**FRANCHISE DISCLOSURE DOCUMENT**

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| PEST AUTHORITY | **Main Line Brands LLC**<br>a Delaware limited liability company<br>2359 Perimeter Pointe Parkway, Suite 250<br>Charlotte, North Carolina 28208<br>1-800-709-1190<br>contact@mainlinebrands.com<br>www.pestauthority.com |

The franchise offered is for the operation of a single business offering outdoor and indoor pest control and moisture control services and equipment, including but not limited to the application of repetitive application pest elimination and control systems for both residential and commercial use (including commercial Fly control), under the "Pest Authority" and related trademarks and service marks ("**Pest Authority Business**").

The total investment necessary to begin operation of a single Pest Authority Business franchise ranges from $40,500 to $105,700. This includes $23,000 to 38,000 that must be paid to the franchisor or its affiliate. We do not offer a multi-territory agreement, but if you sign two or more Franchise Agreements at the same time for multiple territories when you are signing your first Franchise Agreement with us, we will discount your initial franchise fee by 30% for the second and each additional Franchise Agreement you concurrently sign with us.

The 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 with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Chris Buitron at 2359 Perimeter Pointe Parkway, Suite 250, Charlotte, North Carolina 28208 and 800-709-1190.

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

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

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

**The issuance date: May 15, 2024**

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration only in North Carolina. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in North Carolina than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Mandatory Minimum Payments**. You must make minimum monthly 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.

## Table of Contents

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

To simplify the language in this Franchise Disclosure Document, "**Pest Authority**," "**we**" or "**us**" means Main Line Brands LLC, the "**Franchisor**". "**You**" means the individual, corporation, partnership or other business entity that buys the franchise, the "**Franchisee**." If you are a business entity, "**You**" includes your owners.

## The Franchisor and Our Parents, Predecessors and Affiliates

Franchisor

The Franchisor is Main Line Brands LLC, a Delaware limited liability company, originally formed as Authority Franchising, LLC on September 10, 2020, and which changed its name to Main Line Brands LLC effective on March 18, 2021. We conduct business under the names "Mosquito Authority" and "Pest Authority" as well as the name "Fitness Machine Technicians FMT". We do not do business under any other name. Our principal business address is 2359 Perimeter Pointe Parkway, Suite 250, Charlotte, North Carolina 28208. Our agents for service of process are listed in Exhibit D.

We began offering franchises for **Pest Authority Businesses** (defined below) in October 2020. We also opened 1 Pest Authority Business ourselves in 2023 in Hickory, North Carolina where we have a company-owned Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Business. See Item 20.

Through a separate franchise offering, we also currently offer and sell franchises for "Mosquito Authority" businesses that offer outdoor mosquito, tick, fly and spotted lantern fly control services and equipment, including but not limited to the sales, design, installation and servicing of outdoor misting systems and other repetitive application mosquito, tick, fly and spotted lantern fly control elimination and control systems for both residential and commercial use (excluding commercial Fly control), under the "Mosquito Authority" and related trademarks and service marks ("**Mosquito Authority Businesses**"). We began offering franchises for Mosquito Authority Businesses in October 2020.

In February 2022, we purchased all the stock of a former single territory Mosquito Authority Business franchisee named The Mosquito Authority, Inc., which had been owned by the wife of our founder and current Manager of Holdings and which had operated one Mosquito Authority Business in Hickory, North Carolina since April 2011. As of December 31, 2023, we owned and operated two Mosquito Authority Businesses ourselves in Hickory, North Carolina and West Chester, Pennsylvania.

Through another separate franchise offer, we also currently offer and sell franchises for the Fitness Machine Technician franchise system in the United States, which are businesses that provide maintenance and repair services for exercise equipment under the name and mark "FMT" or "Fitness Machine Technicians FMT". In May 2022, we purchased all the outstanding stock in both Proexco, LLC, a Pennsylvania limited liability company formed on October 14, 2011 ("**Proexco**") and DP and Partners, LLC, a Pennsylvania limited liability company formed on April 28, 2020 ("**DP**"). Proexco began offering FMT franchises in 2012 under the name "Exertech", before rebranding in 2015 as "Fitness Machine Technicians FMT", and did so until May 2023. DP was the franchisor for the FMT franchise system in Canada from late 2020 until September 2023. We began offering franchises for Fitness Machine Technician franchises in the United States in May 2023 and in Canada in September 2023. In the same transaction, we purchased all the outstanding stock of Powersmith, LLC, a Pennsylvania limited liability company that operates a company-owned FMT business in and around Philadelphia, Pennsylvania. Proexco, DP and Powersmith, LLC have principals at both our principal business address and at 134 Pennsylvania Ave., Malvern, Pennsylvania 19355.

Parents and Affiliates

Our direct parent is Main Line Brands Holdings LLC, a Delaware limited liability company originally formed on as Authority Franchising Holdings, LLC on September 10, 2020, and which changed its name to Main Line Brands Holdings LLC effective on March 18, 2021 ("**Holdings**"). Holdings is majority owned and controlled by Authority Franchising Partners, LLC, a Delaware limited liability company formed on September 10, 2020 ("**Partners**"). Partners is ultimately controlled by Susquehanna Private Capital Fund II, LLP, a Delaware limited liability partnership formed on December 27, 2019 ("**Susquehanna**").

The current principal business address for Holdings is 2359 Perimeter Pointe Parkway, Suite 250, Charlotte, North Carolina 28208. The current principal business address for Partners and Susquehanna is 401 E. City Ave., Bala Cynwyd, PA 19004. Neither Holdings, Partners nor Susquehanna has ever operated or franchised any Mosquito Authority Businesses or Pest Authority Businesses, nor have any of them franchised any other businesses.

Susquehanna became the indirect parent of Soccer Shots Franchising, LLC, a Pennsylvania limited liability company formed on January 15, 2005, effective December 31, 2021. Soccer Shots Franchising, LLC has offered franchises for the "Soccer Shots" brand since February 1, 2005. The current principal business address of Soccer Shots Franchising, LLC is 401 E. City Avenue #220, Bala Cynwyd, PA 19004.

Susquehanna became the indirect parent of Little Kickers Canada Management ULC, a British Columbia unlimited liability company, on October 21, 2022. Little Kickers Canada Management ULC and its affiliates, including Little Kickers International Holdings ULC and Little Kickers Franchising Ltd and Little Kickers Canada Operations ULC, own, operate and franchise the Little Kickers system in the United Kingdom, Canada and certain other countries in the world. The current principal business address of Little Kickers Canada Management ULC is 401 City Ave., Bala Cynwyd, PA 19004.

Predecessors

On October 9, 2020, Holdings purchased all of the Pest Authority system assets of our immediate predecessor Pest Authority LLC, a North Carolina limited liability company, formed on October 21, 2016 ("**PALLC**") along with all of the Mosquito Authority system assets of our prior affiliates Franchise Authority Systems LLC ("**AFS**"), a Delaware limited liability company incorporated on October 17, 2016, and TMAFS, LLC, a North Carolina limited liability company organized on October 17, 2016 ("**TMAFS**").

PALLC acquired all of the then current Pest Authority system assets in June 2019 from AFS.

TMAFS acquired all of the then current Mosquito Authority system assets on January 25th, 2018 from our prior predecessor TMA Franchise Systems, Inc. (**"TMA"**), a North Carolina corporation incorporated on December 2, 2011, when TMA merged into TMAFS. TMA acquired all of the then current Mosquito Authority system assets on TMA Franchise System, Inc., a North Carolina corporation incorporated on October 2, 2009 and dissolved in December 2011 ("**Original TMA**").

PLLC offered franchises for Pest Authority businesses in the United States from June 2018 to September 2020. PALLC's last known principal business address is 346 9th Street, SE, Hickory, North Carolina 28602.

OLD TMA offered franchises for Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Businesses in the United States from October 2009 until December 2011. TMA offered franchises for Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Businesses in the United States from December 2011 until April 2018. TMAFS offered franchises for Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Businesses in the United States from April 2018 to September 2020. Our prior affiliate Authority Franchise System International, LLC ("**AFSI**"), a North Carolina limited liability company organized on January 24, 2016, offered and sold franchises for Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Businesses in Canada from January 2018 to September 2020. The last known principal business address of TMAFS, TMA and AFSI was 346 9th Street, SE, Hickory, North Carolina 28602. The last known principal business address of Old TMA was 342 6th Street, NW, Hickory, North Carolina 28601.

In addition to the one formerly franchised Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Business we purchased in February 2022 and now operate in Hickory, North Carolina, a prior affiliate to TMAFS briefly operated two Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Businesses in Indiana and New Jersey in 2019 before selling them to a franchisee.

Except as stated above, we do not have any parents, predecessors or affiliates required to be disclosed in this Franchise Disclosure Document. Except as noted above, neither we nor our parents, predecessors or any other affiliates have offered franchises for other businesses that are substantially the same as the franchise. Except as noted above, neither we nor our parents, predecessors or any other affiliates have offered franchises in any other line(s) of business.

**The Franchise Offered**

In this Franchise Disclosure Document, we franchise Pest Authority businesses that offer residential and commercial customers a variety of goods and services in the pest elimination and control and moisture control industry (except for mosquito, fly, tick and spotted lantern fly control) including, but not limited to application of a repetitive application pest elimination and control systems for both residential and commercial use (including commercial Fly control), under the "Pest Authority" and related trademarks and service marks ("**Pest Authority Businesses**"), under the "Pest Authority" trademarks, trade names, service marks and logos ("**Pest Authority Marks**" or "**Marks**").

Pest Authority Businesses typically target pests that include certain types of ants, centipedes, millipedes, cockroaches, crickets, earwigs, ground beetles, pill bugs, rats, mice, spiders, sowbugs, silverfish, fleas, wasps, certain types of bees, moths (grain, Indian-meal and flour), carpet beetles and pantry pests. Pest Authority Businesses do not typically target carpenter, fire and pharaoh ants or honey and carpenter bees and hornets (unless they can possibly be reached on a first floor), and Pest Authority Businesses are not permitted to target mosquitos, ticks, flies (except for commercial Fly control) or spotted lantern flies unless specifically agreed by us in writing. In certain limited circumstances, we may permit qualified franchisees to also offer specialized services such as termite, bed bugs, wildlife removal and bird control.

We offer you the opportunity to enter into a single franchise agreement ("**Franchise Agreement**") to establish and operate a Pest Authority Business. The franchise is operated under a business format per a unique system, including our valuable know- how, information, trade secrets, methods, Brand Standards Manuals, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Pest Authority Businesses ("**System**"). We reserve the right to change or otherwise modify the System at any time in our sole discretion.

You must operate your Pest Authority Business in accordance with our standard business operating practices and sign our standard form of Franchise Agreement. Your Pest Authority Business must offer all authorized services and products. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Pest Authority Business at any time in our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your Pest Authority Business. As noted above, you are not currently authorized to offer residential Fly control services.

We offer a Full-Size Franchise or a Hometown Franchise to those who meet our then current standards and qualifications, in our determination. The only difference between a Full-Size Franchise and a Hometown Franchise is that a Hometown Franchise territory contains fewer owner occupied dwellers and therefore pays a reduced Initial Franchise Fee. The specific type of Franchise you will purchase and the specific Initial Franchise Fee you pay will be described in your Franchise Agreement.

As a Full-Size Franchise or Hometown Franchise operator, you may operate one Pest Authority Business for each Franchise Agreement you sign with us.

For Full-Size Franchises, we will use commercially reasonable efforts to grant only one license to a franchisee for every 35,000 single-family dwellings (or incremental portion thereof) in a designated geographical area with household incomes above $75,000. Should a geographic area have a median income of less than $75,000, we will make sure that there are at least 35,000 single family dwellings above the median income of all households in the designated geographic area at the time you sign your Franchise Agreement. For Hometown Franchises, we take into account the number of single-family dwellings and median income, but we do not have any specific minimum level of single-family dwellings or median income in a specific geographic area for a Hometown Franchise since this type of Hometown Franchise is meant to serve a smaller community. We will use the most recent population information available in the U.S. Census Data, or other population statistical sources of our choosing to determine populations and incomes. We reserve the right to change, modify, or delete the Population Limits in our sole discretion.

We and you must agree upon a location for a chemical storage facility within 120 days of signing your Franchise Agreement, or your Franchise Agreement may be terminated.

Our Pest Authority Businesses differ from the Mosquito Authority Businesses that we currently franchise through a separate franchise offering primary due to the Products and Services offered. Pest Authority Businesses offer a much broader variety of outdoor and indoor pest elimination and control services as stated above, but specifically exclude mosquito, fly, tick and spotted lantern fly control except for commercial Fly control. Mosquito Authority Businesses currently focus on outdoor mosquito, fly, tick and spotted lantern fly elimination and control systems for both residential and commercial use (excluding commercial Fly control). You will have no right to offer or sell mosquito, fly, tick and spotted lantern fly elimination and control systems (excluding commercial Fly control). You will not receive any rights or protections related to the development or operation of Mosquito Authority Businesses in or around your Pest Authority Business.

**Market and Competition**

Our Pest Authority program presently focuses on serving residential and commercial customers in urban and suburban areas. You may have to compete with other businesses including franchised operations, landscape operations, national chains and independently owned companies offering outdoor misting, general pest control, moisture control, outdoor misting, spraying, bombing, fumigating and other systems and services for pest elimination and control to residential and commercial customers. Competitors in the general insect elimination field may also include Mosquito Authority Businesses operated by our affiliates or our franchisees.

**Industry Specific Regulations**

There are specific regulations pertaining to this industry and you must comply with all local and state pesticide codes and regulations and all Environmental Protection Agency ("**EPA**") and other environmental regulations pertaining to the use, disposal and storage of pesticides. You may be required by local and state authorities to obtain certain permits, registrations, certifications or licenses to operate a Pest Authority Business. You should consult with local agencies and/or your attorney. You must obtain all required licenses and permits and ensure that your employees and others providing pest elimination and control services to customers on behalf of your Pest Authority Business have all required licenses and permits. Certain jurisdictions require every employee involved in the application of pesticides to be trained and tested, and you must ensure compliance with all such requirements. In other jurisdictions, you must have at least 2 years of experience to qualify for an individual pesticides license. If you are located in any of those jurisdictions and do not have the required experience, you must hire at least one individual with the necessary license or partner with an individual with the necessary license. The failure to maintain the proper licensing and permits is a material breach of the Franchise Agreement.

We recommend that you check with your state and local agencies to determine which laws apply to the operation of a Pest Authority Business in your area. You should consider these laws and regulations when evaluating your purchase of a franchise.

## ITEM 2
## BUSINESS EXPERIENCE

**Chief Executive Officer – Chris Buitron**

Mr. Buitron has been our Chief Executive Officer and the Chief Executive Officer of Holdings since October 2020. He has also served as Chief Executive Officer of Proexco, DP and Powersmith since May 2022. He served as President of PALLC and FAS from March 2020 to September 2020. From June 2018 until March 2020, Mr. Buitron was employed as Vice President of Marketing at Riptide Partners, a franchise consulting firm based in New York, New York. From January 2012 until May 2018, Mr. Buitron was employed as Chief Marketing Officer at Senior Helpers LLC, a franchisor based in Timonium, Maryland.

The following persons hold positions with our parent Holdings:

**Manager - Kyle Squillario**

Mr. Squillario has been the Manager of Holdings since October 2020. He has also served as Manager of Proexco, DP and Powersmith since May 2022. Mr. Squillario has been Vice President of Soccer Shots Franchising LLC since January 2022. Mr. Squillario has also served as Vice President of SS Acquisition LLC and Stronger Youth Brands Holding, LLC and Vice President of COUS, LLC and Soccer Shots IP, LLC since January 2022, and as Director and Vice President of Little Kickers Canada Management and ULC Little Kickers Franchising Ltd. since October 2022. Since January 2020, Mr. Squillario has also been a Partner at Susquehanna Private Capital in Bala Cynwyd, Pennsylvania. From March 2017 to December 2019, Mr. Squillario was a Director at Susquehanna Private Capital in Bala Cynwyd, Pennsylvania. From September 2013 to March 2017, Mr. Squillario was Vice President, Private Equity for TZP Group in New York, New York.

**Manager – John McGinley**

Mr. McGinley has been a Manager of Holdings since October 2020. He has also served as Manager of Proexco, DP and Powersmith since May 2022. Since January 2020, Mr. McGinley has also been a Vice President, Private Equity at Susquehanna Private Capital in Bala Cynwyd, Pennsylvania. From August 2017 to December 2019, Mr. McGinley was Senior Associate, Private Equity at Susquehanna Private Capital in Bala Cynwyd, Pennsylvania. From June 2015 to July 2017, Mr. McGinley was Associate, Private Equity for Quad-C Management in Charlottesville, Virginia.

**Manager – Joseph Osborne**

Mr. Osborne has been a Manager of Holdings since October 2020. From January 2018 to September 2020, Mr. Osborne served as PALLC's Chairman. He also served as President of AFS from October 2016 to September 2020, President of TMA from January 2011 to September 2020 and of TMA's Predecessor from October 2009 to September 2020.

## ITEM 3
## LITIGATION

Pending

None.

Concluded

We are not party to any litigation required to be disclosed in this Franchise Disclosure Document, but our predecessor TMA was party to the following matters:

*In the Matter of TMA Franchise Systems, Inc.*, Case No. 2013-0198. On August 21, 2013, TMA entered into a Consent Order with the Securities Division of the Office of the Attorney General of Maryland to resolve alleged violations of the Maryland Franchise Registration and Disclosure Law. Specifically, the Maryland Securities Division alleged that TMA sold two franchises in Maryland without being registered to sell franchises there, and in addition, that TMA did not provide the two franchisees with franchise disclosure documents prepared in accordance with the Maryland Franchise law. We cooperated fully with the state's investigation of this matter. By the terms of the Consent Order, TMA agreed to i) permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law; ii) submit an initial franchise application in accordance with the Maryland Franchise law and diligently pursue the application's registration; and, iii) offer rescission to our Maryland franchisees in accordance with the terms of the Consent Order.

*In the Matter of TMA Franchising, Inc*. On October 9, 2013, TMA entered into a Consent Agreement with the Rhode Island Department of Business Regulation to resolve alleged violations of the Rhode Island Franchise Investment Act. Specifically, the Rhode Island Department of Business Regulation alleged that TMA sold two franchises in Rhode Island without being registered to sell franchises there, and in addition, that TMA did not provide the two franchisees with franchise disclosure documents prepared in accordance with the Rhode Island franchise law. We cooperated fully with the state's investigation of this matter. By the terms of the Consent Agreement, TMA agreed to submit an initial franchise application in accordance with Rhode Island franchise law, provide an offer of rescission to the two Rhode Island franchisees, and pay an administrative fee of $5,000 to the Rhode Island Department of Business Regulation.

*In the Matter of TMA Franchise Systems, Inc. d/b/a The Mosquito Authority and Joseph D. Osborne*, Case No. SEC-2015-00002. On June 18, 2015, TMA entered into a Settlement Order with the Virginia State Corporation Commission Division of Securities and Retail Franchising to resolve alleged violations of the Virginia Retail Franchising Act. Specifically, the Division of Securities and Retail Franchising alleged that TMA sold eleven franchises in Virginia without being registered to sell franchises there, and in addition, that TMA did not provide the franchisees with franchise disclosure documents prepared in accordance with the Virginia Franchise Act. We cooperated fully with the state's investigation of this matter. By the terms of the Settlement Order, TMA agreed to pay a monetary penalty of $20,000 and administrative costs of $2,500 to the Division, provide a copy of the Order to each Virginia franchisee, and refrain from violating the Virginia Franchise Act in the future.

*In the Matter of TMA Franchise Systems, Inc. d/b/a The Mosquito Authority*, Case No. File No. 47341. On August 11, 2017, TMA entered into a Consent Order with the Minnesota Department of Commerce to resolve allegations that TMA offered and sold an unregistered franchise in Minnesota in violation of Minn. Stat. § 80C.02 (2016). We cooperated fully with the state's investigation in this matter. By the terms of the Consent Order, TMA agreed to pay a monetary penalty of $1,000 to the Department of Commerce, disclose this Consent Order in this Franchise Disclosure Document for a period of one year, and cease and desist from further sales in Minnesota until registered.

Disclosures Regarding an Affiliated Franchise Program

Our affiliate Soccer Shots Franchising, LLC resolved a single action brought against it with settlements that involved their becoming subject to A currently effective injunctive or restrictive order or decree.

*In Re: Franchise No Poaching Provisions* (Soccer Shots Franchising, LLC), Case N0. 19-2-28301-7 SEA. On or about October 28, 2019, Soccer Shots Franchising, LLC entered into an Assurance of Discontinuance with the State of Washington in which Soccer Shots Franchising, LLC agreed it (1) will no longer include no-poaching provisions in any future U.S. franchise agreements; (2) will continue not enforcing no-poaching provisions in any existing franchise agreements, and will not seek to intervene or defend in any way the legality of any no-poaching provision in any litigation in which a franchisee may claim third-party beneficiary status rights to enforce an existing no-poaching provision; (3) Soccer Shots Franchising, LLC will notify all of its U.S franchisees of the entry into the Assurance of Discontinuance with the State, and provide them a copy of the AOD upon request; (4) notify the Attorney General's Office of any effort by a franchisee in Washington to enforce any existing no-poaching provision; and (5) exercise all reasonable commercial efforts to amend all existing franchise agreements with entities in Washington to remove any no-poaching provisions in its existing franchise agreements. On January 2, 2020, Soccer Shots Franchising, LLC confirmed in writing our compliance with the Assurance of Discontinuance to the State of Washington.

Other than these 5 actions, no litigation is required to be disclosed in this Item.

## ITEM 4
## BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

## ITEM 5
## INITIAL FEES

**Initial Franchise Fee for Full-Size Franchise and Hometown Franchise**

When you sign the Franchise Agreement, you must pay us an Initial Franchise Fee ("Initial Franchise Fee") in full. The Initial Franchise Fee will differ if you are purchasing a Full-Size Franchise or a Hometown Franchise, which is based on the number of single-family dwellings in your proposed territory and identified and added to the Franchise Agreement before you sign.

The Initial Franchise Fee for a Full-Size Franchise is $25,000, which is based on a proposed territory of approximately 35,000 single-family dwellings.

The Initial Franchise Fee for a Hometown Franchise is $12,500.

If you sign two or more Franchise Agreements at the same time for multiple territories when you are signing your first Franchise Agreement with us, we will discount your initial franchise fee by 30% for the second and each additional Franchise Agreement you concurrently sign with us.

During our 2023 fiscal year, we sold several Pest Authority franchises at a reduced initial franchise fee of $5,000 to existing Mosquito Authority franchisees who wanted to own and operate both brands.

During the initial term of the Franchise Agreement, you will maintain rights to your Territory even though the demographics in your Territory may increase or decrease. However, on renewal, we will have the right to reconfigure the Territory (including, for example, changing from a Hometown Territory to a Full-Size if the demographics increase and puts it over the population threshold for a Hometown Territory or vice versa.)

**Veterans Discount**

As a member of the International Franchise Association ("IFA"), we participate in the IFA's VetFran® Program, which provides special financial incentives to qualified veterans. Pursuant to this program, we reduce the Initial Franchise Fee by 15% for all honorably discharged veterans of American and Canadian armed forces. In determining whether an individual qualifies for the discount, we may be guided by the definitions used by applicable United States or Canadian government offices, but the decision remains ours.

The Initial Franchise Fee is non-refundable. If you fail to complete your initial training program to our satisfaction, we have the right (but not the obligation) to terminate the Franchise Agreement, and if we do terminate the Franchise Agreement, we will refund to you 50% of the Initial Franchise Fee within thirty days after notice of termination of the Franchise Agreement by us. We will notify you in writing if we decide to terminate your franchise. There are no refunds of the Initial Franchise Fee under any other circumstances.

