avenue	Foley	AL	36535	(251) 943-3899
10173	Patti	Scarver	324 Farmingdale Lane	Haperville	AL	35078	(205) 903-8844
2829	Robert	Guthans	2650 Fairway Drive	Mobile	AL	36606	(251) 344-5105
5806	Robert	Guthans	2650 Fairway Drive	Mobile	AL	36606	(251) 344-5105
10003	Larenda	McMinn	2029B Airport Blvd #260	Mobile	AL	36606	(251) 679-0773
7514	Robert	Guthans	5158 Mobile South Street	Theodore	AL	36582	(251) 653-9333
7515	Robert	Guthans	5158 Mobile South Street	Theodore	AL	36582	(251) 653-9333
2845	Michael	Valentine	2310 44th Street E	Tuscaloosa	AL	35405	(205) 507-3220
5792	Tommy	Smith	5418 South 30th	Fort Smith	AR	72903	(479) 646-4087
9141	Tommy	Smith	5418 South 30th	Fort Smith	AR	72903	(479) 646-4087
1779	Bernard	Wait	6321 Forbing Road	Little Rock	AR	72209-3594	(501) 568-5000
9068	Richard	Harris	6100 Nancy's Vista Terrace	Springdale	AR	72762	(479) 756-1845
9603	Richard	Harris	6100 Nancy's Vista Terrace	Springdale	AR	72762	(479) 756-1845
10065	Richard	Harris	6100 Nancy's Vista Terrace	Springdale	AR	72762	(479) 756-1845
10244	Richard	Harris	6100 Nancy's Vista Terrace	Springdale	AR	72762	(479) 756-1845
7882	Johnny	Buck	12016 South 45th Street	Phoenix	AZ	85044	(602) 442-0429
10647	Bryn	Cochenour	2088 E White Mountain Blvd.	Pinetop	AZ	85935	(928) 242-4560
8343	Angelica	Kuiper	3849 East Broadway Boulevard	Tucson	AZ	85716	(520) 306-7672
9810	Angelica	Kuiper	3849 East Broadway Boulevard	Tucson	AZ	85716	(520) 306-7672
8687	Bikash	Sainju	601 Willow Street	Alameda	CA	94501	(510) 521-2717
10127	Larry	Rogers	5615 E. Plaza De Vaqueros	Anaheim	CA	92807	(714) 397-8193
10877	John	Sappingfield	5451 Industrial Way	Benicia	CA	94510	(800) 480-8439
10176	Serge	Nerses	211 N. Lake Street	Burbank	CA	91502	(818) 937-9575

#	First Name	Last Name	Address	City	State	Zip	Telephone
10996	Alfred	Gelacio	98 Carlyn Ave	Campbell	CA	95008	(408) 505-1511
9985	Jodie	Brown	2569 S. Sarah Street	Fresno	CA	93706	(559) 275-7858
7589	David	Melin	3686 W. Gettysburg Ave.	Fresno	CA	93722	(888) 726-9182
10544	Hayk	Avakians	3258 La Crescenta Ave	Glendale	CA	91208	(818) 296-9203
3645	Barbara	Hughes	2246 American Avenue	Hayward	CA	94545	(510) 351-0581
3597	Pete	Santos	17096 Sequoia #115	Hesperia	CA	92345	(760) 947-9962
4590	Edwin	Obergfell	220 E Barioni Boulevard	Imperial	CA	92251	(760) 352-0908
8210	Kevin	Wright	30262 Crown Valley Parkway	Laguna Niguel	CA	92677	(949) 276-7579
7365	David	Melin	812 W 18th St.	Merced	CA	95340	(888) 726-9182
8771	Larry	Rogers	23811 Washington ave c110-240	Murrieta	CA	92562	(951) 440-5237
10570	Larry	Rogers	23811 Washington ave c110-240	Murrieta	CA	92562	(951) 440-5237
10891	Cory	Boggs	128 Bluefield Ave	Newbury Park	CA	91320	(818) 370-3682
9732	Mark	Bower	500 Sequoia Avenue	Ontario	CA	91761	(800) 376-6678
11077	Kevin	Curbelo	859 N. Glassell Street	Orange	CA	92867	(714) 538-9647
9804	Darius	Podobea	777 E Tahquitz Canyon Way, Suite 200-79	Palm Springs	CA	92262	(602) 214-1859
9150	Jodie	Brown	1025 Nichols Drive	Rocklin	CA	95765	(916) 759-1650
10610	Jodie	Brown	1025 Nichols Drive	Rocklin	CA	95765	(916) 759-1650
8345	Devie	Basuki	18351 Colima Road	Rowland Heights	CA	91748	(626) 789-7167
10354	Viorel	Lupsa	8134 Stevenson Ave.	Sacramento	CA	95828	(707) 246-0053
5137	Sharon	Boyd	565B Bragato Rd.	San Carlos	CA	94070	(650) 522-8200
7729	Sharon	Boyd	565B Bragato Rd.	San Carlos	CA	94070	(650) 522-8200
7764	Sam	Sharma	4749 Sunshine Avenue	Santa Rosa	CA	95409	(707) 579-7979
10541	Sam	Sharma	4749 Sunshine Avenue	Santa Rosa	CA	95409	(707) 579-7979
10542	Sam	Sharma	4749 Sunshine Avenue	Santa Rosa	CA	95409	(707) 579-7979
3533	Ron	Hellstern	1205 South Crowe Street	Visalia	CA	93277	(559) 738-8927
7098	Keith	Collins	2276 Freedom Boulevard	Watsonville	CA	95076	(831) 728-1020
9016	Keith	Collins	2276 Freedom Boulevard	Watsonville	CA	95076	(831) 728-1020
10402	Marius	Cantea	1901 Enterprise Blvd	West Sacramento	CA	95691	(916) 617-2603
2582	Sharon	Gaffney	2123 East Saint Vrain Street	Colorado Springs	CO	80909	(719) 471-8313
2591	Sharon	Gaffney	2123 East Saint Vrain Street	Colorado Springs	CO	80909	(719) 471-8313
6021	Sharon	Gaffney	2123 East Saint Vrain Street	Colorado Springs	CO	80909	(719) 471-8313
9635	Brian	Maginess	630 Lipan	Denver	CO	80204	(303) 761-0122

#	First Name	Last Name	Address	City	State	Zip	Telephone
9636	Brian	Maginess	630 Lipan	Denver	CO	80204	(303) 761-0122
2585	Dan	Manzanares	210 Marmont Lane	Eagle	CO	81631	(970) 328-4444
7368	Dan	Manzanares	210 Marmont Lane	Eagle	CO	81631	(970) 328-4444
7791	Dan	Manzanares	210 Marmont Lane	Eagle	CO	81631	(970) 328-4444
9750	Jeff	Mackey	3250 S Zuni Street	Englewood	CO	80110	(303) 791-6000
10823	Steve	Knudsen	1010 Carbon Court, Unit I	Erie	CO	80516	(970) 484-0588
9166	Steve	Knudsen	3054 Lake Canal Court	Fort Collins	CO	80524	(970) 484-0588
9651	Steve	Knudsen	3054 Lake Canal Court	Fort Collins	CO	80524	(970) 484-0588
4391	Scott	Bryan	818 Saunders Street	Fort Morgan	CO	80701	(970) 867-6211
4865	Scott	Bryan	818 Saunders Street	Fort Morgan	CO	80701	(970) 867-6211
10892	Brock	Wade	1027 S. 7th St	Grand Junction	CO	81501	(970) 241-6000
9952	Eric	Conner	2522 Copper Ridge Drive	Steamboat Springs	CO	80487	(970) 871-4974
8849	Elionel	Ortiz	2847 Fairfield Avenue	Bridgeport	CT	6605	(203) 296-3186
8796	Joseph	Malizia	50 Osbourne Avenue	East Norwalk	CT	6855	(203) 852-8907
10992	Luis	Sosa	144 Benton Street	Stratford	CT	6615	(203) 384-8600
10993	Luis	Sosa	144 Benton Street	Stratford	CT	6615	(203) 384-8600
7895	Fran	DeBlasio	122 Avenue of Industry	Waterbury	CT	6705	(203) 236-0184
10583	Benje	Thomas	3558 N. Citrus Avenue	Crystal River	FL	34428	(352) 794-0270
10710	Linda	Freveletti-Colbert	70 Emily Lane	Fort Myers Beach	FL	33931	(239) 785-3319
10704	George	Michailidis	117A Auburn Rd.	Fort Walton Beach	FL	32547	(850) 864-3737
10453	Michel	Succar	9838 Old Baymeadows Road #357	Jacksonville	FL	32256	(904) 708-7838
7505	Kenetha	Heape	3030 Waterfield Lane	Lakeland	FL	33803	(863) 667-0998
7506	Kenetha	Heape	3030 Waterfield Lane	Lakeland	FL	33803	(863) 667-0998
7507	Kenetha	Heape	3030 Waterfield Lane	Lakeland	FL	33803	(863) 667-0998
9820	Kenetha	Heape	3030 Waterfield Lane	Lakeland	FL	33803	(863) 667-0998
9178	Maria	Lalinde	18331 Pines Blvd# 115	Pembroke Pines	FL	33029	(954) 441-0306
2823	Daniel	Coley	3230 North South Street	Pensacola	FL	32505	(850) 433-8100
10816	Paul	Cordrey	1800 Northgate Blvd	Sarasota	FL	34234	(941) 223-5998
11063	Roy	Alaimo	52 Tuscan Way, Suite 202-187	St. Augustine	FL	32092	(904) 535-9531
8397	Lyn	Stanfield	2910 Kerry Forest Parkway	Tallahassee	FL	32309	(850) 894-0360
10942	Chris	Veldman	7840 Professional Place	Tampa	FL	33637	(800) 954-9444
9023	Lazaro	Bustos	304 Indian Trace	Weston	FL	33326	(954) 636-8320

#	First Name	Last Name	Address	City	State	Zip	Telephone
10452	Tandy	Nash	2500 West Broad Street, Suite 606	ATHENS	GA	30606	(470) 353-1335
10618	Michael	Myers	4625 Kent Rd.	Atlanta	GA	30337	(404) 599-6262
10970	Michael	Myers	4625 Kent Rd.	Atlanta	GA	30337	(404) 599-6262
8244	Bill	Barbee	111 Kelli Clark Ct. Suite A	Cartersville	GA	30121	(770) 514-1789
8245	Bill	Barbee	111 Kelli Clark Ct. Suite A	Cartersville	GA	30121	(770) 514-1789
8347	Bill	Barbee	111 Kelli Clark Ct. Suite A	Cartersville	GA	30121	(770) 514-1789
6712	Steven	Morgan	8301 Fortson Rd	Fortson	GA	31808	(706) 882-0903
8236	Daniel	Slott	837 Main Street SW	Gainesville	GA	30501	(770) 531-9307
8846	Daniel	Slott	837 Main Street SW	Gainesville	GA	30501	(770) 531-9307
8493	Gregory	Williams	2728 Farmstead Court	Grayson	GA	30017	(770) 808-8068
5861	Bill	Barbee	2060 Franklin Way, Ste. 110	Marietta	GA	30067	(770) 514-1789
10207	Cheryl	Nielsen	6325 Regency Parkway Suite 840	Norcross	GA	30071	(770) 447-6868
10208	Cheryl	Nielsen	6325 Regency Parkway Suite 840	Norcross	GA	30071	(770) 447-6868
10209	Cheryl	Nielsen	6325 Regency Parkway Suite 840	Norcross	GA	30071	(770) 447-6868
9917	Will	Trantham	6900 Peachtree Industrial Blvd, Suite 1	Norcross	GA	30071	(770) 948-4006
10106	Will	Trantham	6900 Peachtree Industrial Blvd, Suite 1	Norcross	GA	30071	(770) 948-4006
4237	Carol	Bartolomucci	617 Regal Drive	Tunnel Hill	GA	30755	(706) 673-4965
10690	Robert	Touchton	4610 Val North Road, Suite D	Valdosta	GA	31602	(229) 560-0300
8172	Phillip	Kleidosty	6186 Ibia Ave Unit B	Ewa Beach	HI	96706	(808) 337-2080
8718	Phillip	Kleidosty	65 Mahiai Place	Makawao	HI	96768	(808) 337-2080
7184	Phillip	Kleidosty	9943 Waimea Road #1077	Waimea	HI	96796	(808) 337-2080
10845	Chad	Reichert	5704 W Cedar Wapsi Rd	Cedar Falls	IA	50613	(319) 433-1110
6048	Joe	Cyrowski	5511 6th St SW	Cedar Rapids	IA	52404	(608) 783-6161
6049	Joe	Cyrowski	5511 6th St SW	Cedar Rapids	IA	52404	(608) 783-6161
11068	Darwin	Kupka	1502 Small Street	Decorah	IA	52101	(563) 382-3100
1464	Donald	Banfield	999 South Grand View	Dubuque	IA	52003	(563) 557-7459
5936	Byron	Mowen	1502 Ave L	Fort Madison	IA	52627	(319) 372-5827
9830	Byron	Mowen	1502 Ave L	Fort Madison	IA	52627	(319) 372-5827
10557	Byron	Mowen	1502 Ave L	Fort Madison	IA	52627	(319) 372-5827
10558	Byron	Mowen	1502 Ave L	Fort Madison	IA	52627	(319) 372-5827
4892	Richard	Naughton	707 Maytag Road	Marshalltown	IA	50158	(641) 752-3956
7928	Tamara	Quam	20847 Osprey Avenue	Mason City	IA	50401	(641) 424-0155