**Initial Franchise Fee Deferral**

We may defer payment by you up to a maximum of ½ of the initial franchise fee at our sole discretion. You will sign a Financing Amendment to the Franchise Agreement and Promissory Note in the form attached as Attachment G to the Franchise Agreement. The Promissory Note calls for payment of the deferred portion of the initial franchise fee over a period of 36 months, at an interest rate of 8% annually, until such time as the balance is paid in full. You and each entity or person who signs the Guaranty and Assumption of Franchisee's Obligations attached to the Franchise Agreement will sign the Financing Amendment to the Franchise Agreement and be responsible for the balance while still owing, but we do not require any additional security as part of the deferral of payment.

**Opening Inventory and Supplies**

You must also pay us or our designated vendor $1,500 to $3,000 for your opening inventory and supplies. The fees paid by you for your opening inventory and supplies are payable to us or our designated vendor upon issuance of an invoice during the buildout of your Pest Authority Business and are non-refundable under any circumstances. We currently require the payment to be made directly to our designated vendor.

**Pre-Opening Marketing Package**

If you are opening your first Pest Authority Business, you must also pay us or our designated vendor a pre-opening marketing package fee of $5,000 for an initial package of branded items, branded marketing materials and other pre-opening marketing materials (the "Pre-Opening Marketing Package Fee"). The Pre-Opening Marketing Package is payable to us or our designated vendor when you sign the Franchise Agreement and is non-refundable once paid.

**Customer Service Vehicle Outfitting Package**

You must also pay us an initial "Customer Service Vehicle Outfitting" package fee ranging from $4,000 to $5,000 for equipment and supplies to outfit your Vehicle that you will use to operate your Pest Authority Business (the "Customer Service Vehicle Outfitting Package Fee"). The Customer Service Vehicle Outfitting Package consists of tanks, pumps, vehicle signage and other items we source from different vendors and sell to you for your Pest Authority Business. The Customer Service Vehicle Outfitting Package Fee is payable to us on the earlier of 120 days after you sign the Franchise Agreement or within 30 days after you attend initial training, and is non-refundable once paid.

**Additional Territories**

We do not offer an area development or multi-territory franchise rights, but at our option you may be offered the opportunity to purchase additional Territories. Each Territory must be purchased by paying the then-current Initial Franchise Fee and by signing the then-current Franchise Agreement. However, if you sign two or more Franchise Agreements at the same time for multiple territories when you are signing your first Franchise Agreement with us, we will discount your initial franchise fee by 30% for the second and each additional Franchise Agreement you concurrently sign with us.

## ITEM 6
## OTHER FEES

| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
|---|---|---|---|
| Monthly Fee (1) (3) | 7.5% of Gross Revenues, or a minimum monthly fee starting in year two of $200 and then increasing by $100 each year of operations up to $700, whichever is greater (2) | Payable by ACH or EFT debit on the 1st day of the month | Monthly Fees begins the earlier of: a) the date you begin operating the Pest Authority Business, or b) a maximum of 120 days after execution of the franchise agreement by us.<br><br>The obligation to pay minimum Monthly Fees begins in year two.<br><br>See Note 2 for additional information on reduced minimum monthly fees if operating multiple territories. |
| National Marketing | Currently none, but if | Payable by ACH or | The obligation to pay |

| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
|---|---|---|---|
| Fee (3) (4) | implemented up to 3% of Gross Revenues with a minimum monthly fee that will range from $150 to $200 during the term of your Franchise Agreement. | EFT debit on the 1st day of the month | the National Marketing Fee (including the minimum monthly fee) begins the earlier of: a) the date you begin operating the Pest Authority Business, or b) a maximum of 120 days after execution of the franchise agreement by us. |
| Local Website pages, social media reputation management, local search web form, for organic leads, review generation tools, and SEO (5) | Currently $250 per month, but we may increase the monthly fee upon notice based on our then current costs | Payable to us or an outside vendor on a monthly basis, as applicable | This obligation will begin the same month your local website pages go active. |
| Social media pages and management; posts and review response for Google, Facebook and Yelp. (6) | Currently none, but we may implement and later increase the monthly fee upon notice based on our then current costs | Payable by ACH or EFT debit on the 1st day of the month | If implemented, this obligation will begin the same month your local website pages and/or social media presence goes active. |
| Additional Assistance (7) | $750 - $1,250 per day plus travel expenses, lodging and meals | Payable 30 days after billing | N/A |
| Audit Costs (8) | Cost of audit plus 1.5% charge per month for underreporting | Payable 30 days after billing | Payable in the event audit reveals underreporting of revenue exceeding 2% in any month, or any material breach of the franchise agreement by you |
| Training, including Seminars, Conventions or Programs (9) | $500 - $5,000, plus materials estimated at $50 | As incurred | You must pay your expenses and conference fees when attending these meetings, if any. We reserve the right to conduct periodic meetings of franchisees, |

| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
|---|---|---|---|
| | | | which meetings may be mandatory, in our sole discretion |
| Technology and Software Systems Fee (10) | A monthly fee ranging from $100 to $1,000 depending on your Gross Revenues for your Pest Authority Business during the prior 12-month period. See the chart in Footnote 10. | As incurred | Currently, the required Technology and Software Systems Fee includes the cost of our Dispatch Plus and/or Field Routes Software. We require you to utilize our Dispatch Plus and/or Field Routes Software (defined in Item 8) for scheduling and routing of service technicians, billing and customer management. |
| Late Fees (11) | $100 | As incurred (per late payment) | Applies to all overdue fees, reports, documents, records or statements you owe us. |
| Credit Card Processing Fees (12) | Then current fees set by third party vendor, to our knowledge current a $35.00 one-time set up fee, plus $60.00 annual compliance fee, plus $28.55 per month for account fees, plus a per transaction fee (generally ranging from 2.4% - 2.9% per transaction) | As incurred | Payable to your third-party credit card vendor |
| Minimum Individual Local Advertising Expense, including Pay | Greater of $5,500 or 5% of Gross Sales annually | Must be spent annually | You will spend this money with approved marketing vendors, or us including pay per click and social media advertising. All |

| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
|---|---|---|---|
| Per Click Advertising and social media (13) | | | marketing must be approved by us before you use it. |
| Special Campaigns Participation Fees | An amount set by us from time to time based on the nature of the Special Campaign, but subject to credit against your Minimum Individual Local Advertising Expenses | As instituted | We reserve the right to establish or designate specialized, or regional, or special-focused advertising, marketing or media campaigns ("Special Campaigns") that may or may not involve you and/or other Pest Authority businesses. If we establish or designate a Special Campaign that is or will be applicable to you, you must participate in that campaign and contribute to the costs of the Special Campaign in the amounts and in the manner that we specify. Any amounts that you spend or contribute to or for the Special Campaign will be credited toward your required Minimum Individual Local Advertising Expense expenditure under this Item 6. |
| Successor Franchise Fee | $3,500 | Upon signing the then-current successor Franchise Agreement | See Item 17 |
| Transfer Fee | $7,500 U.S. if the transferee does not have any existing relationship with us (for Mosquito Authority, Pest Authority or Fitness Machine Technicians) or $2,500 | Upon signing the then-current successor Franchise Agreement | See Item 17 |

| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
|---|---|---|---|
| | U.S. if the transferee has an existing relationship with us (for Mosquito Authority, Pest Authority or Fitness Machine Technicians) | | |

Notes:

* All fees are uniformly imposed by and payable to and collected only to us and are non-refundable except as otherwise provided above.

1. Monthly Fee. You must pay to us a Monthly Fee of 10% of your Gross Revenues, or the monthly minimum dollar amount set forth in the below chart, whichever is greater, during the preceding month. We do not charge any minimum during your first year of operations.

| Year | Minimum Monthly Fee |
|---|---|
| Year 1 | None |
| Year 2 | $200 Per Month |
| Year 3 | $300 Per Month |
| Year 4 | $400 Per Month |
| Year 5 | $500 Per Month |
| Year 6 | $600 Per Month |
| Year 7 through the Balance of the Initial Term and any Renewal Term | $700 Per Month |

The obligation to pay Monthly Fees begins the earlier of: a) the date you begin operating the Pest Authority Business, or b) a maximum of 120 days after execution of the Franchise Agreement by us. The Monthly Fee is due on the 1st day of each month for the preceding month's Gross Revenues. We reserve the right to require payment of the Monthly Fee more frequently than once per month. You will be provided thirty (30) days written notice of any change by us to the frequency in which you must pay the Monthly Fee. Currently, if you purchase your Pest Authority Business at the same time you purchase a separate Mosquito Authority Business, then we will waive your minimum monthly fee for your Pest Authority Business for the first twelve months of operations of your Pest Authority Business.

If you sign a Successor Franchise Agreement, your minimum Monthly Fee will be the Minimum Monthly Fee you paid during the last year of your Initial Term unless our then-current form of Franchise Agreement specifically requires the payment of a higher Minimum Monthly Fee.

If you purchase additional Territories at the same time or at a later date, we will reduce your Minimum Monthly Fee for such additional Territories in accordance with the below chart. We will designate each Territory with a # as noted below.

| Minimum Royalties Per Month Fee Schedule | | | | | |
|---|---|---|---|---|---|
| **Territory #** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **1** | None | $200 | $300 | $400 | $500 |
| **2** | | | | | |
| **3** | | | | | |
| **4** | None | $150 | $200 | $250 | $300 |
| **5** | | | | | |
| **6** | | | | | |
| **Total** | **None** | **$350** | **$500** | **$650** | **$800** |

2. Gross Revenues. Means all revenue from sales of Pest Authority Business, including amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions. Gross Revenues excludes all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

3. Your Authorization to Us to Debit Your Account for Fees. You must pay all fees and other amounts due to us via automatic clearing house (ACH), electronic funds transfer (EFT) or other similar means, as described in the Franchise Agreement. You must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to the Franchise Agreement as Attachment D or any other form that we may accept) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you shall authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owed. You shall make the funds available to us for withdrawal by automatic clearing house electronic transfer no later than the payment due date.

4. National Marketing Fee. We have not yet implemented a National Marketing Fee ("**National Marketing Fee**"), but we may do so on written notice to you. The National Marketing Fee will be an amount we set up to 3% of your Gross Revenues, but if/when implemented the National Marketing Fee will also be subject to a monthly minimum as follows:

| Year (following implementation) | National Marketing Fee |
|---|---|
| Year 1 | $150 Per Month |
| Year 2 | Minimum of $175 Per Month at our option |
| Year 3 through the Balance of the Initial Term and any Interim Period | Minimum of $200 Per Month at our option |

If the National Marketing Fee has been implemented, you must pay the National Marketing Fee beginning the earlier of: a) the date you begin operating the Pest Authority Business, or b) a maximum of 120 days after execution of the Franchise Agreement by us.

If you sign a Successor Franchise Agreement, your minimum National Marketing Fee will be the National Marketing Fee you paid during the last year of your Initial Term unless our then-current form of Franchise Agreement specifically requires the payment of a different National Marketing Fee.

5. Local Website Pages and Digital Footprint. You must pay a monthly fee to us or our selected vendor partners to create custom local website pages on our Internet website inclusive of a digital marketing offer generator for organic inbound sales leads, review generator and search engine optimization (SEO).

6. Social Media Presence and Management. If implemented by us, you must pay a monthly fee to us or our selected vendor partners to create and manage local posts on Facebook and manage your social reputation with posts on your local company Facebook page and respond to all reviews on Google, Yelp and Facebook.

7. Initial Training and Additional On-Site Assistance. The Initial Franchise Fee includes up to 5 business days of initial training for you or, if you are a legal or business entity, your Designated Business Manager, and one additional person. You will be responsible for all travel expenses for all participants attending the initial training program including airfare, lodging, meals, ground transportation and personal expenses. The training will be at our North Carolina headquarters or another location designated by us. After completion of the initial training, we will provide additional telephone assistance at no cost. If you require or request additional on- site assistance beyond what is provided by us, you can request that we send a representative to provide further assistance to you. If we provide additional assistance at your request, we must agree in advance to the charges you will pay and the length of the visit. The cost of additional assistance will depend on your needs and the amount of assistance you desire. We may also require you to receive additional assistance if you are not meeting our requirements, if we determine in our sole discretion, pre-opening assistance is required or if we determine that it is necessary for us to provide additional assistance to keep the System competitive.

8. Audit Costs. Audit costs will include employees' time, travel expenses, lodging and meals.

9. Initial Training for Additional Persons. We provide initial training for up to 3 people total for 5 business days at no additional training fee. If you want additional people to attend the initial training program, we will charge a training fee of $1,500 per person. Training fees can be increased or decreased by us at any time in our discretion. You will need to pay for airfare, lodging, ground transportation, meals, salary and benefits, and other personal expenses for each additional person attending the initial and recurring training program.

10. Technology and Software Systems Fee. You will pay us a monthly Technology and Software Systems Fee to cover all then current Technology and Software Systems Fees and licenses we provide to you. Currently, the Technology and Software Systems Fee only covers our required Dispatch Plus and/or Field Routes Software, which stores the data from all customer service activity of the Pest Authority Business. We will have independent access to the information generated and stored in all your technology systems. Provider costs may include access and usage charges and are subject to change in our sole discretion. From time to time we may require you to communicate special customer marketing and correspondence via Dispatch Plus. Customer marketing and correspondence will be limited to only that supplied or approved by us. This current software platform stores the data from all customer service activity in the Pest Authority Business. You must acknowledge and agree in the Franchise Agreement that all data and information generated and stored by the Dispatch Plus and/or Field Routes Software is owned by us. We will have unlimited independent access to the information generated and stored in this system. Provider costs may include access and usage charges and are subject to change. Currently, the Technology and Software Systems Fee is based solely on Dispatch Plus and/or Field Routes Software fees as follows:

| Franchisee's Gross Revenue in Prior 12 Months | Monthly Technology and Software Systems Fee |
|---|---|
| $0 to $50,000.00 | $100.00 |
| $50,000.01 to $150,000.00 | $200.00 |
| $150,000.01 to $250,000.00 | $300.00 |
| $250,000.01 to $350,000.00 | $400.00 |
| $350,000.01 to $450,000.00 | $500.00 |
| $450,000.01 to $550,000.00 | $600.00 |
| $550,000.01 to $650,000.00 | $700.00 |
| $650,000.01 to $750,000.00 | $800.00 |
| $750,000.01 to $850,000.00 | $900.00 |
| $850,000.01 to $950,000.00 | $1,000.00 |
| $950,000.01 to $1,050,000.00 | $1,100.00 |
| $1,050,000.01 and above | $1,200.00 |

Included in this Item 6 chart is a range of fees for the required Dispatch Plus and/or Field Routes Software ranging from $100, in the event you have no revenue over the prior twelve months, up to $1,200, which is the fee you will pay in the event you have revenue over the prior twelve months exceeding $1,050,000.01.

11. Late Fees. A late report fee of $100 per payment, record or document applies in the event that Franchisee fails to make any payment or deliver any Business Record, Certificate of Insurance, Gross Revenue statement or any other documentation or record that may be requested by Franchisor by the due date.

12. Credit Card Processing Company. In processing customer payments for your Pest Authority Business, we have contracted with a credit card service management company that will be responsible for processing credit card payments made to your Pest Authority Business. The credit card processing company we designate will be the only approved supplier of credit card processing services for the franchise system. We may at our discretion change service providers for these services at any time, in our sole discretion. We will not grant our approval of any request by you to use any alternative suppliers of credit card processing services. You will pay monthly account and transaction fees directly to the credit card processing company as incurred.

13. Minimum Individual Local Advertising Expense. You must begin Minimum Individual Local Advertising a maximum of 120 days after execution of the Franchise Agreement by us.

## ITEM 7
## ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT**

| TYPE OF EXPENDITURE (1) | AMOUNT | METHOD OF PAYMENT | WHEN DUE | TO WHOM PAYMENT IS TO BE MADE |
|---|---|---|---|---|
| Initial Franchise Fee (2) | $12,500 to $25,000 | Lump sum | Upon signing franchise agreement | Us |
| Pre-Opening Marketing Package & First Year Spend | $15,000 to $25,000 | As incurred | On receipt of invoice | Us |
| Expenses During Initial Training (3) | $1,000 to $1,500 | As incurred | During training | Transportation and lodging suppliers |
| Computer Hardware and Technology Fees (4) | $1,000 to $2,000 | Lump Sum | At delivery | Suppliers and Vendors |
| Opening Inventory (5) | $1,500 to $3,000 | Lump Sum | On receipt of invoice | Us |
| Storage Facility for inventory and equipment (6) | $0 to $200 | As incurred | Monthly or Annually | Lessor |
| Vehicle (7) | $0 to $30,000 | Monthly fee or lump sum | Varied terms | Auto Dealer |
| Customer Service Vehicle Outfitting Package (8) | $4,000 to $5,000 | Lump Sum | Upon the earlier of 120 days after you sign the Franchise | Us |

| TYPE OF EXPENDITURE (1) | AMOUNT | METHOD OF PAYMENT | WHEN DUE | TO WHOM PAYMENT IS TO BE MADE |
|---|---|---|---|---|
| | | | Agreement or within 30 days after you attend initial training | |
| Insurance (9) (annual premium) | $2,500 to $4,000 | As agreed to with insurance agent | Before beginning operations | Insurance agent |
| Additional Funds for first three months of operation (10) | $3,000 to $10,000 | As incurred | As incurred | Suppliers, utilities |
| **Total (11)** | **$40,500 to $105,700** | | | |

**Notes:**

1. Expenditures. All fees imposed by us are non-refundable unless otherwise noted. Fees and expenses paid to vendors or other third parties may or may not be refundable depending on the arrangements you make with them.

2. Initial Franchise Fee. The Initial Franchisee Fee is $12,500 for a Hometown Franchise and is $25,000 for a Full-Size Franchise. The Initial Franchise Fee is due when you sign the Franchise Agreement and is non-refundable once paid except as otherwise provided in the Franchise Agreement. We may defer payment by you up to a maximum of ½ of the initial franchise fee at our sole discretion. You will sign a Financing Amendment to the Franchise Agreement and Promissory Note in the form attached as Attachment G to the Franchise Agreement. The Promissory Note calls for payment of the deferred portion of the initial franchise fee over a period of 36 months, at an interest rate of 8% annually, until such time as the balance is paid in full. See Item 10 for more details on the potential deferral of a portion of the initial franchise fee. We do not finance any other part of your initial investment.

3. Travel and Living Expenses During Initial Training. We provide Initial Training at our corporate office located in Charlotte, North Carolina or at another location designated by us. We include the cost of the Initial Training program for up to five people in the Initial Franchise Fee. You must pay for airfare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all initial training program attendees. The charge for additional attendees is $1,500 per person. The range of fees for travel and living expenses during initial training in Item 7 ranges from $1,000 for one person to $1,500 for 3 people receiving training.

4. Computer Hardware and Technology. The estimated initial investment includes costs related to the purchase of specified computer hardware and software, including our required Dispatch Plus and/or Field Routes Software that you obtain from us. If we require, you must provide us with electronic access to certain daily information.

5. Inventory and Supplies. Your estimated initial inventory and supplies will typically include a minimal amount of pesticide, as well as apparel and equipment. We have the right to change the inventory and supplies at any time.

6. Storage Facility for Inventory and Equipment. If you do not own adequate storage space, you must lease space to store your inventory and supplies for your Pest Authority Business. Local law may require that your storage facility be located in a commercial (non- residential) area. You are responsible for determining if there are any requirements regarding the location of your storage facility. If you lease space, you will generally be required to pay first and last month's rent, plus a security deposit, at the time you sign the lease. In most cases, the terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated solely by you; however, we may require you to incorporate certain provisions into your lease. Since real estate and storage facility costs vary dramatically from region to region, we cannot accurately estimate your cost to lease storage facility space.

7. Customer Service Vehicle. The only type of vehicle we currently approve for use by you as a customer service vehicle is a late model, mechanically sound, white, full-size pickup truck, with no visible paint, body or interior damage. If you do not already own a vehicle that meets our standards and specifications, you must either lease or purchase one. The range provided in this Franchise Disclosure Document assumes that you either own a vehicle that meets our specifications already or will lease a white, full-size pickup truck meeting the standards set forth above. If you purchase a pickup truck the expense you incur will be more. A pickup truck can be leased, depending on your credit and the auto dealer, with an approximate $500 deposit and monthly payments negotiated with the auto dealer. If it is not leased, the approximate cost to purchase a full-size pickup truck ranges from $12,500 to $30,000.

8. Customer Service Vehicle Outfitting Package. You must purchase at a minimum magnetic type signage for your service vehicle for use in the first ninety days that you utilize a service vehicle. After a vehicle has been in service for at least ninety days, you are required to purchase from us our "Customer Vehicle Outfitting" package. All customer service vehicles must have all required signage applied within ninety days of being placed into service. Signage packages will be available from, and may only be acquired from us or a supplier we designate in our sole discretion. We will not grant our approval of any request by you to use any alternative suppliers for your purchase of vehicle signage.

9. Insurance. You must procure and maintain, at your own expense, insurance policies protecting you, us, and the officers, directors and employees of us against any loss, liability, personal injury, death, property damage, or expense resulting from the operation of your Pest Authority Business and all services you provide in connection with the operation of your Pest Authority Business as we may require for your and our protection in our sole discretion. These policies must include a two-million-dollar aggregate and one million dollar per occurrence general liability policy with a deductible not to exceed $1,000.00 dollars, and may be adjusted periodically by us in our sole discretion. You must also procure and maintain all other insurance required by state or federal law, including workers compensation insurance, commercial auto insurance, and unemployment insurance. The policies must name us as an additional insured when applicable, and must also stipulate that we shall receive a thirty-day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against us. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us, including original endorsements affecting the coverage required by us shall be furnished to us together with proof of payment within ten days of issuance. You shall also furnish us with certificates and endorsements evidencing this insurance coverage within ten days after each of the following events: (i) prior to opening the Pest Authority Business; (ii) at all policy renewal periods, no less often than annually, and (iii) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that

insurer to bind coverage on its behalf. All certificates and endorsements are subject to approval by us. If you fail to procure and maintain the required insurance coverage, we have the right and authority to procure the insurance coverage and charge you, which charges, together with a reasonable fee for our expenses incurred in this procurement, you will pay immediately upon notice.

10. Additional Funds, Start-Up Expenses and Working Capital. The estimate of additional funds for the initial phase of your Pest Authority Business is our estimate of the operating expenses you should expect to incur during the first three months of operations, not including any revenue generated by your Pest Authority Business. This estimate is based on the experience of the Mosquito Authority Business partially owned by one of our principals located in Hickory, North Carolina and our predecessors' experience franchising Mosquito Authority Businesses and Pest Authority Businesses. This is for budgeting purposes only to account for unanticipated expenses. The estimate includes start-up expenses, working capital, utilities, telephone and office supplies, Monthly Fees, advertising, payroll costs, deposits, fees for city, state and local business licenses, business entity organization expenses, other prepaid expenses, accounting and professional fees, and other operational expenses. The estimate of additional funds does not include an owner's salary or draw. Nor does the estimate of additional funds include any taxes that you may pay. You should check with your local and state governmental agencies for any taxes that may be assessed. Most new franchisees do not hire employees during the initial period.

11. Total Estimated Initial Investment. These figures are estimates based on our franchising Post Authority Businesses since October 2020, operation of the Mosquito Authority Business owned by one of our affiliates located in Hickory, North Carolina and the opening of 1 Pest Authority Business ourselves in 2023 in Hickory, North Carolina. The low amount is generally applicable for Hometown Franchises and the high amount is generally applicable for Full-Size Franchises.

You should review these figures carefully with a business advisor before making any decision to purchase the Pest Authority Business.

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

You must establish and operate your Pest Authority Business in compliance with your Franchise Agreement and the standards and specifications contained in the Pest Authority confidential brand standards manuals and related materials (collectively, "**Brand Standards Manuals**") loaned to you by us.

You must provide specified services and sell specified products. The services include selling, designing, installing, servicing and providing pest elimination/control services ("**Services**"). The products include pest elimination/control systems and equipment ("**Products**"). We reserve the right to require that you sell additional or different Services and Products in your Pest Authority Business on thirty days prior written notice to you. You must provide the Services and sell the Products per our specifications and standards. We reserve the right to change standards and specifications on thirty days prior written notice to you. You may not offer or sell Services or Products related to mosquito, fly, tick and spotted lantern fly elimination and control systems for residential and commercial use.

We have standards and specifications for your Storage Facility, equipment, apparel, uniforms, inventory, supplies, chemicals, forms, Products, Services, advertising materials and most other services and products used in, sold or provided through your Pest Authority Business ("**Required Items**"). We will notify you of our specifications and standards. To maintain our standards of consistent, high quality products, customer recognition, advertising support, value and uniformity in Pest Authority Businesses, you must purchase or lease all of your Required Items per our specifications and standards, only from us or our approved suppliers and distributors.

We are currently approved suppliers for (and we and our affiliates are the only approved suppliers for) all apparel, uniforms, forms, Products, chemicals and advertising materials used in, sold or provided through your Pest Authority Business. We currently purchase these items from our approved third party suppliers and then resell them to you. You may only purchase such items from us. We will not grant our approval of any request by you to use any alternative suppliers for your purchase of such items. The prices you pay us for these items includes a markup from our cost that ranges from 5% to 25% of the total purchase price you will pay. We are also an approved supplier of equipment, inventory, supplies, and certain services utilized in the operation of the Pest Authority Business, though we are not the only approved supplier of such items. Beginning in May 2021, an entity that is owned in part by one of our officers became a supplier of fly traps that are offered and sold to our franchisees. Except as noted above re apparel, uniforms, forms, Products, chemicals, advertising materials and fly traps and as set forth below, there are no approved suppliers in which any of our officers owns an interest.

You are required to use only our toll-free phone number 800-709-1190 as the telephone number of your Pest Authority Business. We require the answering of all customer calls, as they come in, by a live person. As a result, we or our designated service provider will provide an answering service that will support each franchisee by answering all franchisee unanswered incoming calls. Answering service fees may change without notice, and must be paid to us or the service provider as incurred. You must utilize us or the answering service provider we designate. We will not grant our approval of any request by you to use any alternative answering service provider. Our current answering service provider is Pronexis at (855) 970-2671 and sales@pronexis.com.

Although we will not grant approval of any request by you to use any alternative suppliers for your purchase of the required start-up materials, as well as all items, apparel, products, or company literature bearing our logo or Marks, for any other items you desire to purchase and use in your Pest Authority Business that are not currently approved by us, and for any suppliers of such items that who are not currently approved by us, you must obtain our prior written approval, which may take up to 90 days from our receipt of all requested information, including information regarding the supply or product, the supplier's fiscal strength, demonstrated customer service, service or product quality, service or product safety and a strong regional presence. Additionally, as a condition to granting approval, we may require you to submit samples of the proposed supplier's services or products, and to arrange for us to visit the supplier's facilities. If we elect to test the samples or inspect the proposed supplier's facilities, you will be charged a fee not to exceed the actual cost of such inspection or testing. We reserve the right to reinspect the facilities and services or products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. We will notify you in writing of any revocation of a supplier or their service or product and provide you a reasonable period of time to cease use of the supplier or their service or product, which period of time we will determine based on the amount of inventory you may have and the underlying reason for the revocation.

We may derive revenue from your purchases or leases of Required Items from us or our approved suppliers and distributors. It is a material breach of your Franchise Agreement if you buy Required Items from anyone other than us or our approved suppliers without prior written approval. We estimate that the purchase of these Required Items from us or our designated or approved sources, or those meeting our standards and specifications, will be approximately 10% of both your total cost to establish a Pest Authority Business and 25% of your total cost of operating a Pest Authority Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment or fixtures). During our 2023 fiscal year, we had revenues of $1,035,739.34 from the sales or leases of products to Mosquito Authority and/or Pest Authority franchisees, which was 9.2% of our total 2023 fiscal year revenues of $11,275,123.

You must acquire and use all of our then currently required or approved technology and software systems (collectively, the "Technology and Software Systems"), which currently includes the required Dispatch Plus and/or Field Routes Software that stores the data from all customer service activity of the Pest Authority Business. You must obtain the Dispatch Plus and/or Field Routes Software thorough us, and pay us the Technology and Software Systems Fee, which includes your fee for the Dispatch Plus and/or Field Routes Software. Your Technology and Software Systems Fee payments may include technical support for the Technology and Software Systems, including the Dispatch Plus and/or Field Routes Software. Dispatch Plus and/or Field Routes Software is currently mandatory and the only approved software for your Pest Authority Business, but you do not sign any separate license agreement to use the Dispatch Plus and/or Field Routes Software.

You are required to use our Technology and Software Systems only on computer equipment and hardware purchased through our approved suppliers. We currently require you to obtain and use Qvinci Software (from Qvinci, Two Barton Skyway, 1601 S MoPac Expy #350, Austin, TX 78746, (512) 637-7337) as your sole financial reporting software for your Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Business. We do not currently require that you purchase computer equipment from a single specific supplier. We will not grant our approval of any request by you to use any alternative suppliers for your purchase of computer equipment and hardware.

You must buy a vehicle that meets our specifications. Currently, the only service vehicle we have approved is a late model, mechanically sound, white, full-size pickup truck, with no visible paint, body or interior damage. You are not required to buy your vehicles from any specified dealer, but at present we have negotiated special pricing deals with Ford and Chevy.

You have certain minimum insurance requirements. You must obtain comprehensive general liability, combined single limit, automobile, bodily injury and all-risk property damage insurance and all other occurrences against claims of any person, employee, customer, agent plus any legally required forms of coverage (such as workers' compensation), all of which name us as an additional insured. These policies must include a two-million-dollar aggregate and one million dollars per occurrence general liability policy with a deductible not to exceed one thousand ($1,000.00) dollars, and may be adjusted periodically by us in our sole discretion. Certificate of liability insurance shall be forwarded to us prior to the opening of the Pest Authority Business. You must also indemnify us against any loss or claim arising out of your operation of your Pest Authority Business.

We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We currently have a purchase arrangement with several manufacturers for the purchase of chemicals, equipment and apparel to be used by you in your Pest Authority Business (although as noted above we purchase these chemicals and resell them to you). We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers or purchases of particular products or services. We may receive a maximum of a 5% rebate from franchisee purchases from our suppliers. In 2023, we or our affiliates collected $54,149.65 in rebates from suppliers for purchases of approved products by Mosquito Authority and/or Pest Authority franchisees.

Except as stated above, we do not have any purchasing or distribution co-operatives as of the date of this Franchise Disclosure Document. Except as stated above, we have collected no other money in rebates from suppliers.

## ITEM 9
## FRANCHISEE'S OBLIGATIONS

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

| **Obligation** | **Section in Agreement** | **Item in Disclosure Document** |
|---|---|---|
| a. Site selection and acquisition/lease | Sections 7 and 8 of Franchise Agreement | Item 11 |
| b. Pre-opening purchases/leases | Sections 8 and 9 of Franchise Agreement | Item 7 and 8 |
| c. Site development and other pre-opening requirements | Section 8 of Franchise Agreement | Item 11 |
| d. Initial and ongoing training | Sections 7 and 8 of Franchise Agreement | Item 11 |
| e. Opening | Section 8 of Franchise Agreement | Item 11 |
| f. Fees | Sections 5, 6 and 11 of Franchise Agreement | Items 5, 6 and 7 |
| g. Compliance with standards and policies/ Operating Manual | Section 8 of Franchise Agreement | Item 11 |
| h. Trademarks and proprietary information | Section 10 of Franchise Agreement | Items 13 and 14 |
| i. Restrictions on products/services offered | Sections 8 and 9 of Franchise Agreement | Items 8 and 16 |

| Obligation | Section in Agreement | Item in Disclosure Document |
|---|---|---|
| j. Warranty and customer service requirements | Section 8 of Franchise Agreement | Item 11 |
| k. Territorial development and sales quotas | Section 4 of Franchise Agreement | Item 12 |
| l. Ongoing product/service purchases | Sections 8 and 9 of Franchise Agreement | Item 8 |
| m. Maintenance, appearance and remodeling requirements | Sections 3 and 8 of Franchise Agreement | Item 8 |
| n. Insurance | Section 12 of Franchise Agreement | Items 8 |
| o. Advertising | Section 11 of Franchise Agreement | Item 11 |
| p. Indemnification | Sections 10 and 12 of Franchise Agreement | Item 8 |
| q. Owner's participation/ management/staffing | Section 8 of Franchise Agreement | Item 15 |
| r. Records/reports | Section 6 of Franchise Agreement | None |
| s. Inspections/audits | Sections 6, 7, 8 of Franchise Agreement | None |
| t. Transfer | Section 15 of Franchise Agreement | Item 17 |

| Obligation | Section in Agreement | Item in Disclosure Document |
|---|---|---|
| u. Renewal | Section 3 of Franchise Agreement | Item 17 |
| v. Post-termination obligations | Sections 10 and 17 of Franchise Agreement | Item 17 |
| w. Non-competition covenants | Section 14 of Franchise Agreement | Item 17 |
| x. Dispute resolution | Section 19 of Franchise Agreement | Item 17 |
| y. Guarantee | Attachment B | Item 15 |

## ITEM 10
## FINANCING

We do not guarantee your note, lease or obligation. We do not currently place financing with anyone and do not receive any payment for the placement of financing. We do not have any past or present practice or intention to sell, assign or discount to any third party, in whole or in part, any financing arrangements. We reserve the right to offer financing or assist franchisees in obtaining financing in the future.

We may defer payment by you up to a maximum of ½ of the initial franchise fee at our sole discretion. You will sign a Financing Amendment to the Franchise Agreement and Promissory Note in the form attached as Attachment G to the Franchise Agreement. The Promissory Note calls for payment of the deferred portion of the initial franchise fee over a period of 36 months, at an interest rate of 8% annually, until such time as the balance is paid in full. You may prepay the Promissory Note at any time without any prepayment penalty. You and each entity or person who signs the Guaranty and Assumption of Franchisee's Obligations attached to the Franchise Agreement (which signatories are generally each entity or individual holder of a direct or indirect ownership interest in you plus their respective spouses, if any) will sign the Financing Amendment to the Franchise Agreement and be responsible for the balance while still owing, but we do not require any additional security from you and do not take any security interest in your assets as part of the deferral of payment or your entry into the Financing Amendment to the Franchise Agreement and Promissory Note. In the Promissory Note, you and your guarantors who signed the Guaranty and Assumption of Franchisee's Obligations attached to the Franchise Agreement must waive any defenses or other legal rights related to the balance of the initial franchise fee debt while still owing, and you and your guarantors who signed the Guaranty and Assumption of Franchisee's Obligations attached to the Franchise Agreement and the Financing Amendment to the Franchise Agreement are also barred from asserting any defenses. If you fail to timely pay the balance of the initial franchise fee debt plus the agreed amount of interest in the Promissory Note, we may issue a curable default notice under the Franchise Agreement and Financing Amendment to the Franchise Agreement and we may have the right to terminate the Franchise Agreement if you fail to timely cure the default after notice and the stated cure period (which will be no less than 10 days). If we terminate the Franchise Agreement based on a failure to timely pay the balance of the initial franchise fee due under the Promissory Note, the entire principal amount and interest due under the Promissory Note will be accelerated and become due immediately, your Franchise Agreement and other agreements with us will be subject to cross default and you and everyone who signed the Guaranty and Assumption of Franchisee's Obligations attached to the Franchise Agreement will owe us our attorneys' fees and costs related to the termination and any attempts to enforce our rights under any of your agreements with us. We will not sell, assign, or discount to a third party all or part of your financing arrangement with us. We are the direct lender if we defer your payment of the initial franchise fee such that, other your repayment of the principal plus interest to us, neither we nor any affiliate receives any consideration for arranging this financing.

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

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

### Pre-opening Obligations

Before you open your Pest Authority Business, we (or our designee) will provide the following assistance and services to you.

1. Designate your business as a Hometown Franchise or Full-Size Franchise, and designate your Territory (See Section 7.2(a) of the Franchise Agreement and Attachment A to the Franchise Agreement). Other than designating your Territory in which you will operate your Pest Authority Business, we do not approve a site for your Pest Authority Business.

2. Provide you with our specifications for all initial and replacement equipment, tools, supplies, inventory and Required Items for the operation of your Pest Authority Business (See Section 7.2(b) of the Franchise Agreement).

3. Approve your proposed Storage Facility. Factors we use to review and approve a potential Storage Facility include the proximity of the Storage Facility to the area you will service, adequate square footage for an average amount of inventory, and satisfaction of local and federal regulatory requirements relative to storage of chemicals. You and we must agree on a Storage Facility no later than sixty days after the mutual signing of the Franchise Agreement. (See Section 7.2(c) of the Franchise Agreement). We have a reasonable period of time not to exceed 7 days to review the site for your Storage Facility once you provide us with information on your proposed site. If you and we fail to do so, we may terminate the Franchise Agreement. (See Section 17.1(s) of the Franchise Agreement). You may operate your business from your Storage Facility or from your home or other location in the Territory, but we only review and approve the location for your Storage Facility. We need only be provided the address if you operate your business from your home or another location in the Territory. We do not provide you any assistance with conforming the premises of your Storage Facility to local ordinances and building codes or obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training employees for the Storage Facility. We will not own your premises or your Storage Facility, nor will we lease your premises or your Storage Facility to you.

4. Within 60 days of the mutual signing of the Franchise Agreement and your receipt of all required pesticide licenses and permits, we will conduct all necessary business day training courses for you,

or if you are not an individual, your Designated Business Manager and one additional person in Charlotte, North Carolina or at another location designated by us. (See Section 7.2(d) of the Franchise Agreement).

5. Loan you one copy of our confidential and proprietary Brand Standards Manuals at the time of execution of the Franchise Agreement. The Brand Standards Manuals consists of one or more manuals, technical bulletins or other written materials and may be modified by us periodically. The Brand Standards Manuals may be in printed or in an electronic format in our discretion. We reserve the right to require you to use an electronic version of the Brand Standards Manuals and to require you to access the document using the Internet or an intranet created and supported by us. The Brand Standards Manuals contains approximately 135 pages. The Table of Contents for the Brand Standards Manuals is attached to this Franchise Disclosure Document as Exhibit F. Our operating system does not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Brand Standards Manuals or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at your Pest Authority Business. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of your Pest Authority Business employees or customers. (See Section 7.2(e) of the Franchise Agreement).

6. Provide you with an initial inventory of business cards and other start up materials, equipment and inventory at a cost to you ranging from $1,500 to $3,000. These materials, equipment and inventory must be purchased from us or a supplier we designate. We will not grant our approval of any request by you to use any alternative suppliers for your purchase of the initial inventory of business cars and other start-up materials, equipment and inventory. If you want additional copies, you must pay duplication costs. (See Section 7.2(f) of the Franchise Agreement).

**Continuing Obligations**

During the term of the Franchise Agreement, we (or our designee) will provide the following assistance and services to you:

1. Make a representative reasonably available to speak with you on the telephone during regular business hours to discuss your operational experiences and support needs (See Section 7.3(a) of the Franchise Agreement).

2. We may choose to provide you with continuing national, regional or local workshops, seminars and conferences, which we hold in our discretion. You must pay the workshop, seminar and conference fees, if any, and all travel and living expenses, incurred by you to attend such workshop, seminar or conference. The fees to attend a workshop, seminar or conference will range from $500 to $5,000, which includes the payment by you of conference fees ranging from $399 to $999 per conference. We recommend, and may require in our sole discretion, that you attend these workshops, seminars and conferences, which may be held at our Charlotte, North Carolina headquarters or at a location chosen by us. In the event we choose to provide such workshops, seminars or conferences, we will provide you with a minimum of 3 months' notice regarding the date, place and cost to you of such workshop, seminar or conference. (See Section 7.3(b) of the Franchise Agreement).

3. We may choose to provide mandatory annual conferences. You must pay the conference fees, if any, and all travel and living expenses incurred by you to attend such conferences. The fees to attend a workshop or seminar will range from $500 to $5,000, which includes the payment by you of conference fees ranging from $399 to $999 per conference. The annual conference may be held at our corporate headquarters or at a location chosen by us (See Section 7.3(c) of the Franchise Agreement). If you fail to

attend the conference, you will be charged the greater of $699 or that year’s cost to attend.

4. Inform you of mandatory specifications, standards and procedures for the operations of your Pest Authority Business, as described in Item 8. (See Section 7.3(d) of the Franchise Agreement).

5. Research new Products, Services and methods and provide you with information concerning developments of this research. (See Section 7.3(e) of the Franchise Agreement).

6. Maintain the National Marketing Fund (if and when implemented) and use these funds to develop promotional and advertising programs for Pest Authority Businesses. (See Section 7.3(f) of the Franchise Agreement).

7. Provide advertising and marketing materials to you at our then-current price as set forth in the Manual. (See Section 7.3(g) of the Franchise Agreement).

8. We may, in our sole discretion, provide additional assistance. (See Section 7.3(h) of the Franchise Agreement). There may be additional charges for these services. Such charges will include the travel, food and living expenses of our employee(s) that provide such assistance, as well as a charge of $750 - $1,250 per day If we provide additional assistance, we must agree in advance on the charges you will pay and the length of the visit. (See Item 6).

9. We will provide guidance to you, as we determine in our sole discretion, in determining the prices to be charged by you for Services or Products. We do not have control over the day-to-day managerial operations of your Pest Authority Business, and you are free to establish your own prices (See Section 8.3 of the Franchise Agreement).

We reserve the right, in our discretion, to delegate some or all of our pre-opening and continuing obligations under the Franchise Agreement to an Franchise Business Consultant with regional responsibility over the geographic area in which you operate your Pest Authority Business.

Except as listed above, we do not provide any additional assistance to you.

**Initial Training**

Before the opening of your Pest Authority Business, we provide an initial training program. The initial training program is usually conducted at our corporate headquarters in Charlotte, North Carolina or elsewhere at our discretion. We may also conduct training via the internet utilizing training video and/or descriptive text. We may also conduct training at our corporate headquarters located in Charlotte, North Carolina, but the training course may be held elsewhere in the future in our discretion. In addition, we may require that you complete various assessments and pre-training course study, and we may test you on the pre-training study materials during the initial training program. We generally start initial training programs once every two months, but will hold an unplanned initial training plan if the need arises.

At our discretion, you may also be required to spend time on location in the territory of an established franchise for a period of up to 5 days at your expense.

Under the Franchise Agreement, before you begin operating your Pest Authority Business, you or, if you are not an individual, a “**Designated Business Manager**” must attend and successfully complete to our satisfaction our initial training program either online via the internet or in person at our corporate headquarters. You may have four additional people attend the initial training program at no additional training fee. If the Designated Business Manager's employment with you is terminated, you must designate a new Designated Business Manager who must successfully complete our initial training program within ninety days after the termination of the initial Designated Business Manager, unless we do not hold an initial training program during that ninety-day period in which case the replacement Designated Business Manager must attend and successfully complete the first available initial training program held by us. You may be charged a training fee for a replacement Designated Business Manager and the costs for airfare, ground transportation, lodging, meals, personal expenses, and the Designated Business Manager's salary and benefits must be paid by you.

There is no tuition or fee for the initial training program for you or your Designated Business Manager and four additional persons. We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses.

Our initial training program consists of up to 5 business days of training as follows:

**TRAINING PROGRAM**

| **Subject** | **Hours of Class Room Training** | **Hours of On the Job Training** | **Location** |
|---|---|---|---|
| Welcome and Introduction | 1 hours | | Online via the Internet or at our headquarters in Charlotte, North Carolina |
| Pest Biology & Protocol | 4 hours | | Online via the Internet, at our headquarters in Charlotte, North Carolina or on site at a client's premises either in Charlotte, North Carolina or a Business near you (if applicable) |
| Marketing Your Business | 4 hours | | Online via the Internet or at our headquarters in Charlotte, North Carolina |
| Systems & CRM Training | 2 hours | | Online via the Internet or at our headquarters in Charlotte, North Carolina |
| Office and Administration | 4 hours | | Online via the Internet or at our headquarters in Charlotte, North Carolina |
| On site field training | | 4 hours | Online via the Internet, at our headquarters in Charlotte, North Carolina or on site at a client's premises either in Charlotte, North Carolina or a Business near you (if applicable) |

| Subject | Hours of Class Room Training | Hours of On the Job Training | Location |
|---|---|---|---|
| **Totals** | **15 hours** | **4 hours** | |

The initial training program and other on-going training will be conducted by training personnel under the supervision and direction of Chris Brown. Mr. Brown has been with us and our predecessor since April 2020 and has been involved in training generally for 7 years.

We may change or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities with regard to training. In the event we change or substitute training personnel, or delegate our duties or share our responsibilities with regard to training, then the substituted personnel will have no less than one year of experience in the subject taught both in the field and with our predecessors.

We may present seminars, conventions or continuing development programs for the benefit of Franchisees. Your attendance is mandatory. You must pay for any conference fee and your travel and living expenses incurred in attending any seminar.

We use the Brand Standards Manuals as the sole reference material during our training sessions. We do not require you to participate in or to contribute to an advertising cooperative.

**National Marketing Fee.**

We have not yet implemented a National Marketing Fee ("**National Marketing Fee**"), but we may do so on written notice to you. The National Marketing Fee will be an amount we set up to 3% of Gross Revenues, but if/when implemented the National Marketing Fee will also be subject to a monthly minimum as follows:

| Year (following implementation) | National Marketing Fee |
|---|---|
| Year 1 | $150 Per Month |
| Year 2 | Minimum of $175 Per Month at our option |
| Year 3 through the Balance of the Initial Term and any Interim Period | Minimum of $200 Per Month at our option |

If you sign a Successor Franchise Agreement, your minimum National Marketing Fee in the first year will be the National Marketing Fee you paid during the last year of your Initial Term, unless our then-current franchise agreement specifies the payment by you of a different amount.

You must pay the National Marketing Fee at the same time that you pay your Monthly Fee. We will deposit and maintain the National Marketing Fee in a separate bank account, commercial account or savings account ("**National Marketing Fund**"). The National Marketing Fund will be administered by us, in our discretion, and we may use a professional advertising agency or media buyer to assist us. All of our franchisees shall be required to contribute to the National Marketing Fund in an amount determined by us in our sole discretion. Your contribution to the National Marketing Fund will be in addition to all other advertising fees set out in this Item 11. We may reimburse ourselves and our authorized representatives from the National Marketing Fund for administrative costs, salaries, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the National Marketing Fund. We assume no other direct or indirect liability or obligation to collect amounts due to the National Marketing Fund or to maintain, direct or administer the National Marketing Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the National Marketing Fund on any terms we deem reasonable. Since we do not have this fund audited, audited financial statements are not available to Franchisees. We will make available to you an annual accounting for the National Marketing Fund that shows how the National Marketing Fund proceeds have been spent for the previous year, within 120 days after our fiscal year end, and within 30 days after a written request by you, which request shall be made no more than once annually.

We may use the National Marketing Fund for the creation, production and placement of commercial advertising; agency costs and commissions; creation and production of video, audio and written advertisements; administering multi-regional advertising programs, direct mail and other media advertising; in-house staff assistance and related administrative costs; local promotions; supporting public relations; market research; and other advertising and marketing activities, including participating at trade shows. Advertising may be prepared by in-house, national or regional agencies that we may select in the future and may be placed in local, regional or national media of our choice, including print, direct mail, radio or television. We do not guarantee that advertising expenditures from the National Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

As of the date of this Franchise Disclosure Document, we have not yet required any National Marketing Fee payments or established a National Marketing Fund. Hence, the percentage of advertising fund money spent on production, media placement, administrative expenses and other items cannot be calculated for our last fiscal year.

We will not use National Marketing Fund monies to solicit franchisees or otherwise sell additional franchises. The National Marketing Fund will be used to promote the System, Services and/or Products sold by the franchisees. We do not receive payments for providing goods or services to the National Marketing Fund, except for reimbursement of expenses as described above.

We do not expect to merge or consolidate the National Marketing Funds for the Mosquito Authority and Pest Authority franchise systems, but we reserve the right to do so.