#	First Name	Last Name	Address	City	State	Zip	Telephone
5259	Randal	Harlow	1391 8th Street S.E.	Sioux Center	IA	51250	(712) 722-4339
3632	Rich	Emery	3069 99th Street	Urbandale	IA	50322	(515) 255-7775
8521	Rich	Emery	3069 99th Street	Urbandale	IA	50322	(515) 255-7775
6176	Joel	Harris	432 Locust St.	Waterloo	IA	50701	(319) 291-3991
9414	Rex	Johnson	4569 Driver Lane, #216	Couer d Alene	ID	83815	(208) 704-4286
1260	Russell	Weibye	216 W. 38th Street, Unit B	Garden City	ID	83714	Not Listed
9838	Russell	Weibye	216 W. 38th Street, Unit B	Garden City	ID	83714	Not Listed
9840	Russell	Weibye	216 W. 38th Street, Unit B	Garden City	ID	83714	Not Listed
5463	Evan	Strickfaden	1449 Main Street	Lewiston	ID	83501	(208) 798-1685
5847	Evan	Strickfaden	1449 Main Street	Lewiston	ID	83501	(208) 798-1685
10959	Adolphe	Roome	5974 W. Seltice Way	Post Falls	ID	83854	(208) 446-5322
10960	Adolphe	Roome	5974 W. Seltice Way	Post Falls	ID	83854	(208) 446-5322
10963	Adolphe	Roome	5974 W. Seltice Way	Post Falls	ID	83854	(208) 446-5322
11070	Adolphe	Roome	5974 W. Seltice Way	Post Falls	ID	83854	(208) 446-5322
5664	Dave	Moore	445 Gundersen Drive	Carol Stream	IL	60188	(630) 682-9020
6982	Dave	Moore	445 Gundersen Drive	Carol Stream	IL	60188	(630) 682-9020
9312	Dave	Moore	445 Gundersen Drive	Carol Stream	IL	60188	(630) 682-9020
9313	Dave	Moore	445 Gundersen Drive	Carol Stream	IL	60188	(630) 682-9020
9314	Dave	Moore	445 Gundersen Drive	Carol Stream	IL	60188	(630) 682-9020
9315	Dave	Moore	445 Gundersen Drive	Carol Stream	IL	60188	(630) 682-9020
10204	Dave	Moore	445 Gundersen Drive	Carol Stream	IL	60188	(630) 682-9020
5749	Evelyn	Thacker	410 Vana Drive	Carpentersville	IL	60110	(847) 426-6133
7924	Evelyn	Thacker	410 Vana Drive	Carpentersville	IL	60110	(847) 426-6133
8420	Evelyn	Thacker	410 Vana Drive	Carpentersville	IL	60110	(847) 426-6133
8831	Evelyn	Thacker	410 Vana Drive	Carpentersville	IL	60110	(847) 426-6133
10976	Marty	Smith	3611 N. Staley Suite F	Champaign	IL	61822	(217) 493-6431
4907	Charles	Hodgin	411 So. Wells Street	Chicago	IL	60607	(312) 939-0808
5521	Kim	Brooks	2400 Wisconsin Avenue	Downers Grove	IL	60515	(800) 954-9444
9323	Stephen	Fleming	501 Meadow Avenue	East Peoria	IL	61611	(309) 694-9821
9489	Stephen	Fleming	501 Meadow Avenue	East Peoria	IL	61611	(309) 694-9821
5158	Timothy	McGrath	253 South Wall	Kankakee	IL	60901	(815) 937-0585
4161	Timothy	Prince	3289 Airport Drive	Lansing	IL	60438	(708) 474-0200

#	First Name	Last Name	Address	City	State	Zip	Telephone
7850	Darby	Brown	6914A Forest Hills Road	Loves Park	IL	61111	(815) 626-2511
10655	Kathy	Jamroz	24920 Cashel Bay Rd.	Manhattan	IL	60442	(815) 436-9622
4398	Michael	Didier	1714 North Brown Street	McHenry	IL	60050	(815) 363-1599
4156	Glenn	Bouck	9951 W. 190th Street	Mokena	IL	60448	(708) 479-7102
11088	Mathew	Clark	1602 Tompkin Drive	Normal	IL	61761	(309) 828-4199
11104	Nathan	O'Bryon	200 Alder Drive	North Aurora	IL	60542	(630) 896-0030
8248	Chio	Saeteurn	4115 Progress Boulevard	Peru	IL	61354	(815) 780-8778
8249	Chio	Saeteurn	4115 Progress Boulevard	Peru	IL	61354	(815) 780-8778
4450	Richard	Saalfeld	1413 Sherman Rd. Unit #50	Romeoville	IL	60446	(708) 333-1890
8209	Richard	Saalfeld	1413 Sherman Rd. Unit #50	Romeoville	IL	60446	(708) 333-1890
6354	Darby	Brown	205 6th Avenue	Sterling	IL	61081	(815) 626-2511
6355	Darby	Brown	205 6th Avenue	Sterling	IL	61081	(815) 626-2511
9546	Yaser	Zabadneh	1147 Ellsworth Avenue	Villa Park	IL	60181	(630) 916-1900
8558	Eric	Terrell	3419 Columbus Ave.	Anderson	IN	46013	(765) 649-2251
5645	Rhonda	Boyle	8258 Sunny Lane	FORT WAYNE	IN	46835	(260) 486-5627
10324	Keith	Mathews	2851 N. Webster Ave.	Indianapolis	IN	46219	(317) 286-2999
11082	Dave	Moore	5522 W. Raymond Street	Indianapolis	IN	46241	(630) 682-9020
11083	Dave	Moore	5522 W. Raymond Street	Indianapolis	IN	46241	(630) 682-9020
6528	Trent	Smith	1435 Brookville Way, Suite B	Indianapolis	IN	46239	(317) 602-8070
1576	Merle	Shumway	215 Breezy Lane	Kokomo	IN	46901	(765) 452-5005
6566	Jeffrey	Turner	3410 Rascal Drive	Lafayette	IN	47909	(765) 471-6000
6646	Jeffrey	Turner	3410 Rascal Drive	Lafayette	IN	47909	(765) 471-6000
10705	Shane	Nolf	4838 S 775 E	New Ross	IN	47968	(765) 366-3727
10653	Brian	O'Neal	7075 Hawthorne Dr.	Plainfield	IN	46168	(317) 450-0927
8759	Glenn	Williams	1920 S. Michigan Street	South Bend	IN	46613	(855) 805-2569
1598	Charlotte	Morgan	1001 College Avenue	Terre Haute	IN	47802	(812) 232-0141
7561	Robert	Rinehart	335 N. Franklin	Colby	KS	67701	(785) 462-3423
10656	Raul	Torre	201 West Trail	Dodge City	KS	67801	(620) 227-5343
2339	Robert	Burkhart	808 West 1st	Hutchinson	KS	67501	(620) 662-8678
1548	Melvin	Howard	817 N. Jefferson	Junction City	KS	66441	(785) 238-4818
6344	Julie	Mitchell	423 Hutton Circle	LAWRENCE	KS	66049	(785) 856-8617
5003	David	McMillan	414 North Mulberry	McPherson	KS	67460	(620) 241-5335

#	First Name	Last Name	Address	City	State	Zip	Telephone
5518	David	McMillan	414 North Mulberry	McPherson	KS	67460	(620) 241-5335
2332	Daryl	Skibbe	2216 Anderson	Newton	KS	67114	(316) 283-5404
1533	Ron	Sieb	2906 N. Old Rouse Rd	Pittsburg	KS	66762	(620) 232-1230
2331	L.	Russell	522 Reynolds Street	Salina	KS	67401	(785) 825-6761
10798	L.	Russell	522 Reynolds Street	Salina	KS	67401	(785) 825-6761
10799	L.	Russell	522 Reynolds Street	Salina	KS	67401	(785) 825-6761
8465	Kevin	Nocktonick	4900 S.W. Topeka Boulevard	Topeka	KS	66609	(785) 862-9800
9440	Kim	Brooks	4821 North Hydraulic	Wichita	KS	67219	(800) 954-9444
6598	David	Lazarus	729 E. Boston	Wichita	KS	67211	(316) 321-1895
6600	David	Lazarus	729 E. Boston	Wichita	KS	67211	(316) 321-1895
9284	Mike	Tate	901 S Sabin Street	Wichita	KS	67209	(316) 943-9834
5718	Peter	Wyzykowski	1051 Searcy Way	Bowling Green	KY	42103	(270) 782-8500
10711	Danyal	Butt	2610 Wareham Rd.	Louisville	KY	40242	(502) 665-9697
8527	Bryan	Lerch	122 Production Court	Louisville	KY	40299	(502) 499-1553
6930	Jeff	Prohaska	3830 Taylorsville Road	Louisville	KY	40220	(502) 895-1990
10261	Brian	Sampson	11524 Blankenbaker Access Drive	Louisville	KY	40299	(502) 261-1755
10368	Brian	Sampson	11524 Blankenbaker Access Drive	Louisville	KY	40299	(502) 261-1755
10086	John	Nelson	2868 Brooks Parkway	Owensboro	KY	42303	(270) 903-0147
10323	John	Nelson	2868 Brooks Parkway	Owensboro	KY	42303	(270) 903-0147
2763	Barbara	Clark	3923 Independence Drive	Alexandria	LA	71303	(318) 442-7378
5623	Clay	Clement	6348 Quinn Drive	Baton Rouge	LA	70817	(225) 753-0606
9870	Jak	Kunstler	4150 Florida Blvd.	Baton Rouge	LA	70806	(225) 923-1878
10235	Jak	Kunstler	4150 Florida Blvd.	Baton Rouge	LA	70806	(225) 923-1878
2799	Gene	Rhodes	301 Howard Avenue	Houma	LA	70363	(985) 872-1029
2775	Lenny	Cabrera	1759 L & A Road	Metairie	LA	70001	(504) 832-9944
2785	Brent	Alexander	2000 Tower Drive	Monroe	LA	71201	(318) 325-6400
2770	Robert	Houten	101 Verret Street	New Orleans	LA	70114	(504) 362-4700
6789	Robert	Houten	101 Verret Street	New Orleans	LA	70114	(504) 362-4700
8777	Huey	Miller	119 Credit Drive	Scott	LA	70583	(337) 234-1289
6152	Alfred	Talley	58-60 Gallivan Boulevard	Boston	MA	2124	(617) 288-3503
2668	Nancy	King	25 Canal Street	LAWRENCE	MA	1845	(978) 459-2232
6145	Nancy	King	25 Canal Street	LAWRENCE	MA	1845	(978) 459-2232