You must order all sales and marketing material, as well as all items, apparel, products, company literature bearing our logo or Marks, only from us or a supplier designated by us. We will not grant our approval of any request by you to use any alternative suppliers for your purchase of all sales and marketing material, as well as all items, apparel, products, company literature bearing our logo or Marks. It is a material breach of the Franchise Agreement to use other marketing material without prior written approval. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your Pest Authority Business, those items or services must be included in your Gross Revenues and will be subject to Royalties, Minimum Individual Local Advertising Expense and the National Marketing Fee.

Except as described above, we are not obligated to spend any amount on advertising in the geographical area where you are or will be located.

**Minimum Individual Local Advertising Expense and Special Campaigns**

You must spend a required minimum amount on local advertising for your Pest Authority Business (the

"**Minimum Individual Local Advertising Expense**"). The Minimum Individual Local Advertising Expense is currently the greater of $5,500 or 5% of Gross Sales annually. You will spend this money with us or approved marketing vendors, including pay per click and social media advertising vendors. All marketing must be approved by us before you use it.

We reserve the right to establish or designate specialized, or regional, or special-focused advertising, marketing or media campaigns ("**Special Campaigns**") that may or may not involve you and/or other Pest Authority businesses. If we establish or designate a Special Campaign that is or will be applicable to you, you must participate in that campaign and contribute to the costs of the Special Campaign in the amounts and in the manner that we specify. Any amounts that you spend or contribute to or for the Special Campaign will be credited toward your required Minimum Individual Local Advertising Expense expenditure.

**Website, Social Media and Internet**

We operate an Internet website that provides information about us and about Pest Authority Businesses generally, and about our franchising program. If you own multiple Territories under one or more Franchise Agreements, you will be required to maintain at least one website per Territory in which you are responsible for paying the monthly website to us or our affiliates. We have sole discretion and control over the website (including timing, design, contents and continuation). We currently require franchisees to provide us information on their Pest Authority Businesses so that we can create and maintain custom local interior website pages containing information about our franchisees' specific Pest Authority Businesses. You must pay to us or our selected vendors the then current monthly local website and digital footprint fee for creation of your local website pages, inclusive of a digital marketing offer generator for organic inbound sales leads, review generator and search engine optimization (SEO). If implemented by us, you must also pay to us or our selected vendors a monthly social media fee to create and manage local posts on social media outlets and manage your reputation. We reserve the right to modify or increase these fees upon notice to you based on our then current costs.

We may offer and sell Products and Services through the Internet website or other websites, including in your Territory. See Item 12. You will have no right, license, or authority to use any of the Marks on or in connection with our website or any other website, except as we provide in the Franchise Agreement.

Unless we agree in writing, neither you nor your owners, employees or agents may use the Marks or otherwise mention your Pest Authority Business or the Mosquito Authority System in connection with any business or personal uses of Social Media, which we define as any and all existing or future forms of electronic communication, whether for business or personal use (including via Internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos) through which users create or use online networks or communities (including but not limited through online communities such as Facebook, Twitter, Instagram, SnapChat, LinkedIn, YouTube, Yelp or Wikipedia and other similar content sharing outlets) to share information, ideas, personal messages, and other online content.

In all cases, we have sole discretion and control over any profiles using or relating to the Marks, your Pest Authority Business or the Mosquito Authority System, or that display the Marks that are maintained or posted on Social Media. We may (but need not) establish guidelines pursuant to which you may establish profiles or otherwise establish a presence on Social Media. In such event, you will comply with the standards, protocols and restrictions that we impose, and we can revoke any prior permissions. If implemented, we may use part of the National Marketing Fee monies to pay or reimburse the costs associated with the development, maintenance and update of profiles on Social Media. You will indemnify us if we incur losses and expenses from any authorized or unauthorized use of Social Media.

**Schedule for Opening**

You must apply for all required pesticide licenses and permits within ten business days after signing the Franchise Agreement. If you do not receive all required pesticide licenses and permits within six months of executing the Franchise Agreement, we may terminate the Franchise Agreement.

You may not open your Pest Authority Business until: (1) initial training is completed to our satisfaction; (2) all amounts due to us have been paid; (3) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (4) you notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (5) you have received all required permits and licenses; and (6) you have ordered, received and installed your equipment, supplies, inventory and Computer System. You must be prepared to begin operating your Pest Authority Business immediately after we state that your Pest Authority Business is ready for opening.

You will typically open your Pest Authority Business within six months after you sign the Franchise Agreement, but the time may vary significantly based on factors like your ability to obtain all necessary licenses and permits, obtaining a lease for any Storage Facility you rent, ordering, receiving and installing your equipment, supplies, inventory and Computer System, or completion of training.

**Required Customer Guarantee**

You must provide your customers with a guarantee for the period that we require in the Brand Standards Manual on all products and services used in your Pest Authority Business. We may change the guarantee at any time. All dealing and transactions with customers and suppliers must be fair and honest.

**Technology and Computer Equipment**

You must own or purchase and use computer hardware and software required by us. Currently, you must purchase a desktop or lap top personal computer **("Hardware")** which runs on the MAC, Windows 8, Windows XP Professional or most current operating system. Your computer must also have Microsoft Office or a more recent version installed and operating and the web-based resource center software. You must also maintain QuickBooks Accounting software for the purpose of reporting required data to us. The Hardware, Dispatch Software and other software are referred to as the "**Computer System".** The Computer System will cost between $150 and $1,000 to own. You may not lease the Computer System. You must update your Computer System, at your expense, as we may require periodically to meet our specifications as they evolve. Upgrades, in some cases, may only be available through our suppliers. The cost to update or upgrade the Computer System will range from $0 to $1,000 annually.

We may change the designated suppliers occasionally on written notice to you. See Item 8. Neither we nor any supplier has any obligation under the Franchise Agreement to provide ongoing maintenance, repairs, upgrades or updates to the Computer System.

You will use the Computer System for word processing, communicating via e-mail with us and for tracking customer information. You must have sufficient computer skills to be able to operate your Computer System and to access e-mail and the Internet. You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. You must check your email account at least once every day. If we determine that you require additional computer training, you must take and pay for, at your own expense, a computer training course at a local computer training school. You must complete this training within ninety days of the day we advise you of this requirement, and you must present us with a certificate acceptable to us to show that you passed the course.

We have the right to independently access your business related electronic information and data through our proprietary data management and intranet system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by these communications and computer-related problems.

**Franchise Advisory Council**

As of the date of this Franchise Disclosure Document, we have a Pest Authority Advisory Council (the "Councils"), made up of 8 franchisees. Members of the Councils are selected on a nomination and election process by fellow franchises. The Councils are not incorporated or otherwise organized under any state's law. The Councils serve in an advisory capacity only and have no operational or decision-making power. Though we are under no obligation to abide by the positions of the Councils, the Councils assists us with advertising policies and other facets of the franchisor/franchisee relationship. The franchise agreement does not give us the power to form, change or dissolve the Councils.

We do not require you to participate in or to contribute to an advertising cooperative.

## ITEM 12
## TERRITORY

We will grant you a geographic area ("**Territory**") in which to sell the Products and Services you are authorized to sell under the Franchise Agreement. Your Territory will be determined before you sign the Franchise Agreement and is based on demographics and other characteristics including population density, median income and other characteristics of the surrounding area, natural boundaries, extent of competition and the amount and size of urban, suburban and rural areas. The franchise is not for a specific location or location to be approved by us since you will operate within the Territory, which is larger than a specific location.

Our standard size Franchise is a Full-Size Franchise, and the minimum Territory we grant to you for a Full-Size Franchise will consist of 35,000 single family dwellings above a $75,000 median income of all households in the geographic area. Should a geographic area have a median income of less than $75,000, we will make sure that there are at least 35,000 single family dwellings above the median income of all households in the designated geographic area at the time you sign your Franchise Agreement. For Hometown Franchises, we take into account the number of single-family dwellings and median income, but we do not have any specific minimum level of single-family dwellings or median income in a specific geographic area for a Hometown Franchise since this type of Hometown Franchise is meant to serve a smaller community. We will use commercial reasonable efforts, including the use of the most recent information available in the U.S. Census Data, or other statistical sources of our choosing, to determine these demographics. You will maintain rights to your Territory even though the population in your Territory may increase or decrease. We have the exclusive right to determine the boundaries of your Territory in our sole discretion.

We reserve the right to change, modify, or delete the single-family Dwelling Limit for either or both the Full-Size Franchise or Hometown Franchise for a particular transaction at our sole discretion. We will use our business judgment to determine whether the limit makes good business sense for us and all of our franchisees. Enforcing the limit may not be practical when considering limitations on geography, housing availability, natural physical boundaries and population and demographic shifts. In the event that utilizing this limit does not make good business sense as determined by us we may delete the limit in our sole discretion.

You may not relocate your Franchise Territory, but you may be permitted to relocate the location of your Business premises or Storage Facility with our prior written consent, which may be withheld or delayed in our sole discretion. For example, if you operate the Business under a lease at your Business location, and the lease for the location expires or terminates or if the Business premises are destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by us, we may, in our reasonable discretion, allow you to relocate your Business location. Any such relocation shall be at your sole expense. We have no obligation to provide relocation assistance.

You are not permitted to target mosquitos, flies or ticks unless specifically agreed by us in writing. You may have to compete generally with Mosquito Authority Businesses owned or operated by us, our affiliates or our franchisees. As of December 31, 2023, our franchisees operated 551 Mosquito Authority Businesses in the United States. We and our affiliates may in the future adapt the Pest Authority Business and/or Mosquito Authority Business models.

**You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we or companies associated with us control.** However, so long as you and your owners are in full compliance with your Franchise Agreement and all other agreements between us and our affiliates and you and your owners and affiliates, then we will not operate or authorize anyone except you to commence operation of a full-service Pest Authority Business using the Marks and the System within your Territory during the term of your Franchise Agreement.

In all cases, we and our affiliates (and their respective successors and assigns, by purchase, merger, consolidation or otherwise) reserve all rights that the Franchise Agreement does not expressly grant to or confer upon you, including, without limitation (and notwithstanding the territorial limitation noted above), the sole and exclusive rights:

1. to own, franchise, or operate Pest Authority Businesses at any location outside of the Territory, regardless of the proximity to or effect on your Pest Authority Business;

2. to advertise and promote Pest Authority Businesses generally, the Products and Services offered and sold by Pest Authority Businesses and any other products and services within or outside of the Territory through any means of advertising and promotion, including through the Internet;

3. to use the Marks and/or the System, or other proprietary and non-proprietary trademarks or service marks and systems, to manufacture, distribute or sell any products or services, regardless of their similarity to the Products and Services that you will sell in your Pest Authority Business, through any alternate channels of distribution other than a full-service Pest Authority Business, within or outside of the Territory, including but not limited to, through the Internet, through private label manufacturing and distribution, through affiliated or third party retail locations and through any other channels of distribution such as television, mail order or catalog sales. This expressly includes Mosquito Authority Businesses that may use aspects of the Marks and/or System;

4. to purchase and operate or be purchased by, or merge or combine with, any business, including a business that competes directly with your Pest Authority Business, wherever located;

5. to acquire and convert to our System (but not to a full-service Pest Authority Business using the Marks) any businesses offering sale, design, equipment, installation and/or servicing of pest elimination and control systems, including misting systems and related equipment, and including businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory; and

6. to implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate these multi-area marketing programs.

We have no obligation to pay you any compensation for soliciting or accepting orders inside your Territory. In addition, you may not sell services to, or provide services for, customers located in an unsold territory without express written permission from us. You have no right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your Territory. However, you may be granted, in our sole discretion, express permission to sell or service customers in an unsold territory adjacent to your Territory ("**Adjacent Territory**"). We reserve the right, in our sole discretion, to grant or withhold permission for you to temporarily sell or service customers in unsold territories outside of your own. However, in the event we grant you such permission to service an Adjacent Territory and subsequent to gaining such permission we notify you that we have granted this Adjacent Territory to another franchisee, you shall cease all sales and service efforts within the Adjacent Territory, and return to us, within ten days of the notice, all customer and prospect information related to the Adjacent Territory. You do not have any first claim on the Adjacent Territory. Customers from your Territory may purchase Services and Products from us or our designees over the Internet, or in other reserved channels of distribution. If you advertise or market your Pest Authority Business outside of your Territory, unless otherwise approved by us, you will be in breach of your Franchise Agreement, and we would have the right to terminate your franchise.

You have no options, rights of first refusal or similar rights to acquire additional franchises, but we will consider existing franchisees for new franchise sales and territories on a case-by-case basis.

Neither we nor our affiliates operate or currently plan to operate or franchise businesses under a different trademark that will sell goods or services that are the same as or similar to those you will sell through your Pest Authority Business, but we reserve the right to do so and as noted in Item 1 and above we do currently franchise Mosquito, Tick, Fly and Spotted Lantern Fly Control Specialty Business that target a different type of insect eradication.

## ITEM 13
## TRADEMARKS

The Franchise Agreement grants you the nonexclusive right to use our Marks, including the service mark "PEST AUTHORITY", and various designs and logo types associated with our services. You may also use our other current or future Marks as we may designate to operate your Pest Authority Business. You receive no rights to, or related protections from, the use of the "MOSQUITO AUTHORITY" trademark owned by us or our parent or affiliate.

Our prior affiliate TMA originally applied for or registered, and then assigned to AFS in January 2018, and AFS assigned to Holdings in October 2020, the following trademarks on the Principal Register with the United States Patent and Trademark Office (the "**USPTO**"):

| Mark | Registration Date (Application Date) | Registration Number (Application Number) | Status |
|---|---|---|---|
| **PEST AUTHORITY** | June 26, 2018 | 5503805 | Registered |

We hold a license from Holdings to use and sublicense the use of the Marks and the System to our franchisees. The license was granted effective October 10, 2020. The license continues on in perpetuity, subject to termination by agreement, or upon notice and a failure to cure any material misuse of the Marks. If our license is terminated, according to the terms of the license agreement, our franchise agreements will be automatically assigned to Holdings or to a new licensee that is acceptable to Holdings.

We or Holdings intend to file all affidavits and to renew the registrations for the Marks when they become due.

We or Holdings have timely filed, and intend to timely file, with the USPTO all required affidavits of use and an affidavit of incontestability, when due, for the trademark noted above.

We or Holdings may also use a number of unregistered, common law trademarks. You must follow our rules when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including but not limited to URLS, domain names, e-mail addresses, locators, links, metatags or search techniques. You must get our prior written approval of your company name before you file any registration documents. You must indicate, as required in the Franchise Agreement and specified in the Brand Standards Manuals, that you are an independent operator. Guidelines regarding proper trademark use and notices are in the Brand Standards Manuals and will be updated periodically in our discretion. You may not use our Marks with an unauthorized product or service, or in a manner not authorized in writing by us.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which may be relevant to their use in any state.

We are aware of a single Pest Control Authority business that has been operating in Charlotte, North Carolina since 1980 and that specializes in providing solutions to general pest, wildlife and termite problems. We do not currently have any plans to take any action against this business.

There are no agreements currently in effect that significantly limits our right to use or to license others to use the Marks listed in this section in a manner material to the franchise.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to Holdings' ownership of, or our right to use and to license others to use, or your right to use, the Marks. We and Holdings have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We and Holdings have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We and Holdings may defend you against any third-party claim, suit or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of- pocket costs in doing these acts.

You must conspicuously post a sign at your Pest Authority Business premises and include on all written materials, including advertisements, stationery, business cards, etc. the following: “Independently owned and operated.”

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating under it, at our sole discretion. We will not be required to reimburse you for any of your costs related to conforming to our new Marks, and will otherwise have no obligation or liability to you as a result of any substitution.

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

The information contained in the Brand Standards Manuals is proprietary and is protected by copyright and other laws. The Brand Standards Manuals and the limitations of the use of it by you and your employees are described in Item 11 and Sections 7, 8 and 10 of the Franchise Agreement. The designs contained in the Marks, the layout of our advertising materials, the content and format of any other writings or copyright and other laws also protect recordings in print or electronic form. Although we have not filed an application for copyright registration for the Brand Standards Manuals, the advertising materials, the content and format of any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“**Copyright Works**”) in connection with your operation of your Pest Authority Business, but these copyrights remain our sole property.

There are currently no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit your use of our Copyrighted Works.

Our Brand Standards Manuals, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of and experience in the development, operation and franchising of Pest Authority Businesses, formulations for and packaging of Products and Services sold at Pest Authority Businesses, information concerning Product and Service sales, operating results, financial performance and other financial data of Pest Authority Businesses and other related materials are proprietary and confidential (“**Confidential Information**”) and are considered to be our property to be used by you only as described in the Franchise Agreement or the Brand Standards Manuals. Where appropriate, certain information has also been identified as trade secrets (“**Trade Secrets**”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for the development of your Pest Authority Business during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners, if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement that we can enforce. Nothing contained in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Pest Authority Business during the term of the Franchise Agreement.

You must notify us within three days after you learn about another's use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyright Works or use of our Confidential Information or Trade Secrets or if someone challenges your use of our Copyright Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyright Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyright Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyright Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to any of our Copyright Works, Confidential Information of Trade Secrets. You may not communicate with anyone except us and our counsel with respect to any infringement, challenge or claim.

We will have discretion to take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyright Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyright Works, Confidential Information or Trade Secrets.

No patents are material to us at this time.

We have the right to inspect, copy and use all records with respect to the customers, suppliers, and other services providers of, and related in any way to, your Pest Authority Business. This includes, without limitation, all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, e-mail addresses, and customer purchase records. We may use or transfer the records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. We may contact any or all of your customers, suppliers, and other service providers for quality control, market research, and other purposes, as we deem appropriate, in our sole discretion.

You must disclose to us all ideas, techniques and products concerning the development and operation of the Pest Authority Business you or your employees conceive or develop during the term of the Franchise Agreement. You must grant to us and agree to obtain from your owners or employees a perpetual, non-exclusive and worldwide right to use these ideas, techniques and products concerning the development and operation of Pest Authority Business that you or your employees conceive or develop during the term of the Franchise Agreement in all pest elimination/control related product and service businesses that you operate. We will have no obligation to make any lump sum or on-going payments to you with respect to any idea, concept, method, technique or product. You must agree that you will not use nor will you allow any other person or entity to use any of these ideas, techniques or products without obtaining our prior written approval.

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

If you are an individual, you must directly supervise the Pest Authority Business at your franchised location. If you are a business entity, the direct, on-site supervision must be done by a Designated Business Manager. The Designated Business Manager is not required to own a beneficial interest in the business entity.

If we believe you lack sufficient business experience, you must designate a Designated Business Manager to act as the operating manager for your Pest Authority Business. We must approve the selection of the Designated Business Manager before signing the Franchise Agreement. The Designated Business Manager must attend and successfully complete the initial training program, and must abide by the obligations in the Franchise Agreement and the Brand Standards Manuals. The Designated Business Manager must agree to the same confidentiality and non-competition obligations that you are required to abide by. (See Attachment A to the Franchise Agreement).

If you are a legal or business entity, each individual who owns, directly or indirectly, a 5% or greater interest in you (and, if you are an individual, your immediate family defined as your spouse and domestic partner) must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement (See Attachment B to the Franchise Agreement) and our Non-Disclosure and Non-Competition Agreement attached to this Franchise Disclosure Document as Exhibit G).

We do not permit franchisees to enter into management agreements or other types of operating agreements with other franchisees or any other third parties that delegate management or operational authority of a franchised Pest Authority Business to a third party.

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

You are limited to offering general pest control and moisture control services to residential and commercial customers. You must refrain from using or permitting the use of your Pest Authority Business for any other purpose or activity at any time without first obtaining our written consent.

You must sell or offer for sale only those Services and Products which are authorized by us and which meet our standards and specifications, and you must offer and sell all Services and Products which we authorize and require you to offer and sell unless such Services and Products are not permitted in your jurisdiction. You must follow our policies, procedures, methods, and techniques. We may change or add to our required or authorized Services and Products at our discretion. There are no specific limits on our right to change or add to our required or authorized Services and Products, but we will give you prior notice of any such changes or additions. You must discontinue selling and offering for sale any Services or Products, which we may, in our discretion, disapprove in writing at any time.

If there occurs a global, regional or local crisis such as a pandemic or other similar Force Majeure Event (as defined in Section 20.8 of the Franchise Agreement) for which the Center for Disease Control or other governmental body with authority over the Territory mandates preventative action (such as temporarily stopping or materially limiting the conducting of business or travel for public health and safety reasons), you must cooperate fully with such mandates and with how we respond to the crisis on a system-wide basis, which may include our requiring a temporary closure of your Pest Authority Business if directly affected by the mandates (whether or not all or other Pest Authority Businesses are required to temporarily close). No such crisis existing or is continuing as of the date of this Disclosure Document.

As described in Items 1 and 12, we currently restrict you from offering or selling mosquito, fly, tick and spotted lantern fly elimination and control systems in or through your Pest Authority Business.

Except as described above, there are no other restrictions on the customers to whom you may sell.

## ITEM 17
## RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

| Provision | Sections in Franchise Agreement or Other Agreement | Summary |
| --- | --- | --- |
| a. Length of Franchise Term | Section 3 | 10 years |
| b. Renewal or extension of the term | Section 3 | Your successor franchise right permits you to remain as a franchise after the initial term of your Franchise Agreement expires. If you wish to do so, and you satisfy the pre- conditions to obtaining a Successor Franchise, we will offer you the right to obtain additional terms of 10 years. You must sign our then- current Franchise Agreement ("Successor Franchise Agreement") for the Successor Term. |
| c. Requirements for franchisee to renew or extend | Section 3 | Sign new agreement, be current in payments, sign release, pay renewal fee. The new agreement that you must sign at renewal may contain terms and conditions that are materially different than the original contract. |
| d. Termination by franchisee | None | You can terminate only if a right is available to you under applicable law. |
| e. Termination by franchisor without cause | None | N/A |
| f. Termination by franchisor with cause | Section 17 | Can terminate upon certain violations of the Franchise Agreement by you. |
| g. "Cause" defined - curable defaults | Section 17 | You have 30 days to cure the default listed in Section 17.2 |
| h. "Cause" defined -- non-curable defaults | Section 17 | Non-curable defaults: the defaults listed in Section 17.1 |

| Provision | Sections in Franchise Agreement or Other Agreement | Summary |
|---|---|---|
| i. Franchisee's obligations on termination/non-renewal | Sections 10, 12, 14 & 17 | Obligations include complete de- identification, payment of amounts due and return of Brand Standards Manuals, all Confidential Information, trade secrets and records |
| j. Assignment of contract by franchisor | Section 15.1 | No restriction on our right to assign |
| k. "Transfer" by franchisee - defined | Section 15 | Includes transfer of contract or assets or ownership change. |
| l. Franchisor approval of transfer by franchisee | Section 15.6. 15.7 | We have the right to approve all transfers |
| m. Conditions for our franchisor approval of transfer | Section 15 | New franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee. |
| n. Franchisor's right of first refusal to acquire your business | Section 15.6, 16 | We can match any offer for your business. |
| o. Franchisor's option to purchase franchisee's business | Section 16 | We may, but are not required to, purchase your inventory and equipment at fair market value if your franchise is terminated for any reason. |
| p. Death or disability of franchisee | Section 15.9 | Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 days. |
| q. Non-competition covenants during the term of franchise | Section 14 | Subject to applicable state law, no involvement in competing business anywhere in US. |
| r. Non-competition covenants after the franchise is terminated or expires | Sections 14.2, 17 | Subject to applicable state law, no competing business for two years (i) in the Territory; or, (ii) within 25 miles of the Territory |
| s. Modification of agreement | Sections 2.3, 3.5 & 20.11 | No modifications of Franchise Agreement during term generally, but Brand Standards Manuals subject to change. Modifications permitted on renewal. |

| Provision | Sections in Franchise Agreement or Other Agreement | Summary |
|---|---|---|
| t. Integration/merger clause | Section 20.5 | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state and/or federal law). No other representations or promises will be binding. Nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. |
| u. Dispute resolution by arbitration or mediation | Section 19 | Subject to applicable state law and except for certain claims, all disputes must be arbitrated in North Carolina |
| v. Choice of forum | Sections 19.1 & 20.1 | Subject to applicable state law. Arbitration must be in North Carolina (see state specific addenda) |
| w. Choice of law | Sections 19.1 & 20.1 | Subject to applicable state law. North Carolina law applies (see state specific addenda) |

## ITEM 18
## PUBLIC FIGURES

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

## ITEM 19
## FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Chris Buitron, 2359 Perimeter Pointe Parkway, Suite 250, Charlotte, North Carolina 28208, 28602; Tel: (888) 824-6797, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20
## OUTLETS AND FRANCHISEE INFORMATION

### TABLE 1
### SYSTEMWIDE OUTLET SUMMARY FOR FISCAL YEARS 2021 TO 2023

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchised | 2021 | 117 | 184 | +67 |
| | 2022 | 184 | 235 | +51 |
| | 2023 | 235 | 268 | +33 |
| Company-Owned | 2021 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | +1 |
| **Total Outlets** | **2021** | **117** | **184** | **+67** |
| | **2022** | **184** | **235** | **+51** |
| | **2023** | **235** | **269** | **+34** |

* As of the end of our 2023 fiscal year, 25 of the 268 Territories in operation are considered Home Town Franchisees. See Exhibit C.
**We list each separate Territory as an Outlet in the tables in Item 20. Many of our older franchisees have multiple franchise agreements and/or multiple Territories.
*** We opened 1 Pest Authority Business ourselves in 2023 in Hickory, North Carolina where we had a company-owned Mosquito Authority Business.

### TABLE 2
### TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
### (OTHER THAN THE FRANCHISOR)
### FOR YEARS 2021 TO 2023

| State | Year | Number of Transfers |
|---|---|---|
| Georgia | 2021 | 1 |
| | 2022 | 0 |
| | 2023 | 0 |
| New Jersey | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 2 |
| North Carolina | 2021 | 1 |
| | 2022 | 0 |
| | 2023 | 0 |
| South Dakota | 2021 | 0 |

| | | |
|---|---|---|
| | 2022 | 0 |
| | 2023 | 1 |
| Tennessee | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 5 |
| **Totals** | **2020** | **2** |
| | **2021** | **0** |
| | **2023** | **8** |

**TABLE 3**
**STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023***

**We list each separate Territory as an Outlet in the tables in Item 20. Many of our older franchisees have multiple franchise agreements and/or multiple Territories. As of the end of our 2023 fiscal year, 25 of the 268 Territories in operation are considered Home Town Franchisees. See Exhibit C.

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2021 | 11 | 5 | 0 | 0 | 0 | 0 | 16 |
| | 2022 | 16 | 0 | 0 | 0 | 0 | 0 | 16 |
| | 2023 | 16 | 2 | 0 | 0 | 0 | 0 | 18 |
| Arizona | 2021 | 1 | 2 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| California | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| Connecticut | 2021 | 2 | 0 | 2 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 4 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Florida | 2021 | 5 | 0 | 0 | 0 | 2 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 4 | 0 | 0 | 0 | 0 | 7 |
| Georgia | 2021 | 26 | 6 | 0 | 0 | 0 | 0 | 32 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 32 | 6 | 0 | 0 | 0 | 0 | 38 |
| | 2023 | 38 | 1 | 0 | 0 | 0 | 0 | 39 |
| Iowa | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Illinois | 2021 | 0 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Indiana | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 4 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| Maryland | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Michigan | 2021 | 0 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 2 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| Missouri | 2021 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Mississippi | 2021 | 2 | 6 | 0 | 0 | 0 | 0 | 8 |
| | 2022 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 1 | 0 | 0 | 0 | 0 | 9 |
| North Carolina | 2021 | 14 | 1 | 0 | 0 | 0 | 0 | 15 |
| | 2022 | 15 | 1 | 0 | 0 | 0 | 0 | 16 |
| | 2023 | 16 | 4 | 0 | 0 | 0 | 0 | 20 |
| New Jersey | 2021 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2022 | 9 | 4 | 0 | 0 | 0 | 0 | 13 |
| | 2023 | 13 | 3 | 0 | 0 | 0 | 0 | 16 |
| New Mexico | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| New York | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Ohio | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 1 | 8 | 0 | 0 | 0 | 0 | 9 |
| | 2023 | 9 | 3 | 0 | 0 | 0 | 0 | 12 |
| Oklahoma | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Pennsylvania | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Puerto Rico | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Rhode Island | 2021 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 2021 | 8 | 1 | 0 | 0 | 0 | 0 | 9 |
| | 2022 | 9 | 2 | 0 | 0 | 0 | 0 | 11 |
| | 2023 | 11 | 1 | 0 | 0 | 0 | 0 | 12 |
| South Dakota | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Tennessee | 2021 | 6 | 6 | 0 | 0 | 0 | 0 | 12 |
| | 2022 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2023 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| Texas | 2021 | 8 | 25 | 0 | 0 | 0 | 0 | 33 |
| | 2022 | 33 | 3 | 0 | 0 | 0 | 0 | 36 |
| | 2023 | 36 | 0 | 0 | 0 | 0 | 0 | 36 |
| Utah | 2021 | 0 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |
| | 2023 | 7 | 2 | 0 | 0 | 0 | 0 | 9 |
| Virginia | 2021 | 14 | 0 | 0 | 0 | 0 | 0 | 14 |
| | 2022 | 14 | 1 | 0 | 0 | 0 | 0 | 15 |
| | 2023 | 15 | 2 | 0 | 0 | 0 | 0 | 17 |
| Wisconsin | 2021 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 4 | 0 | 0 | 0 | 0 | 7 |
| **Totals** | **2021** | **117** | **73** | **4** | **0** | **2** | **0** | **184** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2022** | **184** | **51** | **0** | **0** | **0** | **0** | **235** |
| | **2023** | **235** | **34** | **0** | **0** | **0** | **0** | **269** |

**TABLE 4**
**STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023**

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from franchise | Outlets Closed | Outlets Sold to Franchisor | Outlets at End of Year |
|---|---|---|---|---|---|---|---|
| North Carolina | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 1 |
| **Totals*** | **2021** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2022** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2023** | **0** | **1** | **0** | **0** | **0** | **1** |

* We opened 1 Pest Authority Business ourselves in 2023 in Hickory, North Carolina where we had a company-owned Mosquito Authority Business.

**TABLE 5**
**PROJECTED OPENINGS AS OF JANUARY 1, 2024**

| State | Franchise Agreements Signed But Outlet not Opened | Projected New Franchised Outlets in the next fiscal year | Projected New Company-Owned Outlets in the Current fiscal year |
|---|---|---|---|
| None | 0 | 0 | 0 |
| **Totals** | **0** | **0** | **0** |

**List of Franchisees; List of Former Franchisees**

Exhibit C lists the names of all current Pest Authority Business franchisees and the addresses and telephone numbers of their outlets as of December 31, 2023.

Exhibit C also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every Pest Authority Business franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us or our predecessor within 10 weeks of this issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**Purchase of Previously-Owned Franchise**

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this Franchise Disclosure Document.

**Confidentiality Clauses**

Current and former franchisees have signed confidentiality clauses during the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us or our predecessors and affiliates. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

**Trademark-Specific Franchisee Organizations**

We are not currently aware of any trademark-specific franchisee organizations associated with the franchise system which we have created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this Franchise Disclosure Document. However, we may form a Franchisee Advisory Council and/or Marketing Advisory Council in the future similar to the MA Councils described in Item 11.

## ITEM 21
## FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as Exhibit A are the following financial statements:

1. Our interim, unaudited financial statements for the period from January 1, 2024 to March 31, 2024.
2. Our audited financial statements for the years ended December 31, 2023 and 2022.
3. Our audited financial statements for the years ended December 31, 2022 and 2021.

We changed our name from Authority Franchising, LLC to Main Line Brands LLC effective on March 18, 2021, which is not reflected in the financial statements.

Our fiscal year end is December 31st of each year.

## ITEM 22
## CONTRACTS

Attached are the following agreements proposed for use in connection with our offering of franchises:

| | |
|---|---|
| Exhibit B: | Franchise Agreement (including State-specific Addenda) |
| Exhibit G: | Non-Disclosure and Non-Competition Agreement |
| Exhibit H: | Termination Agreement and Release |

## ITEM 23
## RECEIPTS

Exhibit I to this Franchise Disclosure Document includes detachable documents acknowledging your receipt of this Franchise Disclosure Document. One copy is for your records, and one copy must be signed and dated by you and returned to us.

**Exhibit A Financial Statements**

**THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

**Main Line Brands, LLC**
Consolidated Balance Sheet
*($ in 000's)*

| | as of March 31, 2024 |
|---|---|
| Current Assets: | |
| Cash & Cash Equivalents | 2,021.4 |
| Accounts Receivable, Net | 1,268.9 |
| Inventory | - |
| Prepaid Expenses | - |
| Undeposited Funds | 0.2 |
| Financed Franchise Fees | 435.1 |
| Right-of-use Asset | 943.4 |
| Other Current Assets | 1,020.8 |
| **Total Current Assets** | **5,689.7** |
| Long-Term Assets: | |
| Fixed Assets, Net | 213.0 |
| Net Intangibles | 27,657.4 |
| **Total Long-Term Assets** | **27,870.5** |
| **Total Assets** | **33,560.2** |
| Current Liabilities: | |
| Accounts Payable | 167.6 |
| Accrued Expenses (Incl. Bonuses) | 276.9 |
| Right-of-use Liability | 38.5 |
| Other Current Liabilities | 115.2 |
| Credit Card Expenses | 128.6 |
| **Total Current Liabilities:** | **726.8** |
| Long-Term Liabilities: | |
| Revolver | - |
| Term Loan | 10,930.2 |
| Right-of-use Liability | 906.5 |
| Other Long-Term Liabilities | - |
| **Total Long-Term Liabilities** | **11,836.7** |
| **Total Liabilities** | **12,563.5** |
| Shareholders Equity: | |
| Common Stock | - |
| Shareholder Distributions | (1,524.6) |

| | |
|---|---|
| Additional Paid In Capital | 24,681.1 |
| Retained Earnings | (2,306.4) |
| Net Income | 146.6 |
| **Shareholders Equity:** | **20,996.7** |
| | |
| **Total Liabilities & Shareholder's Equity** | **33,560.2** |

**Main Line Brands, LLC**
Consolidated Income Statement
*($ in 000's except for territories and unit count)*

| | as of March 31, 2024 |
|---|---|
| Revenue: | |
| Franchise Fees | 482.0 |
| Royalty Fees | 1,634.1 |
| Transfers / Renewals / Refunds / Repurchases | 5.0 |
| Product Sales | 221.0 |
| Technology Fees | 169.9 |
| Company Owned Territory | 426.9 |
| Other | 0.2 |
| **Consolidated Revenue** | **2,939.1** |
| Cost of Goods Sold | 256.7 |
| **Consolidated Gross Profit** | **2,682.3** |
| SG&A | |
| Administrative & Professional Fees | 94.4 |
| Advertising & Marketing | 39.0 |
| Benefits & Payroll | 750.8 |
| Facility Expenses | 62.5 |
| IT & Software Expenses | 140.9 |
| Rent Expense | 43.8 |
| Other SG&A | 331.7 |
| Consolidated SG&A | 1,463.0 |
| Depreciation & Amortization | 730.8 |
| Management Fees | 37.5 |
| Interest Expense | 333.9 |
| (Interest Income) | (10.2) |
| Other (Income) / Expenses | (19.3) |
| ASC 606 Impact | - |
| Total Other (Income) / Expenses | 1,072.7 |
| **Earnings Before Taxes** | **146.6** |
| Income Taxes | - |
| **Net Income** | **146.6** |
| Plus: Interest Expense (Net) | 323.7 |
| Plus: Income Taxes | - |
| Plus: Depreciation & Amortization | 730.8 |
| **Reported EBITDA** | **1,201.1** |
| Adjustments | 108.5 |
| **Adjusted EBITDA** | **1,309.6** |

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# MAIN LINE BRANDS LLC & SUBSIDIARIES

Consolidated Financial Statements for the
Years Ended December 31, 2023 and 2022
and Independent Auditors' Report

GreerWalker

GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Member of Main Line Brands LLC & Subsidiaries:

***Opinion***

We have audited the consolidated financial statements of Main Line Brands LLC & Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of income and changes in member's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America ("GAAP").

***Basis for Opinion***

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

***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP; this includes 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 that the consolidated financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Greenhalder LLP

Certified Public Accountants
April 4, 2024
Charlotte, NC

**MAIN LINE BRANDS LLC AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

| ASSETS | 2023 | 2022 |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash | $ 2,384,766 | $ 2,763,016 |
| Accounts receivable, net of allowance of $5,000 and $8,334, respectively | 743,358 | 665,088 |
| Notes receivable, current portion, net of allowance of $40,000 and $45,666, respectively | 147,055 | 286,936 |
| Prepaid expenses and other assets | 703,350 | 339,450 |
| Total current assets | 3,978,529 | 4,054,490 |
| PROPERTY, NET | 181,817 | 147,068 |
| NON-CURRENT ASSETS: | | |
| Operating lease right-of-use asset, net | 943,409 | - |
| Goodwill and intangible assets, net | 28,393,945 | 31,226,065 |
| Notes receivable, non-current portion | 192,056 | 196,285 |
| Total non-current assets | 29,529,410 | 31,422,350 |
| TOTAL | $ 33,689,756 | $ 35,623,908 |
| LIABILITIES AND MEMBER'S EQUITY | | |
| CURRENT LIABILITIES: | | |
| Operating lease liability, current portion | $ 115,172 | $ - |
| Accounts payable | 155,489 | 66,879 |
| Accrued liabilities | 300,463 | 259,814 |
| Total current liabilities | 571,124 | 326,693 |
| OPERATING LEASE LIABILITY, NET OF CURRENT PORTION | 906,468 | - |
| MEMBER'S EQUITY | 32,212,164 | 35,297,215 |
| TOTAL | $ 33,689,756 | $ 35,623,908 |

See notes to consolidated financial statements.

## MAIN LINE BRANDS LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND CHANGES IN MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | 2023 | 2022 |
|---|---|---|
| REVENUES: | | |
| Franchise fees | $ 1,471,553 | $ 1,170,775 |
| Royalties | 7,289,308 | 6,473,351 |
| Product sales and other | 1,043,899 | 2,602,439 |
| Services | 1,470,363 | 1,042,000 |
| Total | 11,275,123 | 11,288,565 |
| OPERATING EXPENSES | 11,127,518 | 11,104,294 |
| INCOME FROM OPERATIONS | 147,605 | 184,271 |
| OTHER INCOME (EXPENSE): | | |
| Other income | 3,105 | 31,572 |
| NET INCOME | 150,710 | 215,843 |
| MEMBER'S EQUITY, BEGINNING OF YEAR | 35,297,215 | 29,893,147 |
| CONTRIBUTIONS FROM MEMBER | - | 7,419,750 |
| DISTRIBUTIONS TO MEMBER | (3,195,761) | (2,231,525) |
| IMPACT OF THE ADOPTION OF ASC 326 | (40,000) | - |
| MEMBER'S EQUITY, END OF YEAR | $ 32,212,164 | $ 35,297,215 |

See notes to consolidated financial statements.

## MAIN LINE BRANDS LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | 2023 | 2022 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 150,710 | $ 215,843 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Change in allowance for expected credit losses | (31,000) | (8,500) |
| Amortization of goodwill and intangible assets | 2,879,620 | 2,674,399 |
| Depreciation of property | 42,706 | 22,737 |
| Amortization of operating lease right-of-use asset | 58,184 | - |
| Changes in operating assets and liabilities: | | |
| Accounts and notes receivable | 56,840 | 272,776 |
| Prepaid expenses and other assets | (360,900) | (283,654) |
| Operating lease liability | 20,047 | - |
| Accounts payable | 88,610 | (1,671) |
| Accrued liabilities | 40,649 | (2,265) |
| Net cash provided by operating activities | 2,945,466 | 2,889,665 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of net assets of Proexco, LLC, Powersmith, LLC and DP and Partners, LLC, net of cash acquired | - | (78,383) |
| Purchase of net assets of The Mosquito Authority, Inc. | - | (600,000) |
| Purchase of net assets of Mosquito Masters, LLC | (35,000) | - |
| Purchase of net assets of Pearson Fitness, LLC | (35,500) | - |
| Purchases of property | (57,455) | (135,200) |
| Net cash applied to investing activities | (127,955) | (813,583) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Distributions to member | (3,195,761) | (2,231,525) |
| Net cash applied to financing activities | (3,195,761) | (2,231,525) |
| NET CHANGE IN CASH | (378,250) | (155,443) |
| CASH, BEGINNING OF YEAR | 2,763,016 | 2,918,459 |
| CASH, END OF YEAR | $ 2,384,766 | $ 2,763,016 |

See notes to consolidated financial statements.

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - Main Line Brands LLC ("MLB") and its wholly owned subsidiaries are engaged in pest control, fitness machine maintenance, and the sale of franchise agreements. Additionally, MLB sells equipment, uniforms, and marketing materials to its franchises throughout the United States.

Principles of Consolidation - The consolidated financial statements include the accounts of MLB and its wholly owned subsidiaries Proexco, LLC ("Proexco"), Powersmith, LLC ("Powersmith"), and DP and Partners, LLC ("DP") (collectively the "Company"). All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Accounting Estimates - The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Adoption of New Accounting Standard - On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASC 326"). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

The Company adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. The transition adjustment related to the adoption of CECL included an increase in the allowance for expected credit losses on notes receivable of $40,000, which is presented as a reduction to notes receivable. The Company recorded a decrease to member's equity of $40,000 as of January 1, 2023 for the cumulative effect of adopting CECL, which reflects the transition adjustment noted above. Results for reporting periods beginning after January 1, 2023 are presented under CECL while prior period amounts continue to be reported in accordance with previously applicable accounting standards ("incurred loss").

Revenue Recognition - The following sections present the Company's revenue recognition considerations for each of its revenue streams:

*Franchise revenue*

In connection with its franchising operations, the Company receives initial and renewal franchise fees for pre-opening services. Under ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASC 606"), the Company has applied the practical expedient to treat the pre-opening services as a single performance obligation. Franchise fees are non-refundable and are recognized as income when substantially all of the services to be performed by the Company and conditions relating to the sale of the franchise are performed or satisfied, which generally occurs concurrently with the execution of a franchise agreement. The transaction price is agreed upon in the contract.

The following is a summary of franchise openings and closings for the years ended December 31, 2023 and 2022:

| | Mosquito & Pest Franchises | Fitness Machine Maintenance Franchises |
|---|---|---|
| Franchises operating at December 31, 2021 | 200 | - |
| Franchises acquired through acquisition | - | 47 |
| New franchises opened during the year | 28 | - |
| Franchises closed during the year | (2) | (3) |
| Franchises operating at December 31, 2022 | 226 | 44 |
| New franchises opened during the year | 13 | 9 |
| Franchises closed during the year | (1) | (1) |
| Franchises operating at December 31, 2023 | 238 | 52 |

*Royalty revenue*

The Company earns revenue from royalties on the licensing of the use of its intellectual property. The Company must approve the use of the intellectual property prior to each specific application to ensure proper quality and a consistent image. The performance obligations of the on-going royalty fees are considered to be the advertising and other services provided. These fees are based on a percentage of sales by the franchisee, subject to certain annual minimum royalties, and are recognized as the services are provided, the fees are charged, and when they are deemed collectible. The transaction price in these contracts is primarily fixed in nature. The Company satisfies its performance obligations over time as those services are performed whereby the customer simultaneously receives and consumes the benefits of such services under the agreement.

The Company has elected an optional exemption under ASC 606 that allows it to recognize the royalty income as sales at the franchisee occur instead of estimating the sales over the period of the agreement and recognizing ratably.

*Product sales revenue*

The Company has contracts with customers for product sales under standard ship and bill arrangements. The contracts are generally accounted for as having a single performance obligation for each of the products, which are considered the only distinct promises in the contract, and are short term in nature, not exceeding one year in duration. The transaction price is agreed upon in the contract. Revenue is recognized upon satisfaction of the performance obligations which is at a point in time when control is transferred to the customer. Typically, control is transferred upon shipment to the customer.

*Services revenue*

The Company has contracts with customers for pest control and fitness machine maintenance services under standard service arrangements. The contracts are generally accounted for as having a single performance obligation for each of the services, which are considered the only distinct promises in the contract, and are short term in nature, not exceeding one year in duration. The transaction price is agreed upon in the contract. The Company satisfies its performance obligation over time as the services are performed whereby the customer simultaneously receives and consumes the benefits of such services under the agreement.

Incremental costs incurred to obtain contracts, such as sales commissions, are expensed when incurred as the amortization period of any related assets would be less than one year.

Various economic factors affect the Company's revenues and cash flow. The timing of revenue recognition, billings and cash collections results in billed accounts receivable and notes receivable. The balance of accounts receivable and notes receivable, net of allowances, resulting from contracts with customers was $1,082,469, $1,148,309, and $1,199,187 as of December 31, 2023, 2022, and 2021, respectively.

Cash - The Company maintains cash deposits with financial institutions that at times may exceed federally insured limits.

Accounts and Notes Receivable - For accounts receivable, the Company extends credit to its customers under standard payment terms, generally requiring payment within 30 days from the invoice date. For notes receivable, the Company has a program whereby certain franchisees can finance their initial franchise fee with the Company. The notes are repaid over periods ranging from 12 to 48 months, accrue interest at rates ranging from 5% to 8%, and are collateralized by the underlying franchise.

Accounts and notes receivable are reduced by an allowance for expected credit losses, which reflects management's estimate of the risk of loss due to credit default. The Company recognizes the amount of change in current expected credit losses as an allowance gain or loss in operating expenses in the accompanying consolidated statements of income. Accounts are written-off against the allowance when the Company has no reasonable expectation of recovering the receivable, either in its entirety or a portion thereof.

Changes in the allowance for credit losses during the year ended December 31, 2023 were as follows:

| | Accounts Receivable | Notes Receivable |
|---|---|---|
| Balance at January 1, 2023 | $ 8,334 | $ 45,666 |
| Impact of the adoption of CECL | - | 40,000 |
| Provision for credit losses | 1,751 | 52,882 |
| Write-offs | (5,085) | (98,548) |
| Balance at December 31, 2023 | $ 5,000 | $ 40,000 |

Management estimates the allowance for expected credit losses by applying historical credit loss rates to accounts and notes receivable aging categories. Management considers historical loss information to be a reasonable base for its estimate as the composition of accounts and notes receivable and the risk characteristics of its customers and lending practices have not changed significantly over time. In addition, accounts are pooled by aging category as the change in risk characteristics is similar as accounts age. Management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information.

Goodwill and Intangible Assets - Goodwill represents the excess of the purchase price over the fair value of net assets acquired. The Company amortizes goodwill on a straight-line basis over 10 years. Intangible assets acquired, including amounts allocated to trade names, franchise agreements, and customer lists, are amortized over their estimated useful lives (See Note 4). The Company tests goodwill and intangible assets for impairment whenever a triggering event occurs which indicates that the fair value of the entity may be below its carrying amount. The Company's evaluation of goodwill and intangible assets during the years ended December 31, 2023 and 2022 resulted in no impairment losses.

Property - Property is classified as vehicles and is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Leases - The Company assesses whether an arrangement is a lease, or contains a lease, upon inception of the contract. This assessment is based on: (1) whether the contract explicitly or implicitly involves the use of a distinct asset, (2) whether the Company obtains substantially all of the economic benefits from the use of that underlying asset during the term of the contract, and (3) whether the Company has the right to direct the use of the asset. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company recognizes a certain lease on its consolidated balance sheets as a right-of-use ("ROU") asset representing the right to use an underlying asset and lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the consolidated statements of income and changes in member's equity. All current leases are classified and accounted for as operating leases. Lease expense for operating leases, consisting of lease payments, is recognized on a straight-line basis over the lease term and is included in operating expenses in the consolidated statements of income and changes in member's equity.