#	First Name	Last Name	Address	City	State	Zip	Telephone
6146	Nancy	King	25 Canal Street	LAWRENCE	MA	1845	(978) 459-2232
5491	Chris	Carey	228 Main Street	Stoneham	MA	2180	(781) 246-4557
2601	Brian	Wilkins	572 Monson Road	Wilbraham	MA	1095	(413) 543-8282
2614	Brian	Wilkins	572 Monson Road	Wilbraham	MA	1095	(413) 543-8282
5886	Philip	Snyder	22 Etre Drive	Worcester	MA	1604	(508) 752-2122
7531	Philip	Snyder	22 Etre Drive	Worcester	MA	1604	(508) 752-2122
6385	Kennell	Jones	2848 Bynum Overlook Drive	Abingdon	MD	21009	(410) 569-7546
4080	John	Bostwick	6631 Quad Avenue	Baltimore	MD	21237	(410) 780-1700
6788	Floyd	Bender	14409 ServiceMaster Lane S.E.	Cumberland	MD	21502	(301) 722-8459
9839	Floyd	Bender	14409 ServiceMaster Lane S.E.	Cumberland	MD	21502	(301) 722-8459
10547	Sandra	Dicken	11700 Old Valley Road NE	Cumberland	MD	21502	(301) 514-1642
10548	Sandra	Dicken	11700 Old Valley Road NE	Cumberland	MD	21502	(301) 514-1642
10712	Samuel	Rozolem	9319 Baltimore National Pike, Unit 121	Ellicott City	MD	21042	(443) 410-9505
10545	John	Kenvin	1517 W. Patrick Street #814	Frederick	MD	21702	(410) 751-9470
8429	Douglas	Mascari	1539 Tilco Drive	Frederick	MD	21704	(301) 972-9100
4087	Christiana	Logansmith	1035 J Benfield Boulevard	Millersville	MD	21108	(410) 987-2727
11002	Devan	Makadia	8019 Belair Road, Unit 14	Nottingham	MD	21236	(410) 618-4527
11003	Devan	Makadia	8019 Belair Road, Unit 14	Nottingham	MD	21236	(410) 618-4527
4093	Christiana	Logansmith	203 Romancoke Road, Unit 104	Stevensville	MD	21666	(410) 987-2727
4094	John	Kenvin	85 West Main Street	Westminster	MD	21157	(410) 751-9470
5162	John	Kenvin	85 West Main Street	Westminster	MD	21157	(410) 751-9470
8540	Carl	Carlson	29 Brickyard Circle	Auburn	ME	4210	(800) 244-7630
7165	Philip	Poirier	60 Gray Road #9 Portland North	Falmouth	ME	4105	(207) 797-6060
8573	Philip	Poirier	60 Gray Road #9 Portland North	Falmouth	ME	4105	(207) 797-6060
3178	Harrison	Clark	109 Freedom Parkway	Hermon	ME	4401	(207) 848-0745
5499	Harrison	Clark	109 Freedom Parkway	Hermon	ME	4401	(207) 848-0745
10122	Douglas	Welko	937 W. Beecher Street, Suite C	Adrian	MI	49221	(517) 265-8084
10123	Douglas	Welko	937 W. Beecher Street, Suite C	Adrian	MI	49221	(517) 265-8084
10125	Douglas	Welko	937 W. Beecher Street, Suite C	Adrian	MI	49221	(517) 265-8084
5090	Randy	Shupert	128 Grant St	Alpena	MI	49707	(989) 358-2600
7211	Randy	Shupert	128 Grant St	Alpena	MI	49707	(989) 358-2600
6191	Todd	Clark	979 South Old US Highway 23	Brighton	MI	48114	(810) 222-2323

#	First Name	Last Name	Address	City	State	Zip	Telephone
6965	Todd	Clark	979 South Old US Highway 23	Brighton	MI	48114	(810) 222-2323
6966	Todd	Clark	979 South Old US Highway 23	Brighton	MI	48114	(810) 222-2323
7960	Todd	Clark	977 S Old US Highway 23	Brighton	MI	48114	(810) 222-2323
9851	Anthony	Larkins	4171 Forest Bridge	Canton	MI	48188	(734) 881-9500
3111	Ike	Wamer	4110 Commerce Drive	Flushing	MI	48433	(877) 229-6670
10854	Bryan	Kuiper	603 Washington Ave.	Grand Haven	MI	49460	(616) 312-8286
10855	Bryan	Kuiper	603 Washington Ave.	Grand Haven	MI	49460	(616) 312-8286
10856	Bryan	Kuiper	603 Washington Ave.	Grand Haven	MI	49460	(616) 312-8286
4845	Tom	Little	3344 Ravine Road	Kalamazoo	MI	49006-1423	(269) 344-3600
5335	Dawn	DeBlaay	7201 W. Saginaw Highway	Lansing	MI	48917	(517) 327-5650
6050	Dawn	DeBlaay	7201 W. Saginaw Highway	Lansing	MI	48917	(517) 327-5650
9981	John	Agge	18974 Bainbridge	Livonia	MI	48152	(810) 231-1261
3122	David	Bannister	2770 South Lapeer	Metamora	MI	48455	(810) 667-3463
10490	Jesce	Howard	2871 Jolly Road	Okemos	MI	48864	(800) 336-5789
10776	Anthony	Brown	2632 S. Rochester Road #71014	Rochester Hills	MI	48307	(586) 804-1323
3140	Mark	Kulbaba	21186 Bridge Street	Southfield	MI	48033	(248) 353-0111
10784	Matthew	Parker	5783 James Dr.	Stevensville	MI	49127	(574) 222-2648
3158	Paul	Preczewski	13671 LaChene Avenue	Warren	MI	48088	(586) 585-0392
3160	Paul	Preczewski	13671 LaChene Avenue	Warren	MI	48088	(586) 585-0392
9524	Paul	Preczewski	13671 LaChene Avenue	Warren	MI	48088	(586) 585-0392
4046	Dennis	Strong	203 Lake Street	Alexandria	MN	56308	(320) 763-5551
5278	Dennis	Strong	203 Lake Street	Alexandria	MN	56308	(320) 763-5551
4027	Ken	Retka	7611 College Road South	Baxter	MN	56425	Not Listed
4043	Ken	Retka	7611 College Road South	Baxter	MN	56425	Not Listed
7301	Ken	Retka	7611 College Road South	Baxter	MN	56425	Not Listed
6260	Rachel	Vang	13070 Leyte Circle NE	Blaine	MN	55449	(763) 572-2266
4022	Chris	Peterson	7800 Computer Avenue	Bloomington	MN	55435	(952) 881-5226
5175	Chris	Peterson	7800 Computer Avenue	Bloomington	MN	55435	(952) 881-5226
5176	Chris	Peterson	7800 Computer Avenue	Bloomington	MN	55435	(952) 881-5226
5177	Chris	Peterson	7800 Computer Avenue	Bloomington	MN	55435	(952) 881-5226
9393	Jeff	Peterson	1100 Pokegama Avenue S	Grand Rapids	MN	55744	(218) 326-3948
9586	Todd	Coulombe	611 11th Street	International Falls	MN	56649	(218) 283-4775

#	First Name	Last Name	Address	City	State	Zip	Telephone
4372	Beth	Ayotte	450 Armstrong Road	Northfield	MN	55057	(507) 366-7149
8714	Beth	Ayotte	450 Armstrong Road	Northfield	MN	55057	(507) 366-7149
10675	Beth	Ayotte	450 Armstrong Road	Northfield	MN	55057	(507) 366-7149
10677	Beth	Ayotte	450 Armstrong Road	Northfield	MN	55057	(507) 366-7149
10679	Beth	Ayotte	450 Armstrong Road	Northfield	MN	55057	(507) 366-7149
10958	Beth	Ayotte	450 Armstrong Road	Northfield	MN	55057	(507) 366-7149
11006	Steven	Reinitz	2040 Neal Street, Suite 200	Red Wing	MN	55066	(651) 388-2032
1448	Ronald	Betts	3611 Vista View Court S.W.	Rochester	MN	55902	(507) 281-2494
4455	James	Mccann	1525 N. Concord Street	South St. Paul	MN	55075	(651) 306-9842
7447	James	Mccann	1525 N. Concord Street	South St. Paul	MN	55075	(651) 306-9842
10644	James	Mccann	1525 N. Concord Street	South St. Paul	MN	55075	(651) 306-9842
4035	Jeffrey	Johnson	P.O. Box 234	Thief River Falls	MN	56701	(218) 681-1070
7437	Jeffrey	Johnson	P.O. Box 234	Thief River Falls	MN	56701	(218) 681-1070
4045	Jon	Kopka	525 Progress Road	Waite Park	MN	56387	(800) 245-4622
5131	Jon	Kopka	525 Progress Road	Waite Park	MN	56387	(800) 245-4622
5182	Jon	Kopka	525 Progress Road	Waite Park	MN	56387	(800) 245-4622
7429	Jon	Kopka	525 Progress Road	Waite Park	MN	56387	(800) 245-4622
7554	Jon	Kopka	525 Progress Road	Waite Park	MN	56387	(800) 245-4622
10701	Jon	Kopka	525 Progress Road	Waite Park	MN	56387	(800) 245-4622
10703	Jon	Kopka	525 Progress Road	Waite Park	MN	56387	(800) 245-4622
5546	Don	Campbell	731 North Scott	Belton	MO	64012	(913) 378-1495
6877	Don	Campbell	731 North Scott	Belton	MO	64012	(913) 378-1495
8327	Don	Campbell	731 North Scott	Belton	MO	64012	(913) 378-1495
9050	Virgil	Jones	623 S. Silver Springs Road	Cape Girardeau	MO	63703	(573) 472-0441
4142	Henry	Citchen	3772 Greenmoor Gardens Court	Florissant	MO	63034	(314) 890-0033
7387	Freddie	Citchen	3812 Hartack Court	Florissant	MO	63034	(314) 839-2211
1531	Gerald	Graham	19910 Rocky Branch Road	Higginsville	MO	64037	(660) 584-7534
11069	Emily	Thuscik	204 E. 15th Street	Joplin	MO	64804	(816) 824-6781
10778	Chris	Selby	2915 Sandtrip Dr.	O'Fallon	MO	63368	(314) 862-4010
10779	Chris	Selby	2915 Sandtrip Dr.	O'Fallon	MO	63368	(314) 862-4010
10780	Chris	Selby	2915 Sandtrip Dr.	O'Fallon	MO	63368	(314) 862-4010
6968	Kim	Brooks	2800 NW Platte Road	Riverside	MO	64150	(800) 954-9444

#	First Name	Last Name	Address	City	State	Zip	Telephone
7692	Kim	Brooks	6537 W. Independence Drive	Springfield	MO	65802	(800) 954-9444
5036	Silas	Coone	2221 W. Battlefield Road	Springfield	MO	65807	(417) 818-1020
2405	Charles	Wallace	1338 Hwy 51 N	Brookhaven	MS	39601	(601) 823-9124
2399	Steve	Warner	1179 Old Brandon Road	Jackson	MS	39232	(601) 936-8188
2386	Robert	Ponds	315 Bellevue Drive	Madison	MS	39110	(601) 605-2382
2413	Robert	Ponds	315 Bellevue Drive	Madison	MS	39110	(601) 605-2382
8731	Billy	Duckworth	6200 I Street	Meridian	MS	39307	(601) 483-4107
10021	Billy	Duckworth	6200 I Street	Meridian	MS	39307	(601) 483-4107
9831	Jenna	Ramer	382 Highway 30 East	Oxford	MS	38655	(662) 236-7867
9832	Jenna	Ramer	382 Highway 30 East	Oxford	MS	38655	(662) 236-7867
9833	Jenna	Ramer	382 Highway 30 East	Oxford	MS	38655	(662) 236-7867
9834	Jenna	Ramer	382 Highway 30 East	Oxford	MS	38655	(662) 236-7867
9835	Jenna	Ramer	382 Highway 30 East	Oxford	MS	38655	(662) 236-7867
2407	David	Lee	216 West 5th Street	Petal	MS	39465	(601) 582-0101
7181	David	Lee	216 West 5th Street	Petal	MS	39465	(601) 582-0101
10232	Steve	Warner	1430 Louisville Street	Starkville	MS	39759	(601) 933-8415
9246	John	Copeland	1746 Cliff Gookin Boulevard	Tupelo	MS	38801	(662) 842-5301
10269	John	Copeland	1746 Cliff Gookin Boulevard	Tupelo	MS	38801	(662) 842-5301
2401	Jerome	Mutter	2223 Grove Street	Vicksburg	MS	39183	(601) 636-5630
9937	Brett	Berryman	2400 River Drive North	Great Falls	MT	59401	(406) 761-0032
9938	Brett	Berryman	2400 River Drive North	Great Falls	MT	59401	(406) 761-0032
11012	Linda	Hoenigsberg	503 Wilkenson	Helena	MT	596014469	(406) 449-1337
6024	Debra	Motley	2150 Highway 35	Kalispell	MT	59901	(406) 752-4511
10464	Lance	Cummins	133 Tarleton circle	Boone	NC	28607	(828) 719-0816
9256	Robert	Buker	2700 North Graham	Charlotte	NC	28206	(704) 364-3715
8684	Timothy	Jordan	4107 Rose Lake Drive, Ste. H	Charlotte	NC	28217	(704) 588-8980
10817	Corey	Easter	231 Michael Dr.	Dobson	NC	27017	(336) 713-1317
9494	Kirk	Bell	4900 NC Hwy 55	Durham	NC	27713	(919) 324-1643
6550	Danny	Teachey	1445 Old Highway 17 South	Elizabeth City	NC	27909	(252) 331-1331
7309	Danny	Teachey	1445 Old Highway 17 South	Elizabeth City	NC	27909	(252) 331-1331
3228	David	Jackson	2606 Phoenix Drive	Greensboro	NC	27406	(336) 299-9441
4508	David	Jackson	2606 Phoenix Drive	Greensboro	NC	27406	(336) 299-9441