The Company made an accounting policy election to not recognize ROU assets and lease liabilities for short-term leases which are leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made on or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company uses the rate explicit or implicit in the lease. For leases where the explicit rate is not stated in the contract and implicit rate is not readily determinable, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Income Taxes - For income tax purposes, the Company is considered to be a partnership. Accordingly, no provision for federal or state income taxes has been made in the accompanying consolidated financial statements since the member includes its allocable share of the Company's taxable income or loss in its respective individual income tax return.

The Company records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of December 31, 2023 and 2022.

Advertising and Marketing - The Company expenses the costs of advertising and marketing as incurred. For the years ended December 31, 2023 and 2022, the Company incurred approximately $416,000 and $472,000, respectively, of advertising and marketing expenses.

Subsequent Events - In preparing its consolidated financial statements, the Company has evaluated subsequent events through April 4, 2024, which is the date the consolidated financial statements were available to be issued.

2. ACQUISITIONS

Effective February 13, 2023, the Company acquired Mosquito Masters, LLC for total consideration of $35,000 which was paid in cash at closing. The acquisition was performed to expand the Company's product offerings. The transaction was accounted for as an asset acquisition. The entirety of the purchase price was allocated to goodwill.

Effective August 16, 2023, the Company acquired Pearson Fitness, LLC for total consideration of $35,500 which was paid in cash at closing. The acquisition was performed to expand the Company's product offerings. The transaction was accounted for as an asset acquisition. The following table presents the allocations of the purchase price to the assets acquired:

| | | |
|---|---|---|
| Assets acquired: | | |
| Property | $ | 20,000 |
| Other assets | | 3,000 |
| Goodwill | | 12,500 |
| Purchase price | $ | 35,500 |

Effective February 2, 2022, the Company acquired The Mosquito Authority, Inc. for total consideration of $600,000 which was paid in cash at closing. The acquisition was performed to expand the Company's product offerings. The transaction was accounted for as an asset acquisition. The entirety of the purchase price was allocated to goodwill.

Effective May 6, 2022, the Company purchased certain assets and assumed certain liabilities of Proexco, Powersmith, and DP for total consideration of $7,671,259. The acquisition was performed to expand and diversify the Company's product offerings and market reach. The transaction was accounted for as a business combination. Accordingly, all assets and liabilities were recorded at their fair value as of the date of acquisition. The excess of the purchase price over the fair value of net assets acquired was recorded as goodwill. The following table presents the allocations of the purchase price to the assets acquired and liabilities assumed:

| | |
|---|---|
| Assets acquired: | |
| Cash | $ 173,126 |
| Accounts receivable | 213,398 |
| Other assets | 13,329 |
| Property | 6,749 |
| Intangible assets | 4,110,000 |
| Goodwill | 3,164,979 |
| Total assets acquired | 7,681,581 |
| Less: accounts payable and accrued liabilities | (10,322) |
| Purchase price | $ 7,671,259 |

3. LEASES

During 2023, the Company entered into a lease for certain office space from an unrelated third party under an agreement classified as an operating lease for a term of 7 years. The Company's operating lease does not contain any material restrictive covenants or residual value guarantees.

The components of lease expense were as follows for the year ended December 31, 2023:

| | |
|---|---|
| Operating lease expense | $ 78,231 |
| Short-term lease expense | 30,000 |
| Total lease expense | $ 108,231 |

Weighted-average remaining lease term and discount rate for the year ended December 31, 2023 were as follows:

| | |
|---|---|
| Weighted-average remaining lease term | 7.00 years |
| Weighted-average discount rate | 3.97% |

As of December 31, 2023, future undiscounted cash flows under the operating lease and a reconciliation to the lease liability recognized on the consolidated balance sheet were as follows:

| | |
|---|---|
| During the year ending December 31: | |
| 2024 | $ 153,144 |
| 2025 | 157,738 |
| 2026 | 162,471 |
| 2027 | 167,345 |
| 2028 | 172,365 |
| Thereafter | 360,398 |
| Total undiscounted cash flows | 1,173,461 |
| Less present value discount | (151,821) |
| Total lease liability | $ 1,021,640 |

4. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets as of December 31, 2023 and 2022 consisted of the following:

| | Estimated Useful Life | 2023 | 2022 |
|---|---|---|---|
| Goodwill | 10 years | $ 13,069,825 | $ 13,022,325 |
| Trade names acquired | 15 years | 4,290,000 | 4,290,000 |
| Franchise agreements acquired | 15 years | 19,020,000 | 19,020,000 |
| Customer lists acquired | 15 years | 300,000 | 300,000 |
| Less: accumulated amortization | | (8,285,880) | (5,406,260) |
| Total, net | | $ 28,393,945 | $ 31,226,065 |

Total amortization expense for goodwill and intangible assets for the years ended December 31, 2023 and 2022 was $2,879,620 and $2,674,399, respectively. The following presents the estimated amortization expense for goodwill and intangible assets for each of the next five years and thereafter:

| | |
|---|---|
| Year ending December 31: | |
| 2024 | $ 2,880,983 |
| 2025 | 2,880,983 |
| 2026 | 2,880,983 |
| 2027 | 2,880,983 |
| 2028 | 2,880,983 |
| Thereafter | 13,989,030 |
| Total | $ 28,393,945 |

5. RELATED PARTY TRANSACTIONS

The Company purchases pest treatment supplies from an entity affiliated by common ownership. Total purchases totaled approximately $318,000 and $216,000 for the years ended December 31, 2023 and 2022, respectively. Additionally, the Company incurs management fees to entities affiliated by common ownership. Total management fees incurred totaled approximately $165,000 for each of the years ended December 31, 2023 and 2022.

6. EMPLOYEE RETIREMENT PLAN

The Company maintains a qualified retirement plan under which eligible employees may defer a portion of their annual compensation, pursuant to Section 401(k) of the Internal Revenue Code. The Company matches 100% of employee contributions up to 4% of the employee's annual compensation. Company contributions to the plan were approximately $60,000 and $43,000 for the years ended December 31, 2023 and 2022, respectively.

7. OPERATING AGREEMENT

The member of the Company is subject to an operating agreement that specifies the rights and obligations of each member. In accordance with the terms of this agreement, the member's liability is limited to the capital it has contributed to the LLC.

8. CONTINGENCIES

As of December 31, 2023 and 2022, the Company is contingently liable as a co-borrower with the Company's member on certain notes payable maturing in October 2025. The principal balance on the notes payable was $11,049,045 and $11,732,310 as of December 31, 2023 and 2022, respectively, with interest payable monthly at a rate of Prime (8.50% and 7.50% as of December 31, 2023 and 2022, respectively) plus 4.25%. The principal is due in annual payments before each of the first five anniversaries of the closing date of October 9, 2020, with the final installment payment of the remaining principal due on the fifth anniversary of the closing date of October 9, 2020. Total interest expense related to these notes payable for the years ended December 31, 2023 and 2022 was $1,355,918 and $943,250, respectively.

Management has allocated the entire balance of these notes payable and interest expense to the Company's member as of December 31, 2023 and 2022, as it expects the member will be responsible for making the remaining payments. Historically, these payments have been made with distributions paid from the Company to the Company's member. Should the Company's member be delinquent on any debt payments, the Company will be obligated to perform under the agreement by making the required payments, including late fees and penalties.

As of December 31, 2023 and 2022, the Company is contingently liable as a co-borrower with the Company's member on a revolving note. The revolving note allows for borrowings up to a maximum of $2,500,000 and expires in October 2025. Interest accrues at Prime plus 2.25%. There were no outstanding borrowings on the revolving note as of December 31, 2023 and 2022.

The notes payable and revolving note are collateralized by substantially all assets of the Company. The notes payable and revolving note are subject to certain financial covenants, of which the Company was in compliance as of December 31, 2023 and 2022.

The Company is involved in various other claims or actions arising in the normal course of business. It is management's opinion that the resolution of these matters will not materially affect the Company's financial position or the results of its operations.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information for the years ended December 31, 2023 and 2022 was as follows:

| | 2023 | 2022 |
|---|---|---|
| Non-cash transactions: | | |
| Net assets of Proexco, Powersmith, and DP acquired through equity contributions from member | $ - | $ 7,419,750 |
| Operating lease ROU asset obtained in exchange for new lease liability | $ 1,001,593 | $ - |

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# MAIN LINE BRANDS LLC

Financial Statements for the
Year Ended December 31, 2021
and Independent Auditors' Report

GreerWalker

GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Member of Main Line Brands LLC:

***Opinion***

We have audited the financial statements of Main Line Brands LLC (the "Company"), which comprise the balance sheet as of December 31, 2021, and the related statements of operations and changes in member's equity and cash flows for the year then ended, and the related notes to 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 the results of its operations and cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America ("GAAP").

***Basis for Opinion***

We conducted our audit in accordance with generally accepted auditing standards in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 GAAP; this includes 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 issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

Greenwalker LLP

Certified Public Accountants
March 9, 2022
Charlotte, NC

## MAIN LINE BRANDS LLC

BALANCE SHEET
DECEMBER 31, 2021

ASSETS

| | | |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash | $ | 2,918,459 |
| Accounts receivable | | 420,780 |
| Notes receivable, current portion, net | | 461,449 |
| Prepaid expenses and other assets | | 42,467 |
| Total current assets | | 3,843,155 |
| PROPERTY, NET | | 27,875 |
| NON-CURRENT ASSETS: | | |
| Goodwill and intangible assets, net | | 26,025,485 |
| Notes receivable, non-current portion, net | | 316,958 |
| Total non-current assets | | 26,342,443 |
| TOTAL | $ | 30,213,473 |

LIABILITIES AND MEMBER'S EQUITY

| | | |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Accounts payable | $ | 74,556 |
| Accrued liabilities | | 245,770 |
| Total current liabilities | | 320,326 |
| MEMBER'S EQUITY | | 29,893,147 |
| TOTAL | $ | 30,213,473 |

See notes to financial statements.

## MAIN LINE BRANDS LLC

STATEMENT OF INCOME AND CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

| | |
|---|---|
| REVENUES: | |
| Franchise fees | $ 2,321,500 |
| Royalties | 4,950,606 |
| Product sales | 2,966,286 |
| Total | 10,238,392 |
| COST OF REVENUES | 2,565,836 |
| GROSS PROFIT | 7,672,556 |
| OPERATING EXPENSES | 6,440,303 |
| INCOME FROM OPERATIONS | 1,232,253 |
| OTHER INCOME (EXPENSE): | |
| Interest income | 15,417 |
| NET INCOME | 1,247,670 |
| MEMBER'S EQUITY, BEGINNING OF YEAR | 29,936,072 |
| DISTRIBUTIONS TO MEMBER | (1,290,595) |
| MEMBER'S EQUITY, END OF YEAR | $ 29,893,147 |

See notes to financial statements.

**MAIN LINE BRANDS LLC**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Net income | $ 1,247,670 |
| Adjustments to reconcile net income to net cash flows from operating activities: | |
| Change in allowance for doubtful accounts | 62,500 |
| Amortization of goodwill and intangible assets | 2,225,735 |
| Depreciation of property | 2,478 |
| Changes in operating assets and liabilities: | |
| Accounts and notes receivable | (93,038) |
| Prepaid expenses and other assets | 20,990 |
| Accounts payable | (22,679) |
| Accrued liabilities | 114,147 |
| Net cash provided by operating activities | 3,557,803 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Purchases of property | (30,353) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Distributions to member | (1,290,595) |
| NET CHANGE IN CASH | 2,236,855 |
| CASH, BEGINNING OF YEAR | 681,604 |
| CASH, END OF YEAR | $ 2,918,459 |

See notes to financial statements.

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - Main Line Brands LLC (the "Company") is an outdoor pest control business engaged in the sale of franchise agreements. Additionally, the Company sells equipment, uniforms, and marketing materials to those franchises throughout the United States.

On March 11, 2021, the Company changed its name from Authority Franchising, LLC to Main Line Brands LLC.

Variable Interest Entity - In March 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-07 *Consolidation*, which amends FASB Accounting Standards Codification 810, *Consolidation*. This ASU provides private company lessees the alternative to elect not to apply variable interest entity (VIE) guidance to a lessor entity given certain conditions. The Company has determined that it has a variable interest in, and is the primary beneficiary of, TKS Holdings, LLC. The Company leases the building in which it operates from TKS Holdings, LLC. The Company's leasing arrangement with the VIE meets the conditions to allow for the accounting alternative method. The Company elected this alternative and has excluded TKS Holdings, LLC from its financial statements (See Note 4).

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Revenue Recognition - The following sections present the Company's revenue recognition considerations for each of its revenue streams.

*Franchise revenue*

In connection with its franchising operations, the Company receives initial and renewal franchise fees for pre-opening services. Under the adoption of Topic 606, the Company has applied the practical expedient to treat the pre-opening services as a single performance obligation. Franchise fees are non-refundable and are recognized as income when substantially all of the services to be performed by the Company and conditions relating to the sale of the franchise are performed or satisfied, which generally occurs concurrently with the execution of a franchise agreement. The transaction price is agreed upon in the contract.

The following is a summary of franchise openings and closings for the year ended December 31, 2021.

| | Mosquito Franchises | Pest Franchises |
|---|---|---|
| Franchises operating at the beginning of the year | 153 | 23 |
| New franchises opened during the year | 12 | 15 |
| Franchises closed during the year | (1) | (3) |
| Franchises operating at the end of the year | 164 | 35 |

*Royalty revenue*

The Company earns revenue from royalties on the licensing of the use of its intellectual property. The Company must approve the use of the intellectual property prior to each specific application to ensure proper quality and a consistent image. The performance obligations of the on-going royalty fees are considered to be the advertising and other services provided. These fees are based on a percentage of sales by the franchisee, subject to certain annual minimum royalties, and are recognized as the services are provided, the fees are charged, and when they are deemed collectible. The transaction price in these contracts is primarily fixed in nature. The Company satisfies its performance obligations over time as those services are performed whereby the customer simultaneously receives and consumes the benefits of such services under the agreement.

The Company has elected an optional exemption under ASC 606 that allows it to recognize the royalty income as sales at the franchisee occur instead of estimating the sales over the period of the agreement and recognizing ratably.

*Product sales revenue*

The Company has contracts with customers for product sales under standard ship and bill arrangements. The contracts are generally accounted for as having a single performance obligation for each of the products, which are considered the only distinct promises in the contract, and are short term in nature, not exceeding one year in duration. The transaction price is agreed upon in the contract. Revenue is recognized upon satisfaction of the performance obligations which is at a point in time when control is transferred to the customer. Typically, control is transferred upon shipment to the customer.

Incremental costs incurred to obtain contracts, such as sales commissions, are expensed when incurred as the amortization period of any related assets would be less than one year.

The Company's standard terms and conditions require payment within 30 days of the invoice date; however, timing of payment with specific customers may be separately negotiated.

Various economic factors affect the Company's revenues and cash flow. The timing of revenue recognition, billings and cash collections results in billed accounts receivable and notes receivable. The balance of accounts receivable and notes receivable, net of allowances, resulting from contracts with customers was $1,199,187 and $1,089,517 as of December 31, 2021 and 2020, respectively.

Cash - The Company maintains cash deposits with financial institutions that at times may exceed federally insured limits.

Accounts Receivable - The Company extends credit to its customers. By their nature, accounts receivable involve risk, including the credit risk of nonperformance by customers. Accounts receivable are considered past due based on contractual and invoice terms. Accounts deemed uncollectible are charged directly to bad debt expense or against the allowance for doubtful accounts, as applicable. The Company maintains an allowance ($62,500 as of December 31, 2021), which management believes is adequate to absorb estimated losses to be incurred in realizing the recorded amounts of its accounts receivable. This allowance is determined by management through a specific identification process.

During the year ended December 31, 2021, the Company recognized bad debt expense of $62,500 on customer accounts.

Goodwill and Intangible Assets - Goodwill represents the excess of the purchase price over the fair value of net assets acquired. The Company amortizes goodwill on a straight-line basis over 10 years. Intangible assets acquired, including amount allocated to trade names and franchise agreements, are amortized over their estimated useful lives (See Note 3). The Company tests goodwill and intangible assets for impairment whenever a triggering event occurs which indicates that the fair value of the entity may be below its carrying amount. The Company's evaluation of goodwill and intangible assets during the year ended December 31, 2021 resulted in no impairment losses.

Property - Property is classified as vehicles and is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Income Taxes - For income tax purposes, the Company is considered to be a partnership. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements since the member includes its allocable share of the Company's taxable income or loss in its respective individual income tax return.

The Company records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of December 31, 2021.

Advertising and Marketing - The Company expenses the costs of advertising and marketing as incurred. For the year ended December 31, 2021, the Company incurred approximately $312,000 of advertising and marketing expenses.

Subsequent Events - In preparing its financial statements, the Company has evaluated subsequent events through March 9, 2022, which is the date the financial statements were available to be issued.

2. NOTES RECEIVABLE

The Company has a program whereby certain franchisees can finance their initial franchise fee with the Company. The notes are repaid over periods ranging from 24 to 48 months and accrue interest at rates ranging from 5% to 8%. These notes receivable are included on the balance sheet as of December 31, 2021.

3. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets as of December 31, 2021 consisted of the following:

| | Estimated Useful Life | |
|---|---|---|
| Goodwill | 10 years | $ 9,257,346 |
| Trade names acquired | 15 years | 2,860,000 |
| Franchise agreements acquired | 15 years | 16,640,000 |
| Less: accumulated amortization | | (2,731,861) |
| Total, net | | $ 26,025,485 |

Total amortization expense for goodwill and intangible assets acquired for the year ended December 31 2021 was $2,225,735. The following presents the estimated amortization expense for goodwill and intangible assets for each of the next five years and thereafter.

| Year ending December 31: | |
|---|---|
| 2022 | $ 2,225,735 |
| 2023 | 2,225,735 |
| 2024 | 2,225,735 |
| 2025 | 2,225,735 |
| 2026 | 2,225,735 |
| Thereafter | 14,896,810 |
| Total | $ 26,025,485 |

4. LEASES

The Company leases its office facility on a month-to-month basis under an agreement classified as an operating lease from TKS Holdings, LLC, an entity affiliated by common ownership. Rent expense under this agreement totaled approximately $36,000 for the year ended December 31, 2021.

5. EMPLOYEE RETIREMENT PLAN

The Company maintains a qualified retirement plan under which eligible employees may defer a portion of their annual compensation, pursuant to Section 401(k) of the Internal Revenue Code. The Company matches 100% of employee contributions up to 4% of the employee's annual compensation. Company contributions to the plan were approximately $43,000 for the year ended December 31, 2021.

6. OPERATING AGREEMENT

The member of the Company is subject to an operating agreement that specifies the rights and obligations of each member. In accordance with the terms of this agreement, the member's liability is limited to the capital it has contributed to the LLC.

7. CONTINGENCIES

As of December 31, 2021, the Company is contingently liable as a co-borrower with the Company's member on certain notes payable maturing in October 2025. The principal balance on the notes payable was $6,930,980 as of December 31, 2021, with interest payable monthly at a rate of Prime (3.25% as of December 31, 2021) plus 4.25%. The principal is due in annual payments of 0.986%, 2.486%, 3.0%, 5.014%, and 7.5% before each of the first five anniversaries, respectively, of the closing date of October 9, 2020, with the final installment payment of the remaining principal due on the fifth anniversary of the closing date of October 9, 2020.

Management has allocated the entire balance of this note payable to the Company's member as of December 31, 2021, as it expects the member will be responsible for making the remaining payments. Historically, these payments have been made with distributions paid from the Company to the Company's member. Should the Company's member be delinquent on any debt payments, the Company will be obligated to perform under the agreement by making the required payments, including late fees and penalties.

As of December 31, 2021, the Company is contingently liable as a co-borrower with the Company's member on a revolving note. The revolving note allows for borrowings up to a maximum of $2,500,000 and expires in October 2025. Interest accrues at Prime plus 2.25%. There were no outstanding borrowings on the revolving note as of December 31, 2021.

The notes payable and revolving note are collateralized by substantially all assets of the Company. The notes payable and revolving note are subject to certain financial covenants, of which the Company was in compliance as of December 31, 2021.

8. SUBSEQUENT EVENT

In February 2022, the Company completed a purchase from The Mosquito Authority, Inc. for all of its assets. In accordance with the purchase agreement, the Company paid $600,000 in cash to complete the purchase.

**Exhibit B**
**Main Line Brands LLC Franchise Agreement**

**MAIN LINE BRANDS LLC**

**Pest Authority Franchise Agreement**

**Type of Franchise:**

**Full-Size Franchise ______________________**
**Hometown Franchise _____________________**

**MAIN LINE BRANDS LLC**

**PEST AUTHORITY FRANCHISE AGREEMENT**

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# PEST AUTHORITY FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("**Agreement**") is entered into this _____day of ________, 20___, (the "**Effective Date**") by and between Main Line Brands LLC, a Delaware limited liability company ("**Franchisor**"), having its principal place of business located at 2359 Perimeter Pointe Parkway, Suite 250, Charlotte, North Carolina 28208 and ____________________________________ ("**Franchisee**"), whose principal place of business is located at ___________________________________________.

## RECITALS

**WHEREAS**, the Franchisor has developed a comprehensive system for the operation of a business offering outdoor and indoor pest elimination and control and moisture control services and equipment, including the sales, design, installation and servicing of pest elimination and control systems for both residential and commercial use (including commercial Fly control), under the "Pest Authority" and related trademarks and service marks ("**Pest Authority Business**");

**WHEREAS**, Pest Authority Businesses are operated under a business format per a unique system, including valuable know-how, information, Trade Secrets, Confidential Information, methods, Brand Standards Manuals, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development ("**System**");

**WHEREAS**, the distinguishing characteristics of the System include the trademark "**Pest Authority**" and other trademarks and trade names, confidential operating procedures, confidential Brand Standards Manuals, uniform standards, procedures and specifications for equipment, services and products, method of Internet usage, methods of service, management, advertising and marketing programs, and sales techniques and strategies. All of these distinguishing characteristics are designed to enhance the business and managerial aspects of Franchisee's Pest Authority Business, and may be changed, improved, and further developed by the Franchisor from time to time. They are Franchisor's Confidential Information and Trade Secrets and are designated by and identified with the Marks described in this Agreement;

**WHEREAS**, the Franchisor continues to use, develop and control the use of the Marks in order to identify for the public the source of services and products marketed under the System, and which represent the System's high standards of quality, service and customer satisfaction;

**WHEREAS**, the Franchisee acknowledges the benefits to be derived from being identified with the System, and also recognizes the value of the Marks and the continued uniformity of image to the Franchisee, the Franchisor, and other franchisees of the Franchisor;

**WHEREAS**, the Franchisee acknowledges the importance to the System of the Franchisor's high and uniform standards of quality, operations, service and customer satisfaction, and further recognizes the necessity of opening and operating a Pest Authority Business in strict conformity with the System, whether such Pest Authority Business is located in the Franchisee's home or an outside leased or owned location ("**Business**");

**WHEREAS**, the Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on the Franchisee, including strict adherence to the Franchisor's reasonable present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies and related matters; and

**WHEREAS**, the Franchisee is aware of the foregoing and is desirous of obtaining the right to use the System and in association therewith, the right to use the Marks, and wishes to be assisted, trained, and franchised to operate a Business pursuant to the provisions and within the Territory specified in this Agreement, subject to the terms and conditions contained in this Agreement.

**NOW, THEREFORE**, the parties, intending to be legally bound, agree as follows:

## DEFINITIONS

For the purposes of this Agreement, the following words and terms shall have the respective meanings ascribed to them as follows:

(a) "**Affiliate**" - means any person or entity that controls, is controlled by, or is in common control with, the Franchisor.

(b) "**Agreement**" - means this agreement, attachments, addendums and all instruments in amendment hereof.

(c) "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

(d) "**Brand Standards Manuals**" - means, but is not limited to, collectively, all directives, books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e- mail, Internet or Intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of the Franchisor for use by the franchisees generally or for the Franchisee in particular, setting forth information, advice and standards, requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of the Business or the operation of franchises, as same may be added to, deleted or otherwise amended by the Franchisor from time to time.

(e) "**Business**" or "**Pest Authority Business**" - means the business operations conducted or to be conducted by the Franchisee consisting of a business offering outdoor and indoor pest elimination and control and moisture control services and equipment, including the sales, design, installation and servicing of pest elimination and control systems for both residential and commercial use (including commercial Fly control), under the "Pest Authority" and related trademarks and service marks.

(f) "**Confidential Information**" - means all knowledge, know-how, standards, methods, trade secrets, and procedures related to the establishment and operation of the System and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, Franchisee's Business including, without limitation, all databases (whether in print, electronic or other form), all customer lists, names, addresses, phone numbers, e-mail addresses, customer purchase records, brand standards and related manuals, promotional and marketing materials, marketing strategies, business management and operating systems, management and personnel training techniques, advertising and promotion techniques, accounting systems, record keeping and reporting methods, and any other data that the Franchisor designates as confidential.

(g) "**Franchisor's System**" or "**System**" - means the valuable know-how, information, Trade Secrets, Confidential Information, methods, Brand Standards Manuals, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development.

(h) "**Franchise**" - means the business operations conducted or to be conducted using the Franchisor's System and in association with the Marks granted to Franchisee by Franchisor pursuant to this Agreement.

(i) "**Gross Revenues**" - means the total of all receipts derived from all sales of products and services at Franchisee's Pest Authority Business, including but not limited to, labor, insurance claims for lost profits to the extent a claim is paid by the insurer, and all other products and services sold or performed by or for Franchisee or its Pest Authority Business or by means of the business conducted under this Agreement, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange. Gross Revenues do not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by the Franchisee to the appropriate governmental authority; and

(ii) all customer refunds, valid discounts and coupons, and credits made by the Pest Authority Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

Gross Revenues shall be deemed received by the Franchisee at the time the Services or Products from which they were derived, are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by the Franchisee. Gross Revenues consisting of property or services shall be valued at the retail prices applicable and in effect at the time that they are received.

(j) "**Lease**" - means any agreement (whether oral or written) under which the right to occupy a Storage Facility has been obtained, and any amendment made thereto from time to time, including without limitation, any offer to lease, license or lease agreement.

(k) "**Marks**" - shall mean the trademark "Pest Authority" to the extent of the Franchisor's rights to same, together with such other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise that may be designated by the Franchisor from time to time as part of the System for use by Franchisees, and not thereafter withdrawn.

(l) "**Products**" - means all supplies, materials and equipment sold, prepared or otherwise dealt with in connection with the Business and associated with the System.

(m) "**Services**" - means the sale, design, installation and servicing of pest elimination and control and moisture control systems for both residential and commercial use conducted or otherwise dealt with in connection with the Business and associated with the Marks, including certain types of ants, centipedes, millipedes, cockroaches, crickets, earwigs, ground beetles, pill bugs, rats, mice, spiders, sowbugs, silverfish, fleas (inside only), wasps, certain types of bees, moths (grain, Indian-meal and flour), carpet beetles and pantry pests, but excluding carpenter, fire and pharaoh ants or honey and carpenter bees and hornets (unless they can possibly be reached on a first floor), as well as commercial Fly control and such other types of pests designated by Franchisor from time to time, but in all cases excluding mosquitos, ticks, flies, including spotted lantern fly (except for commercial Fly control). Only if expressly approved by Franchisor for Franchisee's Business, Services may also include termite, wildlife removal and bird control.

(n) **"Social Media"** means any and all existing or future forms of electronic communication, whether for business or personal use (including via Internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos) through which users create or use online networks or communities (including but not limited through online communities such as Facebook, Twitter, Instagram, SnapChat, LinkedIn, YouTube, Yelp or Wikipedia and other similar content sharing outlets) to share information, ideas, personal messages, and other online content.

(o) "**Storage Facility**" - means the warehouse or other Franchisor approved location in which Franchisee stores all Products, including equipment and pesticide inventory sold by Franchisee as part of the Pest Authority Business.

(p) "**Trade Secret(s)**" - means information, including a formula, pattern, compilation, program, device, method, technique or process related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(q) **"Website"** means an Internet website that Franchisor may develop and maintain to advertise and promote Franchisor and Pest Authority Businesses generally, and the Products and Services offered by Pest Authority Businesses, and to facilitate the sale of Franchises for a Pest Authority Business.

## 1. COVENANTS, REPRESENTATIONS, AND WARRANTIES OF THE FRANCHISEE

The Franchisee covenants, represents and warrants as follows and acknowledges that the Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement, and that the Franchisor will continue to rely upon such covenants, representations and warranties in order not to seek any termination of this Agreement.

1.1 The Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, and all related agreements with, and associated materials provided by, the Franchisor. The Franchisee acknowledges that the Franchisor has advised it to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. The Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Business, the Franchisor and this Agreement.

1.2 The Franchisee has adequate funds, or has made firm arrangements to acquire adequate funds to commence, open and operate the Business and it is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

1.3 All statements made by the Franchisee in writing in connection with its application for this franchise were true when made and continue to be true as of the date of this Agreement.

1.4 There are no material financial obligations of the Franchisee, actual or contingent, which are outstanding as of the date of this Agreement other than those disclosed to the Franchisor by the Franchisee in writing.

1.5 The Franchisee is not a party to or subject to any court or administrative order or action of any governmental authority which would limit or interfere in any way with the performance by the Franchisee of its obligation hereunder.

1.6 The Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to the Franchisor by the Franchisee in writing.

1.7 The Franchisee represents that it is not a party to or subject to any agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Initial Term or any Interim Period.

1.8 The Franchisee acknowledges and agrees that it is not permitted to offer services related to mosquitos, flies or ticks unless specifically agreed by Franchisor in writing.

1.9 The Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by the Franchisor, its officers, directors, agents, employees or contractors except as provided herein. The Franchisee acknowledges that the Franchise has been granted in reliance upon the information supplied to the Franchisor in the Franchisee's application for a Franchise.

1.10 Franchisee, directly and on behalf of its owners, agrees to comply with and/or to assist Franchisor to the fullest extent possible in connection with Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Franchisee, directly and on behalf of its owners, certifies that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at http://www.treasury.gov/offices/enforcement/ofac/legal/eo/13224.pdf). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 1.10.

(d) Any misrepresentation under this Section or any violation of the Anti- Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's affiliates.

## 2. GRANT OF LICENSE

2.1 Subject to all the terms and conditions of this Agreement, the Franchisor hereby grants to the Franchisee, and the Franchisee accepts for the Initial Term of this Agreement the right and license ("License") to:

(a) Operate a Business upon the terms and conditions of this Agreement in one territory described in Attachment A (“**Territory**”);

(b) Use the Marks and the System solely in connection with the Business in the Territory; and

(c) Offer and market only the Franchisor’s approved Services and Products (which do not include Mosquito, Tick, Fly and Spotted Lantern Fly extermination in residential or commercial settings (except for commercial Fly control)), unless the Franchisor approves in writing (such approval to be in the Franchisor’s sole and absolute discretion) the Franchisee’s request to offer and market complementary and non- competing services or products.

2.2 The License does not include the right to: i) sell Products or Services to any vendor who would in turn sell to consumers, ii) sublicense the use of the System or the Marks to any person or entity to perform any part of Franchisee’s rights or obligations licensed hereunder; or, iii) otherwise grant to any person or entity the right to act as Franchisee’s agent to perform any part of Franchisee’s rights or obligations designated hereunder.

2.3 The Franchisee recognizes that variations and additions to the System may be required from time to time in order to preserve and/or enhance the System. Therefore, the Franchisor expressly reserves the right to add to, subtract from, revise, modify or change from time to time the System or any part thereof, and the Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply pursuant to Section 8.

2.4 Franchisee recognizes that the rights that are granted to the Franchisee are for the specific Territory, defined in Section 4.1 below and in no other location, and cannot be transferred to an alternate Territory, without the prior written approval of the Franchisor, which approval may be granted or withheld in Franchisor's sole discretion.

## 3. TERM OF THE AGREEMENT AND LICENSE

3.1 This Agreement and the License granted shall be effective and binding for an initial term of 10 years from the Effective Date of this Agreement **("Initial Term”).** This Initial Term shall begin on the Effective Date of this Agreement, subject, however, to termination in accordance with the provisions of this Agreement. Subject to the conditions set forth below in Section 3.2, when the Initial Term expires, the Franchisee shall have the option to extend its rights to operate the Pest Authority Business for additional terms **("Successor Term")** of 10 years each, if Franchisee satisfies all the Successor Term conditions set forth in this Agreement to Franchisor’s satisfaction. The Franchisee must pay the Successor Franchise Fee set forth in Section 3.4(b).

3.2 The Franchisor may refuse to extend Franchisee's rights to operate the Pest Authority Business if the Franchisee has:

(a) Permitted to occur any breach under Section 17.1 of this Agreement or failed to remedy any breach of this Agreement specified by the Franchisor in a written notice to the Franchisee under Section 17.2 of this Agreement; or

(b) Committed and received notice of two or more breaches of this Agreement in the 24 months prior to the end of the current Initial Term, even if such breaches were timely remedied; or

(c) The Franchisee has not given the Franchisor a written notice of intent to extend its rights to operate the Pest Authority Business no less than 6 months or more than 9 months prior to expiration of the Initial Term, which shall be deemed an election not to extend Franchisee's rights to operate the Pest Authority Business; or

(d) The Franchisee is not current in payment obligations to the Franchisor or to the Franchisee's trade creditors.

3.3 If the Franchisor opts to extend Franchisee's rights to operate the Pest Authority Business at the end of the Initial Term, the Franchisee shall execute a successor franchise agreement ("**Successor Franchise Agreement**") and all other agreements in the form then being used by the Franchisor in granting new franchises and pay the Successor Franchise Fee set forth in Section 3.4(b). The Franchisor reserves the right to change any term(s) of the Franchise Agreement form to be signed by the Franchisee upon the extension of its rights to operate the Pest Authority Business; provided, however, that Franchisee will not be required to pay another Initial Franchise Fee in connection with the extension of Franchisee's rights to operate the Pest Authority Business. IN ALL CASES, IN FRANCHISOR'S SOLE DETERMINATION, THE FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO EXTEND FRANCHISEE'S RIGHTS TO OPERATE THE PEST AUTHORITY BUSINESS (AND ITS OPTION SHALL THEREUPON TERMINATE) IF IT FAILS TO EXECUTE AND RETURN TO THE FRANCHISOR THE NEW FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY THE FRANCHISOR WITHIN 30 DAYS AFTER THEIR DELIVERY TO THE FRANCHISEE, OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS SECTION 3.

3.4 As additional conditions for the extension of Franchisee's rights to operate the Pest Authority Business, the Franchisee may be required to:

(a) Execute a general release of all claims the Franchisee may have against the Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to the Franchisor;

(b) Pay the successor franchise fee of $3,500 ("**Successor Franchise Fee**"), which is due and payable to the Franchisor at the time of signing the Successor Franchise Agreement;

(c) Upgrade the Business, including but not limited to the then currently required or approved computer system and software, customer service vehicles used in operation of the Business, all vehicle signage, all sales and marketing materials, as well as all items, apparel, products, company literature bearing Franchisor’s logo or Marks, to Franchisor's current standards;

(d) Comply with all other provisions contained in the Brand Standards Manuals, as modified periodically by Franchisor in Franchisor's sole discretion; and,

(e) Provide proof of current licenses, insurance and permits.

3.5 If Franchisee does not sign a Successor Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Interim Period**") and subject to all of the terms and conditions of this Agreement until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

## 4. TERRITORY

4.1 So long as Franchisee and its owners are in full compliance with the Franchise Agreement and all other agreements between Franchisor and its Affiliates and Franchisee and its owners and Affiliates, then Franchisor will not operate or authorize anyone except Franchisee to commence operation of a full-service Pest Authority Business using the Marks and the System within the Territory during the term of this Agreement.

4.2 Notwithstanding Section 4.1 of this Agreement, Franchisor and its Affiliates (and their respective successors and assigns, by purchase, merger, consolidation or otherwise) reserve all rights that this Agreement does not expressly grant to or confer upon Franchisee, including, without limitation (and notwithstanding the Franchisee's conditional territorial rights noted above) the sole and exclusive rights:

(a) to own, franchise, or operate Pest Authority Businesses at any location outside of the Territory, regardless of the proximity to or effect on Franchisee's Pest Authority Business;

(b) to advertise and promote Pest Authority Businesses generally, the Products and Services offered and sold by Pest Authority Businesses and any other products and services within or outside of the Territory through any means of advertising and promotion, including through the Internet;

(c) to use the Marks and/or the System, or other proprietary and non-proprietary trademarks or service marks and systems, to manufacture, distribute or sell any products or services, regardless of their similarity to the Products and Services that Franchisee will sell in Franchisee's Pest Authority Business, through any alternate channels of distribution other than a full-service Pest Authority Business, within or outside of the Territory, including but not limited to, through the Internet, through private label manufacturing and distribution, through affiliated or third party retail locations and through any other channels of distribution such as television, mail order or catalog sales. This expressly includes Mosquito Authority Businesses that may use aspects of the Marks and/or System;

(d) to purchase and operate or be purchased by, or merge or combine with, any business, including a business that competes directly with Franchisee's Pest Authority Business, wherever located;

(e) to acquire and convert to the System (but not to a full-service Pest Authority Business using the Marks) any businesses offering sale, design, equipment, installation and/or servicing of pest elimination and control systems, including misting systems and related equipment, and including businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory; and

(f) to implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate these multi-area marketing programs.

4.3 The Franchisee may not sell services to, or provide services for, customers located in an unsold territory without express written permission from Franchisor. The Franchisee may be granted, at the Franchisor's sole discretion, express permission to temporarily sell or service customers in an unsold territory adjacent to the Franchisee's Territory ("**Adjacent Territory**"). Franchisor reserves the right, in its sole discretion to grant or withhold permission for Franchisee to sell or service customers in unsold territories outside of Franchisee's own territory. Franchisee agrees that in the event Franchisor grants Franchisee permission to service an Adjacent Territory, and thereafter Franchisor notifies Franchisee that the Adjacent Territory has been granted to another franchisee by the Franchisor, the Franchisee will, upon receipt of written notice from the Franchisor, cease all its sales and service efforts within the Adjacent Territory and return all customer and prospect lists to Franchisor within 10 days of such notice. The Franchisee shall report Gross Revenues from sales in an Adjacent Territory on a separate reporting form.

4.4 Notwithstanding Franchisor's exclusive right to sell Products and Services on the Internet in accordance with Section 4.2(d), if Franchisor sells Products or Services that Franchisee is required to sell and provide pursuant to this Agreement using the Marks to a customer located in Franchisee's Territory, Franchisor or its supplier or distributor, in Franchisor's sole discretion, may provide Franchisee with a credit against future National Marketing Fees due to Franchisor in an amount to be determined by Franchisor, in its sole discretion.

4.5 Franchisor will use commercially reasonable efforts to grant only one license to a franchisee per 35,000 owner occupied dwellings (or incremental portion thereof) residing in a designated geographical location ("**Limit**"). Franchisor will use the most recent population information available in the U.S. Census Data, or other population statistical sources of Franchisor's choosing to determine populations. Franchisor reserves the right to change, modify, or delete the Limit in its sole discretion. Franchisee acknowledges that it has not and will not rely on this Section 4.5 for any purposes. Franchisee acknowledges and agrees that once the Territory has been established, it will not be changed regardless of any increase or decrease of the population in the Territory.

## 5. FEES

5.1 Upon the execution of this Agreement, the Franchisee shall pay the sum of *[$25,000 – select if a Full-Size Franchise*] ***or*** *[$________________________________- select and insert amount based on size of Territory if a Hometown Franchise*] as a non-recurring initial franchise fee ("Initial Franchise Fee") to the Franchisor, subject to a 15% discount for all honorably discharged veterans of American and Canadian armed forces, as deemed qualified by Franchisor. The Initial Franchise Fee shall be paid by means of cashier's check, money order or wire transfer.

The Initial Franchise Fee shall be deemed to have been fully earned by the Franchisor upon execution of this Agreement. The Initial Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor including, but not limited to, general sales and marketing expenses, training, legal, accounting and other professional fees. The Initial Franchise Fee is non- refundable once paid except as provided for in Section 5.2.

5.2 The Initial Franchise Fee is non-refundable based on administrative and other expenses incurred by Franchisor in granting the franchise and for its lost or deferred opportunity to franchise others. If Franchisee fails to complete the initial training program to Franchisor's satisfaction, it has the right (but not the obligation) to terminate this Agreement, and if Franchisor does terminate this Agreement for that reason only, it will refund to Franchisee 50% of the Initial Franchise Fee within thirty days after notice of termination of this Agreement.

5.3 The Franchisee shall pay to the Franchisor a monthly fee ("Monthly Fee") in an amount equal to seven and one/half percent (7.5%) of the Gross Revenues of the Business, or the monthly minimum dollar amount set forth in the below chart, whichever is greater, during the preceding month.

| Year | Minimum Monthly Fee |
|---|---|
| Year 1 | None |
| Year 2 | $200 Per Month |
| Year 3 | $300 Per Month |
| Year 4 | $400 Per Month |
| Year 5 | $500 Per Month |
| Year 6 | $600 Per Month |
| Year 7 through the Balance of the Initial Term and any Renewal Term | $700 Per Month |

The Franchisee's obligation to pay Monthly Fees begins the earlier of: a) the date the Franchisee begins operating the Business, or b) a maximum of 120 days after execution of the Franchise Agreement by Franchisor.

If the Franchisee signs a Successor Franchise Agreement, the Franchisee's Minimum Monthly Fee will be the Minimum Monthly Fee the Franchisee paid during the last year of the Initial Term of this Agreement unless Franchisor's then-current form of Franchise Agreement specifically requires the payment of a higher Minimum Monthly Fee.

If the Franchisee purchases additional Territories at the same time or at a later date, the Franchisor will reduce the Franchisee's Minimum Monthly Fee for such additional Territories in accordance with the below chart. The Franchisor will designate each Territory with a # as noted below.

| **Minimum Royalties Per Month Fee Schedule** | | | | | |
|---|---|---|---|---|---|
| **Territory #** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **1** | | | | | |
| **2** | None | $200 | $300 | $400 | $500 |
| **3** | | | | | |
| **4** | | | | | |
| **5** | None | $150 | $200 | $250 | $300 |
| **6** | | | | | |
| **Total** | **None** | **$350** | **$500** | **$650** | **$800** |

5.4 The Monthly Fee shall be payable to Franchisor on or before the 1st day of each month by ACH or EFT (as defined below) and shall be payable through the entire Initial Term of this Agreement and any Interim Period, without offset, credit, or deduction of any nature, so long as this Agreement shall be in effect. The Franchisee shall pay the Monthly Fee monthly or in such other lesser frequency as the Franchisor may in its sole discretion require upon 30 days' written notice to the Franchisee by the Franchisor. The Franchisee shall not subordinate to any other obligation its obligation to pay the Monthly Fee or any other fee or charge hereunder. Each Monthly Fee payment will be accompanied by a report as required by this Agreement.

5.5 Each Monthly Fee payment shall be, without exception, accompanied by a statement of the previous month's Gross Revenues and a list of all active customers to include each customer's name, address, telephone number on a form approved and provided to the Franchisee by the Franchisor. Each failure to include a fully completed statement of the previous month's Gross Revenues with the Monthly Fees payable to the Franchisor when due shall constitute a material breach of this Agreement.

5.6 Franchisee shall pay fees and other amounts due to the Franchisor hereunder via automatic clearing house ("**ACH**"), electronic funds transfer ("**EFT**") or other similar means utilizing a Franchisor approved computer system or otherwise. The ACH or EFT Authorization is attached to the Franchise Agreement as Attachment D. Franchisee agrees to comply with procedures specified by the Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from the Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by ACH or EFT. Franchisee shall authorize the Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to the Franchisor and any interest charged due thereon. The Franchisee shall make funds available to the Franchisor for withdrawal by ACH or EFT no later than the due date for payment therefore. If the Franchisee has not timely reported the Gross Revenues to the Franchisor for any reporting period, then the Franchisor shall be authorized, at the Franchisor's option, to debit the Franchisee's account in an amount equal to the average Monthly Fees and the National Marketing Fee over the period six-month period.

5.7 Franchisee shall pay to Franchisor an amount equal to all sales taxes, use taxes and similar taxes imposed by applicable local, state or federal regulatory agencies on the fees payable to Franchisor hereunder and on services or goods furnished by Franchisee to Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Pest Authority Business is located.

## 6. ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES

6.1 The Franchisee shall keep such complete records of its Business as a prudent and careful businessperson would normally keep. The Franchisee must use the accounting system and the pre-formatted template required by the Franchisor, if any. The Franchisee shall keep its financial books and records as the Franchisor may from time to time direct in the Brand Standards Manuals or otherwise, including retention of all invoices, order forms, payroll records, cash register tapes, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. The Franchisee shall advise the Franchisor of the location of all original documents or electronic servers or other storage devices, and shall not destroy any physical or electronic records without the written consent of the Franchisor.

6.2 The Franchisee shall prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Business conducted under this Agreement. The Franchisee shall maintain an accounting system which accurately reflects all operational aspects of the Business including uniform reports as may be required by the Franchisor. The Franchisee's records shall include tax returns, daily reports, statements of Gross Revenues (to be prepared each month for the preceding month), and profit and loss statements.

6.3 The Franchisee shall also submit to the Franchisor current financial statements and other reports as the Franchisor may reasonably request to evaluate or compile research and performance data on any operational aspect of the Business.

6.4 The records required under this Section 6 pertain only to the Franchisee's operation of the Business. The Franchisor has no right to inspect, audit or copy the records of any unrelated business activity the Franchisee may have. The Franchisee shall keep the books and records of the Business separate from the records of any unrelated business activity or personal activity.

6.5 From the date the Franchisee and the Franchisor sign this Agreement until 3 years after the end of the Initial Term of this Agreement including any Interim Period, the Franchisor or Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. The Franchisor agrees to do inspections and audits at reasonable times. The Franchisee agrees to keep all records and reports for 6 years from the date such records are created. Should any inspection or audit disclose a deficiency in the payment of any Monthly Fee, National Marketing Fee (as defined in Section 11.5) or other amounts required to be paid under this Agreement, the Franchisee shall immediately pay the deficiency to the Franchisor, without prejudice to any other remedy of the Franchisor under this Agreement. In addition, if the deficiency for any audit period discloses a deficiency in the amount of any Monthly Fee, National Marketing Fee or other amounts due by 2% or more, or in the event Franchisor determines that Franchisee has committed a material breach of the franchise agreement, then Franchisee will also immediately pay to the Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. For the purposes of this Section 6.5, an audit period will be each fiscal year. Should the audit disclose an overpayment of any Monthly Fees, National Marketing Fees, or other amounts due, the Franchisor shall credit the amount of the overpayment to the Franchisee's payments of Monthly Fees, and National Marketing Fees next falling due.

6.6 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments the Franchisee shall also pay, upon demand, a late interest charge equal to the lesser of (i) 1.5% per month; or (ii) the highest legal rate permitted by applicable law, whichever is lower, on all payments due to the Franchisor during the period of time said payments are due and unpaid. Each failure to pay Monthly Fees, National Marketing Fees, and other amounts payable to the Franchisor when due shall constitute a material breach of this Agreement. Franchisee acknowledges that this Section 6.6 shall not constitute Franchisor's agreement to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the Pest Authority Business. Further, Franchisee acknowledges that failure to pay all such amounts when due shall, notwithstanding the provisions of this Section 6.6, constitute grounds for termination of this Agreement, as provided in this Agreement.

6.7 Any report of the Franchisor's auditor rendered from time to time pursuant to this Section 6, shall be final and binding upon all of the parties hereto.

6.8 This section left intentionally blank.

6.9 The Franchisee acknowledges and agrees that the Franchisor owns all business records ("Business Records") with respect to customers and other service professionals of, and/or related to, the Pest Authority Business including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in

Franchisor's sole discretion.