#	First Name	Last Name	Address	City	State	Zip	Telephone
1839	Mary	Zeunik	811 Rhodes Avenue	Kings Mountain	NC	28086-2253	(734) 355-3100
7177	Mary	Zeunik	811 Rhodes Avenue	Kings Mountain	NC	28086-2253	(734) 355-3100
4777	Bob	Daniels	2736 Rowland Road	Raleigh	NC	27615	(919) 981-6553
8346	Bob	Daniels	2736 Rowland Road	Raleigh	NC	27615	(919) 981-6553
9384	Bob	Daniels	2736 Rowland Road	Raleigh	NC	27615	(919) 981-6553
8349	Bernard	Hollingsworth	107 West Main Street	Sanford	NC	27332	(919) 294-8941
10555	Bernard	Hollingsworth	107 West Main Street	Sanford	NC	27332	(919) 294-8941
10600	Bernard	Hollingsworth	107 West Main Street	Sanford	NC	27332	(919) 294-8941
3217	Rex	Lail	5183 Millstone Drive	Valdese	NC	28690	(828) 874-4155
8473	Nancy	Johnson	1612 Harbour Drive	Wilmington	NC	28401	(910) 343-0990
9363	Nancy	Johnson	1612 Harbour Drive	Wilmington	NC	28401	(910) 343-0990
10870	Lance	Cummins	3935 West Point Blvd	Winston-Salem	NC	27103	(828) 719-0816
10999	Derek	Moline	2021 Lee Ave	Bismarck	ND	58501	(701) 478-9968
5562	Scott	Hawley	424 3rd Street South	Devils Lake	ND	58301	(701) 662-3456
7039	Darryl	Berntson	116 7th Avenue Southeast	Jamestown	ND	58401	(701) 252-5504
4528	LaRinda	Weigel	2500 20th Avenue SE	Minot	ND	58701-1911	(701) 839-2239
4067	Don	Nelson	211 2nd Street NE	Valley City	ND	58072	(701) 845-4959
8058	Don	Nelson	211 2nd Street NE	Valley City	ND	58072	(701) 845-4959
11133	Don	Nelson	211 2nd Street NE	Valley City	ND	58072	(701) 845-4959
8258	Derek	Moline	2210 Shiloh Street, Unit C	West Fargo	ND	58078	(701) 478-9968
9989	Derek	Moline	2210 Shiloh Street, Unit C	West Fargo	ND	58078	(701) 478-9968
9990	Derek	Moline	2210 Shiloh Street, Unit C	West Fargo	ND	58078	(701) 478-9968
9056	Kurt	Shevlin	2104 13th Street	Columbus	NE	68601	(402) 564-9192
7256	Brian	Bazata	702 North Adams	Lexington	NE	68850	(308) 324-3072
7257	Brian	Bazata	702 North Adams	Lexington	NE	68850	(308) 324-3072
8300	Jon	Paolini	2626 O Street	Lincoln	NE	68506-0488	(402) 476-2194
11096	Trenton	Jorgensen	1118 Riverside Blvd.	Norfolk	NE	68701	(402) 379-0357
9035	Keith	Acker	5008 S 110th Street	Omaha	NE	68137	(402) 697-9818
9790	Vivian	Eferebo-Jack	12302 Stonegate Drive, #101	Omaha	NE	68164	(402) 359-3313
2684	Gene	Manley	1905 A Street	South Sioux City	NE	68776	(402) 494-3188
2724	Gene	Manley	1905 A Street	South Sioux City	NE	68776	(402) 494-3188
8112	John	DeGeorge	12 Continental Boulevard	Merrimack	NH	3054	(800) 338-5311

#	First Name	Last Name	Address	City	State	Zip	Telephone
8114	John	DeGeorge	12 Continental Boulevard	Merrimack	NH	3054	(800) 338-5311
8117	John	DeGeorge	12 Continental Boulevard	Merrimack	NH	3054	(800) 338-5311
8120	John	DeGeorge	12 Continental Boulevard	Merrimack	NH	3054	(800) 338-5311
2055	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
4378	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
4538	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
10073	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
10074	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
10075	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
10847	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
10848	Frank	Talarico	73 Coolidge Avenue	Bellmawr	NJ	8031	(856) 931-3300
8491	Daniel	Beam	70 Ambar Place	Bernardsville	NJ	7924	(908) 399-9442
8499	Cathie	Stefan	40 Cranberry Lane	Delran	NJ	8075	(856) 824-1055
8488	Nate	Zaldivar	13 Brielle Avenue	Egg Harbor Township	NJ	8234	(800) 233-8689
8943	Nate	Zaldivar	13 Brielle Avenue	Egg Harbor Township	NJ	8234	(800) 233-8689
8202	Mohammad	Qabartai	24 John Street	Haledon	NJ	7508	(973) 942-7711
5543	Alex	Kaminsky	496 Farnham Ave.	Lodi	NJ	7644	(973) 478-7766
10709	Tyler	Hess	204 Valley Rd.	Neptune	NJ	7753	(732) 375-1230
10341	Anthony	Talarico	7905 Browning Road, Suite 100	Pennsauken	NJ	8110	(856) 521-9111
10342	Anthony	Talarico	7905 Browning Road, Suite 100	Pennsauken	NJ	8110	(856) 521-9111
10343	Anthony	Talarico	7905 Browning Road, Suite 100	Pennsauken	NJ	8110	(856) 521-9111
10344	Anthony	Talarico	7905 Browning Road, Suite 100	Pennsauken	NJ	8110	(856) 521-9111
10345	Anthony	Talarico	7905 Browning Road, Suite 100	Pennsauken	NJ	8110	(856) 521-9111
10346	Anthony	Talarico	7905 Browning Road, Suite 100	Pennsauken	NJ	8110	(856) 521-9111
10095	David	Barr	894 Somerset drive	Toms River	NJ	8753	(732) 506-0770
11091	Albert	Bosma	188 Route 628	Wantage	NJ	7461	(973) 875-6700
10619	John	Sappingfield	2416 Candelaria Road NE	Albuquerque	NM	87107-2037	(800) 480-8439
10620	John	Sappingfield	2416 Candelaria Road NE	Albuquerque	NM	87107-2037	(800) 480-8439
10621	John	Sappingfield	2416 Candelaria Road NE	Albuquerque	NM	87107-2037	(800) 480-8439
10622	John	Sappingfield	2416 Candelaria Road NE	Albuquerque	NM	87107-2037	(800) 480-8439
10623	John	Sappingfield	2416 Candelaria Road NE	Albuquerque	NM	87107-2037	(800) 480-8439
8010	Todd	Russell	850 S. Hill Road	Bernalillo	NM	87004	(866) 808-9700

#	First Name	Last Name	Address	City	State	Zip	Telephone
9334	Kathleen	Roberts	213 N. Stephanie Street, #G-240	Henderson	NV	89074	(702) 944-4804
6144	Harry	Dixon	510 E. Plumb Ln.	Reno	NV	89502	(775) 358-2532
9481	Cheri	Gray	790 Washington Ave.	Brooklyn	NY	11238	(347) 384-1484
10650	Scotty	Dolce	114-59 211th St.	Cambria Heights	NY	11411	(347) 988-7357
10782	Robert	Henry	12009 231st St.	Cambria Heights	NY	11411	(917) 754-3915
9886	Guy	Ninstant	1649 Columbia Turnpike	East Schodack	NY	12063	(518) 813-5454
4490	David	Patterson	243 Old Ithaca Road	Horseheads	NY	14845	(607) 739-7236
10865	David	Siegmann	1901 Military Road	Kenmore	NY	14217	Not Listed
2661	Jackie	Pagano	38 Chapel Street	Mount Morris	NY	14510	(585) 658-4704
5282	Robert	Burch	13 Railroad Street	Otego	NY	13825	(607) 988-2516
7528	William	Hawkins	875 Atlantic Avenue	Rochester	NY	14609	(585) 325-4120
10265	William	Hawkins	875 Atlantic Avenue	Rochester	NY	14609	(585) 325-4120
6691	Jeffrey	Young	22 Dale Lane	Smithtown	NY	11787	(631) 961-9644
2660	Fred	Higginbotham	7567 East Route 20	Westfield	NY	14787	(716) 326-3474
4469	Tom	Butch	733 West 30th Street	Ashtabula	OH	44004	(440) 964-3353
3934	Robert	Froehlich	89A Columbus Road	ATHENS	OH	45701	(740) 592-2826
10137	Teresa	Kelley	3045 Williams Creek Drive	Cincinnati	OH	45244	(937) 331-9755
7905	John	Davis	1306 East 55th Street	Cleveland	OH	44103	(216) 595-1750
8156	John	Davis	1306 East 55th Street	Cleveland	OH	44103	(216) 595-1750
9867	John	Davis	1306 East 55th Street	Cleveland	OH	44103	(216) 595-1750
8895	Carlton	Dean	2121 Bethel Rd.	Columbus	OH	43220	(614) 633-9288
6878	Daniel	Martin	3500 Millikin Court	Columbus	OH	43228	(614) 529-8332
10652	Daniel	Martin	3500 Millikin Court	Columbus	OH	43228	(614) 529-8332
10837	Michael	Braun	470 Keyser Pkwy	Cuyahoga Falls	OH	44223	(330) 936-3909
10136	Teresa	Kelley	1000 Webster Street	Dayton	OH	45404	(937) 331-9755
2872	Michael	McCann	1255 Carpenter Road	Defiance	OH	43512	(419) 784-5570
7548	Michael	McCann	1255 Carpenter Road	Defiance	OH	43512	(419) 784-5570
9287	Justin	Harrington	593 Sunbury Road	Delaware	OH	43015	(740) 833-6455
10593	Joshua	Ussiri	589 Amity Road	Galloway	OH	43119	Not Listed
3936	Todd	George	430 E. Mulberry Street	Lancaster	OH	43130	(740) 687-1077
8663	Todd	George	430 E. Mulberry Street	Lancaster	OH	43130	(740) 687-1077
11098	Kevin	Hess	416 N. Mt. Pleasant Avenue	Lancaster	OH	43130	(740) 687-0577

#	First Name	Last Name	Address	City	State	Zip	Telephone
11099	Kevin	Hess	416 N. Mt. Pleasant Avenue	Lancaster	OH	43130	(740) 687-0577
11100	Kevin	Hess	416 N. Mt. Pleasant Avenue	Lancaster	OH	43130	(740) 687-0577
11101	Kevin	Hess	416 N. Mt. Pleasant Avenue	Lancaster	OH	43130	(740) 687-0577
5269	Michael	Kleman	2150 Baty Road	Lima	OH	45807	(419) 339-0871
5660	Michael	Kleman	2150 Baty Road	Lima	OH	45807	(419) 339-0871
5905	Michael	Kleman	2150 Baty Road	Lima	OH	45807	(419) 339-0871
10318	Anthony	Carter	10651 Fallis Road	Loveland	OH	45140	(513) 617-9116
9277	Rick	Sandlin	644 Lazenby Road	Midland	OH	45148	(513) 932-8003
6365	Butch	Wamer	6935 McNerney Dr.	Northwood	OH	43619	(419) 841-5575
1344	Terry	Litt	27283 Schady Rd.	Olmstead Falls	OH	44138	(440) 666-6061
10753	Christine	Hites	27264 Emerald Oval N	Olmstead Township	OH	44138	(440) 221-2128
3939	Charles	Russell	16 Shelby Avenue	Shelby	OH	44875	(419) 347-8809
10215	Nolan	Welborn	19116 Highway 1E	Ada	OK	74820	(405) 528-6600
10956	Derrick	Scarbrough	2013 N. Willow Ave, Unit 8	Broken Arrow	OK	74012	(918) 787-2449
10957	Derrick	Scarbrough	2013 N. Willow Ave, Unit 8	Broken Arrow	OK	74012	(918) 787-2449
8997	Stephen	Stamper	2310 Corbin Lane	Clinton	OK	73601	(580) 323-3391
4692	Dale	Montgomery	17400 Wain Bridge Avenue	Edmond	OK	73012	(405) 330-5444
9098	Brad	Duncan	168 Old Highway 99 South	Seminole	OK	74868	(405) 395-9890
4195	Lucky	Airehrour	10838 E Newton Place	Tulsa	OK	74116	(918) 745-0669
1716	Douglas	Crandall	4022 E Commercial Way SE	Albany	OR	97322	(541) 757-0888
1721	Douglas	Crandall	4022 E Commercial Way SE	Albany	OR	97322	(541) 757-0888
1706	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
6488	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
7865	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
7881	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
8225	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
9086	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
9296	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
10145	Barbara	Neyland	15790 South East Piazza	Clackamas	OR	97015	(503) 285-5221
10946	Barbara	Neyland	15790 SE Piazza, Suite 102	Clackamas	OR	97015	(503) 285-5221
7388	Steve	Winston	1243 W 7th Avenue	Eugene	OR	97402	(541) 338-0101
8424	Jon	Buckalew	314 S. 7th Street	Klamath Falls	OR	97601	(541) 882-5049



#	First Name	Last Name	Address	City	State	Zip	Telephone
8303	James	Colahan	853 S. Alameda Avenue	Klamath Falls	OR	97603	(541) 884-4743
9478	James	Colahan	853 S. Alameda Avenue	Klamath Falls	OR	97603	(541) 884-4743
1675	Tony	Kann	1016 N.E. 61st Avenue	Portland	OR	97213	(503) 249-1933
1679	Tony	Kann	1016 N.E. 61st Avenue	Portland	OR	97213	(503) 249-1933
6200	Tony	Kann	1016 N.E. 61st Avenue	Portland	OR	97213	(503) 249-1933
7749	Tony	Kann	1016 N.E. 61st Avenue	Portland	OR	97213	(503) 249-1933
6075	Laurie	Byler	315 SE Jackson Street	Redmond	OR	97756	(541) 389-3003
4786	Chris	Taylor	1151 N. Main	Union	OR	97883	(541) 962-2639
5153	Chris	Taylor	1151 N. Main	Union	OR	97883	(541) 962-2639
6248	Chris	Taylor	1151 N. Main	Union	OR	97883	(541) 962-2639
2432	Randy	Kissinger	2320 Brodhead Road	Bethlehem	PA	18020	(610) 868-7900
2102	Bernard	Smigovsky	91 Vesta #7 Road	Brownsville	PA	15417	(724) 785-9378
7213	Martin	Zupancic	356 W. College Street	Canonsburg	PA	15317	(724) 745-4980
10881	Jaime	Herbst	2320 Tower Dr.	Dover	PA	17315	(717) 308-0001
10882	Jaime	Herbst	2320 Tower Dr.	Dover	PA	17315	(717) 308-0001
10884	Jaime	Herbst	2320 Tower Dr.	Dover	PA	17315	(717) 308-0001
8953	Katy	McCabe	3431 Colonial Drive	Duncansville	PA	16635	(814) 317-5136
8957	Katy	McCabe	3431 Colonial Drive	Duncansville	PA	16635	(814) 317-5136
2427	Scott	Witmer	933 Chestnut Street	Emmaus	PA	18049	(610) 965-6058
3734	Fred	Higginbotham	1946 W. 26th Street	Erie	PA	16508	(716) 326-3474
10328	Chris	Hitz	2962 West 22nd Street	Erie	PA	16506	(814) 455-2033
11120	Chris	Hitz	2962 West 22nd Street	Erie	PA	16506	(814) 455-2033
2058	Paul	Gibson	623 Jeffers Circle	Exton	PA	19341	(610) 363-5766
5429	Paul	Gibson	623 Jeffers Circle	Exton	PA	19341	(610) 363-5766
8186	Ryan	Uveges	6055 Deerfield Drive	Fairview	PA	16415	(814) 825-6040
8497	Anita	Wein	5913 Linglestown Road	Harrisburg	PA	17112	(717) 541-0618
5411	Rachelle	Cooper	1849 South Sixth Street	Indiana	PA	15701	(724) 465-7008
10275	Rachelle	Cooper	1849 South Sixth Street	Indiana	PA	15701	(724) 465-7008
2107	Walter	Stiffey	2887 Radebaugh Road	Jeannette	PA	15644	(724) 834-8889
2430	Karen	Heimbach	822 Nazareth Pike, Suite B	Nazareth	PA	18064	(610) 837-8111
2085	Robert	Carnahan	418 Constitution Boulevard	New Brighton	PA	15066	(724) 728-8893
9006	John	Samek	745 Allegheny Avenue	Oakmont	PA	15139	(412) 242-4815

#	First Name	Last Name	Address	City	State	Zip	Telephone
9007	John	Samek	745 Allegheny Avenue	Oakmont	PA	15139	(412) 242-4815
5648	William	Eckelmeyer	127 South 3rd Street	Perkasie	PA	18944	(215) 257-6000
9718	Antoine	Adolphues	5330 Litchfield Street	Philadelphia	PA	19143	(267) 357-7281
2054	Brian	Mast	4455 North 6th Street,	Philadelphia	PA	19140	(215) 324-4500
4840	Brian	Mast	4455 North 6th Street,	Philadelphia	PA	19140	(215) 324-4500
2087	Charles	Gibson	1330 Wall Avenue	Pitcairn	PA	15140	(412) 372-7771
10930	Derek	Derricott	665 Stoystown Road	Somerset	PA	15501	(814) 569-3790
3729	Randy	Bell	1328 Rehobeth Road	Strattanville	PA	16258	(814) 764-3232
3730	Randy	Bell	1328 Rehobeth Road	Strattanville	PA	16258	(814) 764-3232
3716	Robert	Lonsdale	232 Wilkes Barre Township Boulevard	Wilkes Barre	PA	18703	(570) 825-9444
8740	Bob	Slepsky	300 Wall Avenue	Wilmerding	PA	15148	(412) 856-8626
9223	Bob	Slepsky	300 Wall Avenue	Wilmerding	PA	15148	(412) 856-8626
8756	Allison	Myerowitz	25 South Main Street	Yardley	PA	19047	(267) 393-1200
7252	Reinhard	Grab	7634 Southrail Road, Suite 304	Charleston	SC	29420	(605) 280-0427
8670	Tom	Weeks	3512 Bush River Road	Columbia	SC	29210	(803) 561-1384
2868	James	Rhinehardt	1601 Cedar Lane Road, Unit 6	Greenville	SC	29617	(864) 246-8441
4370	Randall	Purcell	3001 N Kings Highway	Myrtle Beach	SC	29577	(843) 903-3737
2870	George	McBride	228 John B White Sr. Blvd	Spartanburg	SC	29306	(864) 488-0071
8400	Jennifer	Monroe	380 Wingo Heights Road, Suite 7A	Spartanburg	SC	29303	(864) 574-1195
10484	Jennifer	Monroe	380 Wingo Heights Road, Suite 7A	Spartanburg	SC	29303	(864) 574-1195
10554	Codi	Kinsman	317 West Highway 14/34	Ft. Pierre	SD	57532	(605) 224-9919
6594	John	Massa	623 South Lyons Avenue	Sioux Falls	SD	57106	(605) 335-1200
10755	April	Prins	2510 9th Ave SW	Waterton	SD	57201	(605) 886-6006
10984	April	Prins	PO Box 331	Watertown	SD	57201	(605) 886-6006
11005	April	Prins	PO Box 331	Watertown	SD	57201	(605) 886-6006
4218	Robby	Hammond	2121 McCallie Avenue	Chattanooga	TN	37404	(423) 624-0937
4225	Robby	Hammond	2121 McCallie Avenue	Chattanooga	TN	37404	(423) 624-0937
4226	Robby	Hammond	2121 McCallie Avenue	Chattanooga	TN	37404	(423) 624-0937
8208	Rhonda	Franklin	4910 Fox Springs Drive	Collierville	TN	38017	(901) 649-0063
9192	Matt	McMurray	1009 Whalley Court	Franklin	TN	37069	(615) 585-2190
9668	Barbara	Anderson	919 Conference Drive	Goodlettsville	TN	37072	(888) 747-5010
6596	Richard	Ogan	201 Free Hill Road	Gray	TN	37615	(423) 467-0800

#	First Name	Last Name	Address	City	State	Zip	Telephone
10299	Brian	Sampson	201 Molly Walton Drive #A	Hendersonville	TN	37075	(502) 261-1755
10302	Brian	Sampson	201 Molly Walton Drive #A	Hendersonville	TN	37075	(502) 261-1755
2482	James	Edwards	1413 High Ridge Drive	Kingsport	TN	37664	(423) 288-6234
6028	James	Edwards	1413 High Ridge Drive	Kingsport	TN	37664	(423) 288-6234
5761	Doug	Ogan	250 Rutledge Road	Kingsport	TN	37663	(423) 279-0479
9904	Alexander	Merk	448 N. Cedar Bluff Road	Knoxville	TN	37923	(865) 323-7005
2480	James	Tipton	6634 Central Avenue Pike	Knoxville	TN	37912	(865) 281-0220
10699	Barbara	Anderson	4056 Homewood Drive	Memphis	TN	38118	(888) 747-5010
7288	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
8638	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
8730	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
8776	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
8881	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
9090	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
9326	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
9328	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
9329	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
9360	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
9361	Vincent	Lee	4395 South Mendenhall	Memphis	TN	38141-6714	(901) 795-5515
2384	Chris	McCall	307 Madison Ave	Memphis	TN	38103	(901) 683-0064
2412	Chris	McCall	307 Madison Ave	Memphis	TN	38103	(901) 683-0064
2844	Chris	McCall	307 Madison Ave	Memphis	TN	38103	(901) 683-0064
4842	Chris	McCall	307 Madison Ave	Memphis	TN	38103	(901) 683-0064
5501	Chris	McCall	307 Madison Ave	Memphis	TN	38103	(901) 683-0064
6432	Chris	McCall	307 Madison Ave	Memphis	TN	38103	(901) 683-0064
4239	Steve	Caldwell	85 ServiceMaster Drive	Paris	TN	38242	(731) 642-2247
7289	Ray	Forge	4815 Keller Springs Road	Addison	TX	75001	(214) 529-8756
10754	Jeffrey	Singleton	1005 Susan Dr.	Arlington	TX	76010	(214) 603-8888
7797	Jeff	Kent	13359 N. Highway 183, Suite B 406	Austin	TX	78750	(512) 518-0600
10691	Jeff	Kent	13359 N. Highway 183, Suite B 406	Austin	TX	78750	(512) 518-0600
9844	Gordon	Leavell	307 Poenisch Drive	Corpus Christi	TX	78412	(361) 739-4261
10246	Heidi	Avedician	648 Milton Henry	El Paso	TX	79932	(915) 701-2180

#	First Name	Last Name	Address	City	State	Zip	Telephone
10195	Sheri	Hill	13915 Denton Drive	Farmers Branch	TX	75234	(469) 892-2229
2360	Greg	Gilmer	3126 National Circle	Garland	TX	75041	(972) 840-8888
2369	Greg	Gilmer	3126 National Circle	Garland	TX	75041	(972) 840-8888
9568	Michael	Cortez	1327 E. Washington Avenue #230	Harlingen	TX	78550	(956) 893-1964
10254	Evelyn	Onafowokan	11757 Katy Freeway, Suite 1300	Houston	TX	77079	(281) 242-3241
9765	Joemaine	Spears	9000 Southwest Freeway, Suite 426	Houston	TX	77074	(281) 574-5637
9826	Joemaine	Spears	9000 Southwest Freeway, Suite 426	Houston	TX	77074	(281) 574-5637
10331	Blake	Moak	115 W Front St.	Hutto	TX	78634	(832) 460-5535
11108	Blake	Moak	115 W Front St.	Hutto	TX	78634	(832) 460-5535
7321	Brad	Hollibaugh	801 Russell Palmer	Kingwood	TX	77339	(281) 358-0363
6370	Bob	Llorente	602 Hobbs Road	League City	TX	77573	(281) 332-3900
9850	Blake	Moak	32014 Tamina	Magnolia	TX	77354	(832) 460-5535
10838	Steven	McLain	5205 Broadway Ste. #188	Pearland	TX	77551	(832) 978-1481
8780	David	Solsberry	3415 Custer Road	Plano	TX	75023	(972) 618-5223
9699	Rene	Vidal	5720 Bozeman Drive, #11521	Plano	TX	75024	(571) 338-3804
10616	Rene	Vidal	5720 Bozeman Drive, #11521	Plano	TX	75024	(571) 338-3804
6741	Sam	Shost	7434 Tower Street	Richland Hills	TX	76118	(817) 205-5759
5474	Bruce	Bynum	2221 WSW Loop 323	Tyler	TX	75701	(903) 509-4390
8715	Bruce	Bynum	2221 WSW Loop 323	Tyler	TX	75701	(903) 509-4390
8716	Bruce	Bynum	2221 WSW Loop 323	Tyler	TX	75701	(903) 509-4390
9707	Michael	Albert	7940 Seymour Hwy.	Wichita Falls	TX	76310	(940) 723-4722
10905	David	Burbidge	3220 Horse Thief Dr.	Heber City	UT	80432	(435) 565-0742
3774	Robert	Fairbanks	602 Confluence Ave.	Murray	UT	84123	(801) 506-0027
5556	Robert	Fairbanks	602 Confluence Ave.	Murray	UT	84123	(801) 506-0027
10611	Jed	Baker	394 East 400 South	Price	UT	84501	(435) 637-9165
6490	Wissam	Zaatar	2160B Berkmar Drive	Charlottesville	VA	22901	(434) 979-7762
7188	Wissam	Zaatar	2160B Berkmar Drive	Charlottesville	VA	22901	(434) 979-7762
9403	Scotty	Long	126 Woodside Drive, Suite B	Danville	VA	24540	(434) 835-0212
5261	Joe	Vick	510 North Main Street	Franklin	VA	23851	(757) 569-1777
10947	Eric	Meyer	129 Industrial DR. Suite C	Fredericksburg	VA	22408	(804) 239-2311
8164	Danny	Teachey	503 Old Plantation Rd. Suite 205	Lynchburg	VA	24502	(252) 331-1331
9211	Danny	Teachey	503 Old Plantation Rd. Suite 205	Lynchburg	VA	24502	(252) 331-1331

#	First Name	Last Name	Address	City	State	Zip	Telephone
9819	Danny	Teachey	503 Old Plantation Rd. Suite 205	Lynchburg	VA	24502	(252) 331-1331
7896	Kevin	Humphries	12672 Patrick Henry Drive	Newport News	VA	23602	(757) 867-6670
8504	Kevin	Humphries	12672 Patrick Henry Drive	Newport News	VA	23602	(757) 867-6670
8562	Kevin	Humphries	12672 Patrick Henry Drive	Newport News	VA	23602	(757) 867-6670
10651	Kevin	Humphries	12672 Patrick Henry Drive	Newport News	VA	23602	(757) 867-6670
11000	Jeffrey	Thompson	6580 Valley Center Drive	Radford	VA	24141	(540) 641-1104
11001	Jeffrey	Thompson	6580 Valley Center Drive	Radford	VA	24141	(540) 641-1104
9882	Richard	Crawford	2109 C North Hamilton Street	Richmond	VA	23230	(804) 285-8882
9883	Richard	Crawford	2109 C North Hamilton Street	Richmond	VA	23230	(804) 285-8882
6092	Leo	Soto	7941-L2 Angus Court	Springfield	VA	22153	(703) 913-2300
3047	Mark	Milstead	252 LaGrange Industrial Drive	Tappahannock	VA	22560	(804) 443-2687
4551	Mark	Milstead	252 LaGrange Industrial Drive	Tappahannock	VA	22560	(804) 443-2687
10775	Eida	Salas	2320 Malraux Drive	Vienna	VA	22182	(508) 381-9813
			421 South Lynnhaven Rd.				
10351	Shavon	Gray	Suite 102	Virginia Beach	VA	23452	(757) 578-2560
5911	Michael	Williams	326 Independence Drive	Winchester	VA	22602	(540) 545-7837
7189	Michael	Williams	326 Independence Drive	Winchester	VA	22602	(540) 545-7837
8747	Michael	Williams	326 Independence Drive	Winchester	VA	22602	(540) 545-7837
8842	Timothy	Roth	3900 Spur Ridge Lane	Bellingham	WA	98226	(360) 733-7788
2275	Jay	Kelley	2615 W. Casino Road 1E	Everett	WA	98204	(425) 347-3926
2278	Jay	Kelley	2615 W. Casino Road 1E	Everett	WA	98204	(425) 347-3926
11093	Jay	Kelley	2615 W. Casino Road 1E	Everett	WA	98204	(425) 347-3926
7212	Arthur	Williamson	4305 Lacey Boulevard SE	Lacey	WA	98503	(360) 951-1135
6656	Glenda	Smith	P O Box 1104	Marysville	WA	98270	(360) 659-1023
2324	Jay	Olsen	8661 154th Avenue NE Ste 140	Redmond	WA	98052	(425) 867-5035
7104	Scott	Hufstader	22917 N. E. 16th Pl	Sammamish	WA	98074	(206) 368-4034
10787	Rick	Dykstra	1240 Industrial Way	Union Gap	WA	98903	(509) 452-8906
10879	Rick	Dykstra	1240 Industrial Way	Union Gap	WA	98903	(509) 452-8906
10696	Jeremy	Fern	3724 Olympic Blvd	University Place	WA	98466	(206) 601-7184
2301	Mike	Mack	15000 Woodinville - Redmond Road N.E.	Woodinville	WA	98072	(800) 767-2332
7451	Mike	Mack	15000 Woodinville - Redmond Road N.E.	Woodinville	WA	98072	(800) 767-2332
5860	Mark	Jacobson	716 Beartrap Lane	Amery	WI	54001	(715) 821-7716

#	First Name	Last Name	Address	City	State	Zip	Telephone
10717	Lizz	Drexler	8791 County Rd V	Chili	WI	54420	(715) 743-7007
7784	Robert	Bodsberg	171 5th Avenue	Clayton	WI	54004	(715) 231-3200
8675	Robert	Bodsberg	171 5th Avenue	Clayton	WI	54004	(715) 231-3200
3837	John	Olson	353 Pioneer Road	Fond du Lac	WI	54935	(920) 923-0652
8890	John	Olson	353 Pioneer Road	Fond du Lac	WI	54935	(920) 923-0652
7095	John	Olson	N115 W18950 Edison Drive	Germantown	WI	53022	(920) 923-0652
8669	John	Olson	N115 W18950 Edison Drive	Germantown	WI	53022	(920) 923-0652
5088	Dan	Renier	1560 Van Road	Green Bay	WI	54311	(920) 494-8287
7735	Mark	Robinson	209 E Milwaukee Street	Janesville	WI	53545	(608) 755-9570
8353	Jose	Vasquez	2122 22nd Street	Kenosha	WI	53140	(224) 730-1555
9112	Jose	Vasquez	2122 22nd Street	Kenosha	WI	53140	(224) 730-1555
7168	Clint	Russell	2004 Ward Avenue	La Crosse	WI	54601	(608) 783-6199
7169	Clint	Russell	2004 Ward Avenue	La Crosse	WI	54601	(608) 783-6199
8925	Joe	Cyrowski	2522 Fish Hatchery Road	Madison	WI	53713	(608) 256-2129
8926	Joe	Cyrowski	2522 Fish Hatchery Road	Madison	WI	53713	(608) 256-2129
8927	Joe	Cyrowski	2522 Fish Hatchery Road	Madison	WI	53713	(608) 256-2129
8928	Joe	Cyrowski	2522 Fish Hatchery Road	Madison	WI	53713	(608) 256-2129
8929	Joe	Cyrowski	2522 Fish Hatchery Road	Madison	WI	53713	(608) 256-2129
8930	Joe	Cyrowski	2522 Fish Hatchery Road	Madison	WI	53713	(608) 256-2129
5625	Larry	Halverson	3410 Dewey Street	Manitowoc	WI	54221-0358	(920) 683-3885
1442	Joe	Cyrowski	600 2nd Avenue S	Onalaska	WI	54650	(608) 783-6161
5174	Joe	Cyrowski	600 2nd Avenue S	Onalaska	WI	54650	(608) 783-6161
3843	Edward	Schroeder	115 Eastman Street	Plymouth	WI	53073	(920) 893-5518
10841	Heather	Crary	3323 N 13th Street	Sheboygan	WI	53083	(920) 208-9994
10573	Joseph	Nyback	2519 N. 28th Street	Superior	WI	54880	(218) 727-8373
10643	Joseph	Nyback	2519 N. 28th Street	Superior	WI	54880	(218) 727-8373
8673	James	Bodsberg	540 E. Townline Road	Turtle Lake	WI	54889	(715) 986-2744
6681	Greg	Lenarduzzi	N16W22033 Jericho Drive	Waukesha	WI	53186	(262) 781-5555
4905	Christian	Winterhoff	1014 Merrill Avenue	Wausau	WI	54401	(715) 849-5656
10044	Robert	Bodsberg	2331 Industrial St.	Wisconsin Rapids	WI	54494	(715) 231-3200
10048	Robert	Bodsberg	2331 Industrial St.	Wisconsin Rapids	WI	54494	(715) 231-3200
10311	Hope	Nester	1038 N Eisenhower Drive, Box 126	Beckley	WV	25801	(304) 425-5714

#	First Name	Last Name	Address	City	State	Zip	Telephone
7984	Gene	Small	10477 Williamsport Pike	Falling Waters	WV	25419	(304) 262-2600
2255	Julie	Savage	401 7th Avenue	Huntington	WV	25701	(304) 529-7378
8451	Julie	Savage	401 7th Avenue	Huntington	WV	25701	(304) 529-7378
10134	Hope	Nester	325 Ingleside Road	Princeton	WV	24739	(304) 425-5714
10135	Hope	Nester	325 Ingleside Road	Princeton	WV	24739	(304) 425-5714

**LIST OF FORMER FRANCHISEES****(As of December 31, 2022)****Terminations, Non-Renewals, and Ceased Operations**

The following is a compilation of the name, and last known address, and telephone number of every franchisee who has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily ceased to do business under the ServiceMaster Clean® Franchise Agreement(s) or who have not communicated with us within ten weeks of the issuance date.

<b># of Franchises</b>	<b>First Name</b>	<b>Last Name</b>	<b>City</b>	<b>State</b>	<b>Telephone</b>	<b>Category</b>
1	Jamie	Godec	Phoenix	AZ	(216) 210-8878	Terminated
1	Raj	Ditta	Pinole	CA	(510) 776-5219	Terminated
1	Sandra	Villarreal	Torrance	CA	(310) 935-3238	Non-Renewal
1	Gregory	Portlock	Brighton	CO	(303) 521-7991	Non-Renewal
1	Virginia	Re	Monroe	CT	(203) 331-2363	Non-Renewal
2	Todd	Cleveland	Rockledge	FL	(321) 504-6525	Terminated
1	Will	Trantham	Norcross	GA	(770) 948-4006	Ceased Operation
1	Austin	Rice	Clive	IA	(515) 274-9109	Terminated
1	Darwin	Kupka	Decorah	IA	(563) 382-3100	Terminated
3	Dave	Moore	Carol Stream	IL	(630) 682-9020	Non-Renewal
1	Cory	Munsch	Hays	KS	(785) 628-6712	Terminated
1	David	Birmingham	Fairhaven	MA	(508) 230-7847	Non-Renewal
1	Tom	Little	Kalamazoo	MI	(269) 344-3600	Non-Renewal
1	Steve	Gibart	Red Wing	MN	(651) 388-2032	Terminated
1	Bill	Coopwood	Olive Branch	MS	(901) 360-1902	Terminated
2	Tanya	Freeman	Chapel Hill	NC	(919) 341-2163	Terminated
1	Jane	Branam	Charlotte	NC	(704) 347-6812	Terminated
1	Timothy	Jordan	Charlotte	NC	(704) 588-8980	Terminated
1	Don	Nelson	Valley City	ND	(701) 845-4959	Terminated
1	Edward	Bartella	Scotts Bluff	NE	(308) 641-6541	Terminated
1	Joshua	Snell	North Conway	NH	(800) 734-5031	Ceased Operation
1	Vaughn	Hillaire	Woodbridge	NJ	(732) 750-0499	Terminated
1	Leon	Williams	Henderson	NV	(312) 391-3082	Terminated
1	Ed	Prevost	Amsterdam	NY	(518) 456-5655	Non-Renewal
1	Noel	Bailey	Bronxville	NY	(914) 965-3809	Ceased Operation
1	William	Meenan	Watertown	NY	(315) 788-8990	Terminated
2	Mike	Borchers	Galloway	OH	(800) 487-1355	Terminated
1	Terry	Wymer	North Baltimore	OH	(419) 857-8050	Terminated
2	Kevin	Steinbach	North Canton	OH	(330) 497-5959	Non-Renewal
1	Greg	Dennison	Willowick	OH	(440) 918-1523	Terminated
1	Christopher	White	Grove	OK	(877) 347-3987	Ceased Operation
1	Tony	Kann	Portland	OR	(503) 249-1933	Terminated



# of Franchises	First Name	Last Name	City	State	Telephone	Category
1	Ron	Felder	Aiken	SC	(803) 226-0535	Terminated
1	Heike	Tonhaeuser	Spartanburg	SC	(864) 948-9009	Terminated
1	Raymond	Smith	Silsbee	TX	(936) 634-6982	Terminated
1	Mark	Jacobson	Amery	WI	(715) 821-7716	Non-Renewal
1	Robert	Bodsberg	Clayton	WI	(715) 231-3200	Non-Renewal
1	Robert	Bodsberg	Clayton	WI	(715) 231-3200	Terminated
1	Julie	Savage	Huntington	WV	(304) 529-7378	Non-Renewal

## Transfers

The following is a list of every ServiceMaster Clean® franchise that was transferred in 2022:

# of Franchises	First Name	Last Name	City	State	Telephone	Category
1	David	Cervino	Orange	CA	(714) 538-9647	Transferred
2	Gabriel	Balarezo	Bridgeport	CT	(203) 384-8600	Transferred
1	Kevin	Riviere	Jacksonville	FL	(904) 388-1100	Transferred
1	Scott	Hudson	Tampa	FL	(813) 623-6111	Transferred
1	Stefan	Jarvis	Stockbridge	GA	(912) 346-9424	Transferred
1	Darwin	Kupka	Decorah	IA	(563) 382-3100	Transferred
1	Jason	McGeary	Dalton Gardens	ID	(208) 772-7224	Transferred
1	Brian	Davis	Post Falls	ID	(208) 667-6633	Transferred
1	Joshua	Ussiri	Champaign	IL	(217) 239-3847	Transferred
1	Michael	Poynor	Normal	IL	(309) 828-4199	Transferred
2	Nathan	Westphal	Indianapolis	IN	(317) 359-2300	Transferred
2	Edward	Ducote	Baltimore	MD	(410) 665-6912	Transferred
1	Steve	Gibart	Red Wing	MN	(651) 388-2032	Transferred
1	Jon	Kopka	Waite Park	MN	(800) 245-4622	Transferred
1	Cindy	Almich	Neosho	MO	(417) 451-0795	Transferred
1	Jaimisen	Kupka	Sikeston	MO	(573) 620-5757	Transferred
1	Linda	Hoenigsberg	Helena	MT	(406) 449-1337	Transferred
1	Don	Borgmann	Norfolk	NE	(402) 379-0357	Transferred
4	Dan	Marshall	Lancaster	OH	(740) 687-0577	Transferred
2	Christopher	White	Grove	OK	(918) 787-2449	Transferred
1	Kathy	Suich	Cochranton	PA	(814) 382-2036	Transferred
1	Nancy	Critchfield	Somerset	PA	(814) 445-1380	Transferred
1	Steven	Elfstrand	Black Hawk	SD	(605) 787-6748	Transferred
1	Lorine	Fedje	Spearfish	SD	(605) 642-2233	Transferred
1	Curt	Bracken	St. George	UT	(435) 628-9866	Transferred
1	Donald	Tolson	Fredericksburg	VA	(540) 371-6695	Transferred
2	Jeffrey	Thompson	Radford	VA	(540) 641-1104	Transferred
1	Timothy	Roth	Bellingham	WA	(360) 733-7788	Transferred
2	Brian	Davis	Spokane Valley	WA	(509) 924-7574	Transferred
1	Elaine	Mitchell	Vancouver	WA	(360) 695-5360	Transferred

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

**FDD EXHIBIT F**

**STATE ADDENDA TO DISCLOSURE DOCUMENT**  
**AND TO FRANCHISE AGREEMENT**

**ADDENDUM TO THE DISCLOSURE DOCUMENT  
FOR THE STATES OF  
CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW  
YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND  
WISCONSIN**

The following provision applies only to franchisees and Franchised Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and/or Wisconsin:

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

**ADDENDUM TO THE DISCLOSURE DOCUMENT  
FOR THE STATE OF CALIFORNIA**

The following information applies to franchises and Franchisees subject to the California Franchise Investment Act. Item numbers correspond to those in the main body:

1. 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.

2. Item 3. Item 3 is amended to provide that neither we nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. Item 17.

A. The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

B. California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

C. Section 31125 of the California Corporations Code requires us to give the Franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec.101 et seq.)

E. The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

F. The Franchise Agreement requires application of the laws of the State of Georgia. This provision may not be enforceable under California law.

G. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

H. The Franchise Agreement requires binding arbitration to be conducted in the metropolitan area of our then-current principal place of business (currently, Atlanta, Georgia). You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

I. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

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

## ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

This Addendum relates to franchises sold in the state of California and is intended to comply with California statutes and regulations. In consideration of the execution of the Franchise Agreement (“Agreement”), the parties agree to amend the Agreement as follows:

Section 15.3, is amended by the addition of the following language at the end of the paragraph:

“The Franchisee’s obligations stated in this Section 15.3 shall apply only where the fulfillment of such obligations would inherently call upon the Franchisee to disclose and/or use any portion of the Franchisor’s trade secrets or other confidential information. All other provisions of this agreement apply and will be fully enforced to the maximum extent permitted by law whether or not California law applies.

The following paragraph shall be added as a new Section 13.8:

13.8 “The Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)”

The following paragraphs shall be added as new Sections 14.12 and 14.13:

14.12 “Sections 20000 through 20043 of the California Business and Professions Code provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, the law still controls.

14.13 “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.”

The following paragraph shall be added as new Section 24.7:

24.7 “The Agreement requires binding arbitration. The arbitration will occur in the metropolitan area of the Franchisor’s then-current principal place of business (currently, Atlanta, Georgia) with the costs being borne by the non-prevailing party to the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.”

The following paragraph shall be added as Section 25.1.1:

25.1.1 “The Agreement requires application of the laws of the State of Georgia. This provision may not be enforceable under California law.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

**SERVICEMASTER CLEAN/RESTORE  
SPE LLC:**

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

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

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

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



**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF HAWAII**

The following information applies to franchises and Franchisees subject to the Hawaii statutes. Item numbers correspond to those in the main body:

1. Cover Page

Risk Factors:

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 COMMISSIONER OF SECURITIES OR A FINDING BY THE COMMISSIONER OF SECURITIES 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 DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

REGISTERED AGENT IN THE STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS:  
COMMISSIONER OF SECURITIES OF STATE OF HAWAII, DEPARTMENT OF COMMERCE  
AND CONSUMER AFFAIRS, 335 MERCHANT STREET, ROOM 203, HONOLULU, HAWAII 96813.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

The following information applies to franchises and Franchisees subject to the Illinois Disclosure Act of 1987. Item numbers correspond to those in the main body:

1. Cover Page

The risk factors stated on this cover page may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41, pertaining to jurisdiction, venue and waiver of rights.

2. Item 5

Item 5 is amended by the addition of the following language to the original language that appears therein:

ServiceMaster Systems LLC has absolutely and unconditionally guaranteed to assume the duties and obligations of ServiceMaster under the Franchise Agreement should ServiceMaster become unable to perform its duties and obligations. A current Guaranty of Performance executed by ServiceMaster Systems LLC is included in Exhibit B, Financial Statements of this Disclosure Document.

3. Item 17

Item 17v and 17w, under the heading "Renewal, Termination, Transfer and Dispute Resolution", is amended by the addition of the following language to the original language that appears therein:

"Illinois law applies, subject to the Illinois Franchise Disclosure Act."

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

In recognition of the requirement of the Illinois Franchise Disclosure Act, the parties to the attached ServiceMaster Clean/Restore SPE LLC Franchise Agreement (the "Agreement") agree as follows:

1. The conditions under which the Franchise Agreement can be terminated and the rights upon nonrenewal may be affected by Illinois Law, 815 ILCS 705/19 and 705/20.
  
2. Section 25.1 of the Agreement, under the heading "Applicable Law", is amended by the addition of the following language to the original language that appears therein:

"This Agreement takes effect upon its acceptance and execution by ServiceMaster Clean/Restore SPE LLC, and except for matters governed by the Illinois Franchise Disclosure Act, is to be governed by and construed in accordance with the laws of the State of Georgia it being understood that Illinois courts have jurisdiction and venue in matters concerning Illinois franchisees."
  
3. Section 21.2 of the Agreement, under the heading "Entire Agreement" shall not be construed to mean that Franchisee may not rely on representations in the Franchise Disclosure Document that Franchisor provided to Franchisee in connection with the offer and purchase of the franchise granted under the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Agreement on the same day and year that the Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE  
LLC:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MARYLAND**

The following information applies to franchises and Franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body:

1. Item 17

A. Items 17v and w, under the heading "Renewal, Termination, Transfer and Dispute Resolution", are amended by the addition of the following language to the original language that appears therein:

"The Maryland Franchise Registration and Disclosure Law allows a franchisee to bring a lawsuit in Maryland for claims arising under this law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise."

B. Item 17c and 17m, under the heading "Renewal, Termination, Transfer and Dispute Resolution", is amended by the addition of the following language to the original language that appears therein:

"The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

C. Item 17f, under the heading "Renewal, Termination, Transfer and Dispute Resolution", is amended by the addition of the following language to the original language that appears therein:

"The provision in the franchise agreement which provides for termination upon bankruptcy of the franchise may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)."

**ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND**

This Addendum relates to franchises sold in the State of Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement (“Agreement”), the parties to the attached ServiceMaster Clean/Restore SPE LLC Franchise Agreement agree as follows:

1. (a) Section 2.3.9 of the Agreement, under the heading “General Release,” (b) Section 12.1 of the Agreement, under the heading “Transfer by Franchisor,” and (c) Section 12.2.1 of the Agreement, under the heading "Transfer by Franchisee" are amended by the addition of the following language to the original language that appears therein:

"The general release required as a condition of assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law".

2. Section 25 of the Agreement, under the heading “Applicable Law,” is amended by the addition of the following language:

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.”

3. Section 25.4 of the Agreement, under the heading "Jurisdiction and Venue", is amended by the addition of the following language:

"The Maryland Franchise Registration and Disclosure Law allows a franchisee to bring a lawsuit in Maryland for claims arising under this Law".

4. Section 27 of the Agreement, under the heading "Acknowledgments", is amended by the addition of the following language:

"All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to, nor shall they, act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Agreement on the same day and year that the Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE  
LLC:

FRANCHISEE:

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

This Addendum relates to the franchises and Franchisees subject to the Minnesota Franchise Act. Item numbers correspond to those in the main body:

1. Cover Page

Risk Factors:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL. RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE AGREEMENT OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OF AGREEMENT SHOULD BE REFERRED TO FOR UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

2. Item 13

Item 13 is amended by the addition of the following language to the original language that appears therein:

The Franchisor will protect the Franchisee's right to use the trademarks, service marks, trade names, logotypes of other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. Item 17

Item 17e and f is amended by the addition of the following language to the original language that appears therein:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Stat. Sec. 80C.14 subs. 3, 4 and 5 which require, except in certain specified cases, that you will be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

Item 17v and w is amended by the addition of the following language to the original language that appears therein:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

## **ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA**

This Addendum relates to the franchises and Franchisees in the State of Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement (“Agreement”), the parties to the attached ServiceMaster Clean/Restore SPE LLC Franchise Agreement (“the Agreement”) agree as follows:

Section 6.1 of the Agreement under the heading “Proprietary Marks”, is amended by the addition of following language to the original language that appears therein:

“The Franchisor will protect the Franchisee’s right to use the trademarks, service marks, trade names, logotypes of other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.”

Section 25.1 of the Agreement under the heading ‘Applicable Law’, is amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”

Section 2.2 and 13.3 of the Agreement, under the heading “Term and Renewal” and “Termination”, respectively, are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, we will comply with Minnesota Stat. Sec. 80C.14 subs. 3, 4 and 5 which require, except in certain specified cases, that you will be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement.”

Section 12.2.2.2 of the Agreement, under the heading “Assignment” is amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release”



IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same day and year that the Franchise Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE  
LLC:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA**

The following information applies to franchises and franchisees subject to North Dakota statutes and regulations. Item numbers correspond to those in the main body:

1. Item 17. The following is added to Item 17:
  - a. North Dakota Century Code Section 9-08-06 states "Every contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except: 1) One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business within a specified county, city, or a part of either, so long as the buyer or any person deriving title to the goodwill from him carries on a like business therein and 2) Partners, upon or in anticipation of a dissolution of the partnership business has been transacted, or within a specified part thereof."
  - b. Any provision of the Franchise Agreement requiring you to execute a general release is hereby made null and void.
  - c. Any provision of the Franchise Agreement requiring you to consent to liquidated damages is hereby made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
  - d. Arbitration and mediation proceedings shall be conducted within the State of North Dakota.
  - e. The venue of any litigation arising out of the franchise relationship between you and us will be within the State of North Dakota.
  - f. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.
  - g. Any provision of the Franchise Agreement requiring you to consent to a waiver of a jury trial is hereby made null and void.
  - h. Any provision of the Franchise Agreement requiring you to consent to waiver of exemplary and punitive damages is hereby made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

This Addendum relates to the franchises and franchisees in the State of North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, the parties to the attached ServiceMaster Clean/Restore SPE LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

- a. Notwithstanding anything to the contrary contained in the Franchise Agreement and franchise disclosure document, the laws of the State of North Dakota shall govern the Agreement.
- b. North Dakota Century Code Section 9-08-06 states "Every contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except: 1) One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business within a specified county, city, or a part of either, so long as the buyer or any person deriving title to the goodwill from him carries on a like business therein and 2) Partners, upon or in anticipation of a dissolution of the partnership business has been transacted, or within a specified part thereof."
- c. Any provision of the Franchise Agreement requiring you to execute a general release in is hereby made null and void.
- d. Any provision of the Franchise Agreement requiring you to consent to liquidated damages is hereby made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
- e. Arbitration and mediation proceedings shall be conducted within the State of North Dakota.
- f. The venue of any litigation arising out of the franchise relationship between you and us will be within the State of North Dakota.
- g. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.
- h. Any provision of the Franchise Agreement requiring you to consent to a waiver of a jury trial is hereby made null and void.
- i. Any provision of the Franchise Agreement requiring you to consent to waiver of exemplary and punitive damages is hereby made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE  
LLC:

FRANCHISEE:

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF RHODE ISLAND**

This Addendum relates to the franchises and Franchisees subject to the Rhode Island Franchise Act. Item numbers correspond to those in the main body:

1. Item 17

Item 17v and w is amended by the addition of the following language to the original language that appears therein:

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 the Act."

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF RHODE ISLAND**

This Addendum relates to the franchises and Franchisees in the State of Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement (“Agreement”), the parties to the attached ServiceMaster Clean/Restore SPE LLC Franchise Agreement (“the Agreement”) agree as follows:

Section 25 of the Agreement, under the heading "Applicable Law", is amended by the addition of the following language to the original language that appears therein:

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 the Act.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE  
LLC:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

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

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

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF VIRGINIA**

The following information applies to franchises and Franchisees subject to Virginia statutes and regulations.

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 grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

This Addendum relates to the franchises and Franchisees in the State of Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the ServiceMaster Clean/Restore SPE LLC Franchise Agreement (“Agreement”), the parties to the Agreement agree as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
2. RCW 19.100.180 may supersede the 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 Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as deemed by the arbitrator. 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 franchise, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Protection Act (“Act”) 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. 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.
7. 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.
8. Section 4 of the Franchise Agreement is revised to add the following:

The Washington Department of Financial Institutions Securities Division requires the franchisor to defer collection of the Initial License Fee and the Opening Package fee until

the franchisor has fulfilled its initial pre-opening obligations under this Agreement and the franchisee is open for business.

9. The undersigned does hereby acknowledge receipt of this addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE  
LLC:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

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

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



**ADDENDUM TO FRANCHISE DISCLOSURE  
DOCUMENT FOR THE STATE OF WISCONSIN**

This Addendum relates to the franchises and Franchisees subject to the Wisconsin Administrative Code. Item numbers correspond to those in the main body:

1. Item 17

The Wisconsin Fair Dealership Law supersedes any provisions of the applicant's franchise contract or agreement inconsistent with that law.

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF WISCONSIN**

This Addendum relates to the franchises and Franchisees in the State of Wisconsin and is intended to comply with Wisconsin statutes and regulations. In consideration of the execution of the Franchise Agreement (“Agreement”), the parties to the attached ServiceMaster Clean/Restore SPE LLC Franchise Agreement (“the Agreement”) agree as follows:

The Wisconsin Fair Dealership Law supersedes any provisions of the applicant's franchise contract or agreement inconsistent with that law.

SERVICEMASTER CLEAN/RESTORE SPE  
LLC:

FRANCHISEE:

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

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

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

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

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

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

**ServiceMaster Clean® Operations Manual Table of Contents**

1	INTRODUCTION TO THE MANUAL	1-1
1.1	Manual Organization	1-1
1.2	Ownership of the Manual	1-1
1.3	Purpose of the Manual	1-1
1.4	Importance of Confidentiality	1-2
1.5	Keeping the Manual Current	1-3
1.6	Disclaimer	1-3
2	INTRODUCTION TO THE FRANCHISE SYSTEM	2-1
2.1	History of the Company	2-1
2.2	ServiceMaster Mission	2-2
2.3	Resources and Tools	2-4
3	PRE-OPENING PROCEDURES	3-1
3.1	Your Status as a Franchisee	3-1
3.2	Establishment of Business Form	3-2
3.3	Site Selection Process	3-3
3.4	Licenses, Permits, and Taxes	3-3
3.5	Initial Training Requirements	3-6
3.6	Site Setup	3-8
3.7	Opening Package	3-10
3.8	Uniforms	3-11
3.9	Identity Badges	3-11
3.10	Vehicles	3-11
3.11	Insurance Coverage	3-12
3.12	Bank Accounts	3-12
3.13	Conversion of an Existing Business	3-13
4	STAFFING RESOURCES	4-1
4.1	Non-Joint-Employer Status	4-2
4.2	Employee Versus 1099 Contractor- Tax Status Only	4-2
4.3	OSHA	4-3
4.4	Becoming a Great Employer	4-5
4.5	Preparing to Hire Your First Employee	4-6
4.6	Job Descriptions/ Recruiting Employees	4-7
4.7	Background Checks on Job Applicants	4-7
4.8	Pre-Employment Testing	4-8
4.9	Employee Record Storage	4-9
4.10	Additional Steps in the Hiring Process	4-9
4.11	Human Resources Policies	4-9
4.12	Onboarding New Employees	4-11
4.13	Paying Your Employees	4-12
4.15	Performance Evaluations	4-14
4.20	Employment Law Resources	4-15

5	OPERATING PROCEDURES	5-1
5.1	Introduction	5-1
5.2	Required Days/ Hours of Operation	5-1
5.3	Emergency Closings	5-2
5.4	Customer Service Procedures	5-3
5.5	Products / Equipment / Technical Support	5-8
5.6	Product Receiving Procedures	5-9
5.7	Facility Cleaning and Maintenance	5-13
5.8	Equipment Maintenance	5-14
6	SALES	6-1
6.1	Understanding the Service Offerings	6-1
6.2	Lead Generation	6-4
6.3	Lead Management	6-4
6.4	Customer Account Procedures	6-6
7	MARKETING	7-1
7.1	Guidelines for Using Marks	7-1
7.2	Brand Positioning and Target Audience	7-1
7.3	Marketing Standards	7-2
7.4	Required Marketing Expenditures	7-2
7.5	Local Marketing Tactics	7-4
7.6	Corporate Support for Tactics	7-6
7.7	Obtaining Marketing Approval	7-7
7.8	Vendors and Resources	7-7
8	FINANCIAL REPORTING	8-1
8.1	Accounting Software	8-1
8.2	Financial Statements	8-1
8.3	Analyzing Financial Statements	8-3
8.4	Managing Cash Flow	8-6
8.5	Accounts Receivable and the Collections Process	8-8
8.6	Budgeting and Forecasting	8-10
8.7	QuickBooks Training	8-11
8.8	Reporting Taxes, IRS and State Specific Obligations	8-13
8.9	Asset Protection	8-13
8.10	Franchise Fees and Reporting Requirements	8-14
8.11	Audits	8-15

**CONVERSION FRANCHISE**

**CLEANING RAMP-UP AMENDMENT**

**TO FRANCHISE AGREEMENT # \_\_\_\_\_ DATED \_\_\_\_\_ BETWEEN**  
**(FRANCHISEE NAME) AND SERVICEMASTER CLEAN/RESTORE SPE LLC**  
**D/B/A/ SERVICEMASTER CLEAN**

**A) Ramp-Up Schedule for Royalties:**

Exhibit A to the Franchise Agreement, Monthly Royalties shall be amended to provide for the following Conversion Royalties Schedule:

The franchisee will submit a list of current cleaning contracts showing: 1) the name of the account, 2) the address where the cleaning takes place, and 3) the customary monthly revenue and any project revenue of each contract.

For each of these contracts, the royalty fee will be 1.0% of the monthly revenue for the concurrent length of time that the franchisee retains this contract. If the revenue from a contract is increased due to an increase in the size of the area to be cleaned, the royalty fee on this increased revenue will be paid as per Exhibit A. Royalties on revenue increases on current contracts due to annual or cost-of-living price increases will be at the 1.0% ramp-up rate.

The royalty rate on all new contracts secured since the signing date of this Franchise Agreement and increases in current contracts (as discussed in the above paragraph) will be at the rates stated in Exhibit A.

**B) Advertising Fund Contribution:**

The Advertising Fund Contribution will be as per Exhibit A in all cases and is not subject to a ramp-up period or rate.

SERVICEMASTER CLEAN/RESTORE SPE LLC

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

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

FRANCHISEE:

BY: \_\_\_\_\_  
(Signature of owners, partners or duly authorized officer - title)

BY: \_\_\_\_\_  
(Signature of owners, partners or duly authorized officer - title)

BY: \_\_\_\_\_  
(Signature of owners, partners or duly authorized officer - title)

**State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	April 28, 2023
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

**Item 23: Receipt**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management 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, ServiceMaster or an affiliate in connection with the proposed franchise sales or sooner if required by applicable state law.

New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency list in Exhibit C.

The franchise seller(s) for this offering is (are):

- Jim Boccher                       Amber James                       Timothy Arpin
- \_\_\_\_\_                       \_\_\_\_\_                       \_\_\_\_\_

at ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328; Phone 800-756-5656.

See Exhibit C for our agent for service of process in your state.

Issuance Date: April 28, 2023

I have received a Franchise Disclosure Document with an issuance date of April 28, 2023. This Disclosure Document includes the following Exhibits:

- A. Franchise Agreement and Related Agreements
- B. Financial Statements and Guaranty
- C. State Agencies and Agents for Service of Process
- D. List of Franchisees
- E. List of Former Franchisees
- F. State Addenda to Disclosure Document and to Franchise Agreement (where applicable)
- G. Operations Manual Table of Contents
- H. Conversion Ramp-up Amendments
- I. State Effective Dates and FDD Receipts

Signature	Print Name	Date
-----------	------------	------

Signature	Print Name	Date
-----------	------------	------

*(Please retain this copy for your files)*

### Item 23: Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management 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, ServiceMaster or an affiliate in connection with the proposed franchise sales or sooner if required by applicable state law.

New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency list in Exhibit C.

The franchise seller(s) for this offering is (are):

Jim Boccher                       Amber James                       Timothy Arpin  
 \_\_\_\_\_                       \_\_\_\_\_                       \_\_\_\_\_                       \_\_\_\_\_

at ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328; Phone 800-756-5656.

See Exhibit C for our agent for service of process in your state.

Issuance Date: April 28, 2023

I have received a Franchise Disclosure Document with an issuance date of April 28, 2023. This Disclosure Document includes the following Exhibits:

- |   |   |
|---|---|
| A. Franchise Agreement and Related Agreements       | F. State Addenda to Disclosure Document and to Franchise Agreement (where applicable) |
| B. Financial Statements and Guaranty                | G. Operations Manual Table of Contents  |
| C. State Agencies and Agents for Service of Process | H. Conversion Ramp-up Amendments  |
| D. List of Franchisees                              | I. State Effective Dates and FDD Receipts   |
| E. List of Former Franchisees                       |   |

_____ Signature	_____ Print Name	_____ Date
_____ Signature	_____ Print Name	_____ Date

***(Please return this copy to ServiceMaster)***