6.10 To encourage the prompt payment of all fees owed to Franchisor and the prompt delivery of all Business Records, Certificates of Insurance, Gross Revenue statements and any other documentation or record that may be requested by Franchisor under this Agreement, the Franchisee shall pay, upon demand, a late fee in the amount of $100 per fee, record or document owed to, or requested by Franchisor, if Franchisee fails to make such payment or deliver such record or document when due.

6.11 If the Franchisee pays the Monthly Fee or any other sums due to Franchisor under this Agreement with a check returned for non-sufficient funds more than one time in any calendar year, in addition to all other remedies that may be available, the Franchisor shall have the right to require that Monthly Fee payments and any other sums due to Franchisor under this Agreement be made by certified or cashier's checks. If the Franchisee fails to pay the Monthly Fee or any other sums due to Franchisor under this Agreement by the due date two or more times during the Initial Term or any Interim Period, in addition to all other remedies that may be available, the Franchisor reserves the right to require, in its sole discretion, that the Franchisee pay the Monthly Fee or any other sums due to Franchisor under this Agreement weekly.

6.12 The Franchisee agrees that, during the Initial Term, any Interim Period, and for three years after the expiration or termination of this Agreement, the Franchisee shall supply to the Franchisor the Franchisee's current contact information, including home (or Business location, if other than the Franchisee's home) mailing address, telephone number and email address.

## 7. SERVICES AND ASSISTANCE

7.1 The Initial Franchise Fee and Monthly Fee are paid for the License, which includes the use of the Marks, the System and the use of the Franchisor's Trade Secrets and Confidential Information provided pursuant to this Agreement and for certain services rendered by the Franchisor.

7.2 The Franchisor shall offer the Franchisee initial and continuing services, as the Franchisor deems necessary or advisable in furthering the Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of the Franchisor. Failure by the Franchisor to provide any particular service, either initial or continuing, shall not excuse the Franchisee from any of its obligations under this Agreement.

Currently, initial services provided by the Franchisor prior to Franchisee opening the Business shall include:

(a) Designating the franchisee's Territory as stipulated in Section 4 and Attachment A.

(b) Furnishing the Franchisee with specifications and sources for all initial and replacement equipment, tools, inventory and supplies required for the operation of the Franchisee's Business as stipulated in Section 9.

(c) Within 120 days of the mutual execution of the Franchise Agreement, approving in writing Franchisee's proposed Storage Facility. Franchisee acknowledges and agrees that Franchisor's approval of the Storage Facility in no way constitutes a warranty by Franchisor that the Storage Facility satisfies any or all federal, state or local laws, ordinances or regulations for the proper storage of pesticides and other Products used and sold in the operation of Franchisee's Pest Authority Business.

(d) Within 120 days of the mutual execution of the Franchise Agreement and

Franchisee's receipt of all required pesticide licenses and permits, providing the Franchisee, or if the Franchisee is an entity, a person designated to manage the Business ("Designated Business Manager") and 1 additional person without extra charge with an initial training program. The initial training program shall be for up to five business days at the Franchisor's facilities in Charlotte, North Carolina (or other location designated by the Franchisor) or via the internet or other means deemed suitable by the Franchisor. Training may include a discussion of the System, techniques, procedures, installation and methods of operation, advertising, sales techniques, promotional ideas, marketing plans, customer relations, instructions on quality standards and practical experience in the operation of a franchise. Additional training may be required if the Franchisor deems it necessary.

(e) Loaning the Franchisee during the Initial Term (including any Interim Period) one copy of the Franchisor's Brand Standards Manuals containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by the Franchisor as further stipulated in this Section 7, and containing information relative to other obligations of the Franchisee hereunder. Specifications, standards and operating procedures prescribed from time to time by the Franchisor in the Brand Standards Manuals or otherwise communicated to the Franchisee in writing shall constitute obligatory provisions of, covenants, conditions and obligations to be performed by Franchisee under this Agreement as if the provisions of the Brand Standards Manuals are incorporated by this reference and fully set forth herein. The Franchisee shall operate the Business strictly in accordance with the Brand Standards Manuals. Failure to comply with the standards set forth in the Brand Standards Manuals shall constitute a material breach of this Agreement. The Franchisor reserves the right to provide the Brand Standards Manuals and updates to the Brand Standards Manuals in electronic form or other form determined by the Franchisor. The Franchisor shall have the right to add to, and otherwise modify, the Brand Standards Manuals from time to time to reflect changes in authorized Products and Services, business image or the operation of the Business; provided, however, no such addition or modification shall alter the Franchisee's fundamental status and rights under this Agreement. Some of the revisions to the Brand Standards Manuals may include changes with respect to: (i) sales and marketing strategies, including new or different Marks; equipment and supplies; (iii) accounting and reporting systems and forms; (iv) insurance requirements; (v) operating procedures; (vi) Services; and (vii) Products.

(i) The Franchisee covenants to accept, implement and adopt any such modifications at its own cost, except as provided in Section 8.5 of this Agreement. The Franchisee shall maintain the Brand Standards Manuals with replacement pages and insertions as instructed by the Franchisor.

(ii) The Franchisee hereby acknowledges that the Brand Standards Manuals is loaned to the Franchisee and shall at all times remain the sole and exclusive property of the Franchisor, and upon termination of this Agreement for any reason whatsoever, the Franchisee shall return the Brand Standards Manuals to the Franchisor together with all copies of any portion of the Brand Standards Manuals that the Franchisee may have made.

(f) Providing Franchisee access to required start-up materials.

(g) Providing Franchisee with an initial package of branded items, branded marketing materials and other pre-opening marketing materials. Franchisee will pay to Franchisor the pre-opening marketing package fee of $5,000 concurrent with the execution of this Agreement (the "Pre-Opening Marketing Package Fee").

(h) Providing Franchisee with an initial "Truck Outfitting" package of equipment and supplies to outfit the Vehicle that Franchise will use to operate the Pest Authority Business. Franchisee will pay to Franchisor the "Truck Outfitting" package fee of up to $5,000 on the earlier of 120 days after you sign the Franchise Agreement or within 30 days after you attend initial training (the

"**Customer Service Vehicle Outfitting Package Fee**").

7.3 Currently, the services provided by the Franchisor to the Franchisee after Franchisee opens the Business shall include:

(a) Make a representative reasonably available to speak with the Franchisee on the telephone during normal business hours, as Franchisor determines is necessary, to discuss the Franchisee's operational issues and support needs.

(b) Holding periodic conferences, seminars and workshops to discuss sales techniques, new product developments, bookkeeping, training, accounting, inventory control, performance standards, advertising programs, merchandising procedures and other topics, some or all of which may be mandatory. Franchisee must pay a conference fee, if any, and all its travel and living expenses to attend. These conferences, seminars and workshops are held at the Franchisor's Charlotte, North Carolina headquarters or at a location chosen by the Franchisor. In the event Franchisor chooses to provide such workshops, seminars or conferences, Franchisor will provide Franchisee with a minimum of three (3) months' notice regarding the date, place and cost to Franchisee of such workshop, seminar or conference.

(c) Franchisor may also hold a mandatory annual conference to discuss sales techniques, new service and product developments, training, bookkeeping, accounting, performance standards, advertising programs, merchandising procedures and other topics. Franchisee must pay the conference fee, if any, and all personal travel and living expenses. These mandatory annual conferences are held at the Franchisor's Charlotte, North Carolina headquarters or at a location chosen by the Franchisor.

(d) Informing Franchisee of mandatory specifications, standards and procedures for the operations of the Pest Authority Business.

(e) Researching new Products, Services and methods, from time to time, and providing Franchisee with information concerning developments of this research.

(f) Maintaining the National Marketing Fund and using these funds to develop promotional and advertising programs for Pest Authority Businesses.

(g) A representative of Franchisor may, in its sole discretion, provide additional assistance. There may be additional charges for this additional assistance. If Franchisor provides additional assistance, the Franchisor and Franchisee must agree in advance on the charges for the visit and the length of the visit.

7.4 If Franchisee believes Franchisor has failed to adequately provide pre-opening services to Franchisee as provided in this Agreement, including Sections 7.2 and 7.3, Franchisee shall notify Franchisor in writing within 30 days following the opening of the Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment.

7.5 Franchisor is not obligated to perform services set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisor does not represent or warrant that any other services will be provided to Franchisee, other than as set forth in this Agreement. To the extent any other services, or any specific level or quality of service is expected, Franchisee must obtain a commitment to provide such service or level of service in writing signed by an authorized officer of Franchisor; otherwise Franchisor shall not be obligated to provide any other services or specific level or quality of services.

7.7. Franchisee acknowledges and agrees that the System does not include any mandatory personnel policies or procedures or security-related policies or procedures, even if Franchisor (at its option) may make certain materials available to Franchisee in the Brand Standards Manuals or otherwise for Franchisee's optional use. Franchisee will determine to what extent, if any, personnel or security-related policies and procedures might apply to operations in the Pest Authority Business. Franchisor neither dictates nor controls labor or employment matters for franchisees and their employees and Franchisor is not responsible for the safety and security of Franchisee's Pest Authority Business employees or customers.

## 8. FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS

8.1 The Franchisee shall, consistent with the terms of this Agreement, diligently develop the Business and use its best efforts to market and promote the required Services and Products.

8.2 Subject to the terms of this Agreement and the obligations of Franchisee hereunder, during the Initial Term and any Interim Period, the Franchisee shall strictly comply with all present and future standards, specifications, processes, procedures, requirements, and instructions of the Franchisor regarding the operation of the Business and must comply with the following requirements:

(a) Prior to opening the Business, the Franchisee or the Franchisee's Designated Business Manager must attend and successfully complete all initial training programs to the satisfaction of Franchisor. The Franchisee shall be responsible for travel, meals, personal expenses and living expenses incurred by itself, the Designated Business Manager, and additional persons that participate in the initial training program.

(b) The Franchisee or its Designated Business Manager must attend mandatory annual conferences, seminars and workshops at such locations as the Franchisor may reasonably designate, and the Franchisee will pay all salary and other; expenses of persons attending, including any conference fees, travel expenses, meals, living expenses and personal expenses.

(c) Subject to Section 8.5, any additional required Service or Product introduced into the System by the Franchisor must be offered for sale on a continuing basis at the Business at the time and in the manner required by the Franchisor. Franchisor will provide at least 30 days prior written notice of any new required Service or Product introduced into the System. All equipment, products, supplies, tools and other items necessary to add the newly required Services or Products must be acquired, installed, and utilized at the time and in the manner required by the Franchisor. The marketing of new Services and Products must begin at the Business as reasonably required by the Franchisor.

(d) No service or product, except approved Services or Products, may be offered for sale from the Territory, unless the Franchisee receives the prior written consent of the Franchisor (which may be granted or denied in the Franchisor's sole discretion).

(e) The following shall only be used with or in connection with the Business to the extent that they meet the Franchisor's standards and specifications: advertising and promotional materials, services, equipment, tools, inventory, products, vehicle and other signage, supplies, answering service, credit card processing, and uniforms supplied by the Franchisor or its designated suppliers. Advertising and promotional materials, tools, services, equipment, inventory, products, signage, supplies and uniforms produced or approved by Franchisor for use by the Franchisee may be used only in the manner and during the period specified by the Franchisor.

(f) Equipment, tools, Services, Products, inventory, supplies, signage, uniforms and other items must be added, eliminated, substituted and modified at the Business as soon as possible in accordance with changes in the Franchisor's specifications and requirements.

(g) The Business and everything related to the Business must be maintained in good condition and must be kept clean, neat and sanitary. All maintenance, repairs and replacements reasonably requested by the Franchisor or needed in connection with the Business must be promptly made. All employees must be clean and neat in appearance.

(h) No alterations of the Business materially affecting the image of the Business may be made except at the Franchisor's request and with the Franchisor's approval, and any alterations must strictly conform to specifications and requirements established and approved by the Franchisor.

(i) The Business and the Services provided and Products sold by Franchisee must comply with all applicable federal, state, and local laws, ordinances, rules, regulations and other requirements applicable to pesticides and pest control laws. The Franchisee must obtain all business licenses and permits required by federal, state and local laws, ordinances, rules and regulations before operating its Business. If the Franchisee does not obtain all required pesticide permits and licenses necessary to operate it Business within 6 months after the mutual execution of the Franchise Agreement, Franchisor may terminate this Franchise Agreement for cause.

(j) The employees, equipment, tools, supplies, inventory, Products, and other items on hand at the Business, must be at all times sufficient to efficiently meet the anticipated volume of business.

(k) The payment of all debts and taxes arising in connection with the Business, except those duly contested in a bona fide dispute, must be paid when due.

(l) Franchisee will use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as Franchisor deems necessary or appropriate to resolve customer disputes.

(m) Franchisee will provide to Franchisee's customers a guarantee on all Products used in Franchisee's Pest Authority Business as required by the Franchisor in the Brand Standards Manuals.

(n) Franchisee shall accept all major credit cards and other forms of payment specified by Franchisor in the Brand Standards Manuals as payment. Franchisee shall comply with all terms and pay all fees that may be due under a software license agreement for any software Franchisee is required to use in the operation of its Business as prescribed by the Franchisor.

(o) Franchisee shall comply with the advertising requirements set forth in Section 11.

(p) Franchisee will not use any materials with the public, customers, vendors or others that are false or misleading.

(q) Franchisee will ensure that all advertising, labeling, packaging and other materials associated with the Services and Products fully conform to all applicable laws and regulations.

(r) Franchisee will conduct its business operations in accordance with all applicable laws and regulations, including but not limited to, consumer protection laws and regulations. Franchisee will control the quality of the Services and Products to avoid quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

(s) If there occurs a global, regional or local crisis such as a pandemic or other similar Force Majeure Event (as defined in Section 20.8) for which the Center for Disease Control or other governmental body with authority over the Territory mandates preventative action (such as temporarily stopping or materially limiting the conducting of business or travel for public health and safety reasons), Franchisee must cooperate fully with such mandates and with how Franchisor responds to the crisis on a system-wide basis, which may include Franchisor requiring a temporary closure of Franchisee's Pest Authority Business if directly affected by the mandates (whether or not all or other Pest Authority Businesses are required to temporarily close).

8.3 In prescribing standards, specifications, processes, procedures, requirements or instructions under Section 8.2 or any other provision of this Agreement, the Franchisor will provide guidance to the Franchisee, as required in Franchisor's sole determination, in determining the prices to be charged by the Franchisee for Services or Products. Franchisor shall not have control over the day-to-day managerial operations of the Business, and the Franchisee shall be free to establish its own prices.

8.4 Franchisor and Franchisor's representatives will have the right to observe the manner in which Franchisee is rendering its Services and conducting its operations of the Business. Franchisor and Franchisor's representatives will have the right to discuss with the Franchisee, or other personnel the Franchisee may designate, all matters that may pertain to compliance with this Agreement and with the Franchisor's standards, specifications, requirements, instructions and procedures and the Franchisor may take photographs of the Franchisee's completed work as it relates to the Business. The Franchisee shall in all respects cooperate with the Franchisor's rights under this Section 8.4; provided, that the Franchisor's exercise of these rights shall not unreasonably interfere with the Franchisee's conduct of the Business.

8.5 Franchisee will not be required to offer or sell new Services or Products as set out in Section 8.2(c) if the Franchisee demonstrates to the Franchisor's reasonable satisfaction that:

(a) A substantial capital improvement would be required by the offering of new Products or Services and that would result in a material hardship to the Franchisee; or,

(b) Franchisee can establish to the satisfaction of the Franchisor, which it may determine in its discretion after being presented with evidence from the Franchisee, that a material reduction in sales or profitability would result therefrom. For the purposes of this Subsection 8.5(b), a 40% decrease in sales from the average sales by Franchisee in the prior 12 months would be considered a material reduction in sales (subject to seasonal factors that may be applicable to the Territory), and a 30% reduction in profitability from the Franchisee’s average profitability during the previous 12 months (subject to seasonal factors that may be applicable to the Territory) would be considered a material reduction in profitability.

8.6 Franchisor may require the Franchisee's compliance with the provisions of this Section 8 even if it does not require such compliance by all franchisees. In this regard, Franchisee acknowledges that it is not a defense to its obligations under this Section 8 to the extent that Franchisor, in its absolute discretion based on facts then presented, elects to waive full or partial compliance with the requirements hereof at any time or from time to time with respect to any particular franchisee or certain franchisees.

8.7 If the Franchisee is an individual, the Franchisee must directly supervise the Business. If the Franchisee is a corporation or other business entity, or if the Franchisee has, in the Franchisor's sole judgment, insufficient experience in a business similar to the franchise or experience in business management in general, then the Franchisee shall nominate a Designated Business Manager having required experience who shall have direct responsibility for all operations of the Business. Any change in the Designated Business Manager will be subject to Franchisor's approval, in the Franchisor's sole discretion.

8.8 The Franchisee shall become a member of such trade associations or organizations which in the reasonable opinion of the Franchisor are useful in the operation of the Business. The costs of participating in such trade associations shall be borne by the Franchisee and its employees (if applicable to the employees). Nothing in this Section 8.8 limits the Franchisee's freedom to join any franchise or franchisees association of its choosing.

8.9 Franchisee shall at all times have sufficient computer skills to operate Franchisee's then currently required or approved computer system, including the related required software, understand how to utilize any software Franchisor requires to be used in the Business, and to access email and the Internet. If Franchisor determines that Franchisee requires additional computer training, Franchisor will notify Franchisee in writing regarding the nature of the additional training required, and Franchisee will have 120 days to complete such training at Franchisor's corporate office, or at another location designated by Franchisor at Franchisee's sole cost and expense. At the end of the training program, Franchisee shall present a certificate reasonably acceptable to Franchisor establishing that Franchisee passed the training course and is able to demonstrate sufficient computer skills to satisfy Franchisor's requirements. Franchisee's failure to seek additional training or to acquire the required computer skills shall constitute a default under this Agreement.

8.10 Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

8.11 Franchisee shall acquire, maintain, and upgrade all then currently required or approved hardware, software, information processing and communication systems, and Internet and other network access providers, as prescribed in the Brand Standards Manuals and as modified periodically by Franchisor in Franchisor's sole discretion. Franchisee shall comply with any separate software or other license agreements that Franchisor or its designee use in connection with the System. Franchisee shall utilize Franchisor's then currently required software, proprietary database management and intranet system as the exclusive means for tracking and maintaining customer, vendor, and lead information, and for such other uses as prescribed by Franchisor periodically in the Brand Standards Manuals, in Franchisor's sole discretion. Monthly sales reporting may occur through mandatory software including the automatic draft via electronic transfer of Monthly Fees and National Marketing Fees.

8.12 Franchisee shall at all times maintain an active email account and shall check the account at least once each day. If available, Franchisee shall maintain an email account on Franchisor's proprietary database management and intranet system.

8.13 Franchisee may not open its Business until (1) the initial training program has been completed to Franchisor's satisfaction; (2) all amounts due to Franchisor have been paid; (3) Franchisor has been furnished with copies of all insurance policies and certificates required by Section 12, or other documentation of insurance coverage and payment of premiums that Franchisor may request; (4) Franchisee notifies Franchisor that all approvals and conditions set forth in this Agreement have been met; (5) Franchisee has obtained all necessary permits and licenses; (6) Franchisee has provided Franchisor with a fully executed copy of the Lease for Franchisee's Storage Facility and (7) Franchisee has ordered, received and installed all equipment, supplies, inventory, tools, products, uniforms and computer hardware and software required by Franchisor. Franchisee will begin operating the Business immediately after Franchisor determines that the Business is ready for opening based on the foregoing conditions.

8.14 Customer Complaint Resolution. In the event Franchisee fails to satisfactorily resolve a customer complaint to the satisfaction of Franchisor, in order to preserve the name and reputation of the System and the Marks, as well as the Franchisor, Franchisor reserves the right to take whatever steps in its sole discretion Franchisor determines is reasonable to correct the problem. Any fees expended by Franchisor in responding to any customer complaint shall be reimbursed by Franchisee.

8.15 Credit Card Processing Company. In processing customer payments for Franchisee’s Business, Franchisor has contracted with a credit card service management company that will be responsible for processing credit card payments made to the Business. Franchisor’s designated credit card processing company will be the only approved supplier of credit card processing services for the Franchise System. Franchisor may in its sole discretion change service providers for these services at any time. Franchisor will not grant its approval of any request to use any alternative suppliers of credit card processing services. Franchisee will pay monthly account and transaction fees directly to the credit card processing company as incurred, unless Franchisor modifies the arrangement with the credit card processing company.

8.16 Technology and Software Systems. Franchisee must acquire and use all of Franchisor’s then currently required or approved technology and software systems (collectively, the “**Technology and Software Systems**”), which currently includes the required Dispatch Plus and/or Field Routes Software that stores the data from all customer service activity of the Business. Franchisor will have independent access to the information generated and stored in the Technology and Software Systems. Provider costs may include access and usage charges and are subject to change in Franchisor’s sole discretion. From time to time Franchisor may require Franchisee to communicate special customer marketing and correspondence via the Technology and Software Systems. The Technology and Software Systems store the data from all customer service activity in the Business. Franchisee acknowledges and agrees that all data and information generated and stored by the Technology and Software Systems is owned by Franchisor. Franchisor will have unlimited independent access to the information generated and stored in the Technology and Software Systems. Currently the Technology and Software Systems Fee schedule is as follows and is subject to change in Franchisor’s sole discretion:

| **Franchisee’s Gross Revenue in Prior 12 Months** | **Monthly Technology and Software Fee** |
|---|---|
| $0 to $50,000.00 | $100.00 |
| $50,000.01 to $150,000.00 | $200.00 |
| $150,000.01 to $250,000.00 | $300.00 |
| $250,000.01 to $350,000.00 | $400.00 |
| $350,000.01 to $450,000.00 | $500.00 |
| $450,000.01 to $550,000.00 | $600.00 |
| $550,000.01 to $650,000.00 | $700.00 |
| $650,000.01 to $750,000.00 | $800.00 |

| | |
|---|---|
| $750,000.01 to $850,000.00 | $900.00 |
| $850,000.01 to $950,000.00 | $1,000.00 |
| $950,000.01 to $1,050,000.00 | $1,100.00 |
| $1,050,000.01 and above | $1,200.00 |

8.17 Customer Service Vehicle. The Franchisee must utilize in the Business as a customer service vehicle only a late model, mechanically sound, white, full-size pickup truck, with no visible paint, body or interior damage, and which complies with Franchisor's current signage requirements. Franchisee must lease or purchase a customer service vehicle that meets the standards and specifications provided for herein, if Franchisee does not already own such a vehicle. Franchisee must pay to Franchisor the Customer Service Vehicle Outfitting Package Fee and have all required signage applied to the vehicle within 120 days of being placed into service.

8.18 Relocation. Franchisee may not relocate its Franchise Territory. Franchisee may not relocate the location of the Business without Franchisor's prior written consent, which may be withheld or delayed in Franchisor's sole discretion. If Franchisee operates the Business under a lease, and the lease for the location expires or terminates or if the Business premises are destroyed, condemned or otherwise rendered unusable, or as otherwise may be permitted in writing by Franchisor, Franchisor may, in its reasonable discretion, allow Franchisee to relocate the Business. Any such relocation shall be at Franchisee's sole expense. Franchisor shall have no obligation to provide relocation assistance.

## 9. PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

9.1 The Franchisee must purchase all Products, services, equipment, tools, inventory, supplies and computer hardware and software, including the required or approved Technology and Software Systems, from Franchisor's designated suppliers, manufacturers and distributors, which may be Franchisor or its affiliates. The standards and specifications for equipment, computer hardware and software, inventory, tools, vehicles, supplies, services and Products required by the Franchisor shall be maintained in the Brand Standards Manuals. The Franchisor has the right to require Franchisee to discontinue purchasing any Products, services, equipment, tools, inventory, supplies, computer hardware or software from a designated supplier, manufacturer or distributor and may designate new suppliers, manufacturers or distributors at any time in its sole discretion.

9.2 The Franchisee acknowledges and agrees that the Franchisor may receive from designated suppliers of the Franchisee's Products, services, equipment, tools, inventory, supplies and computer hardware and software, periodic volume rebates or other revenue as a result of the Franchisees' purchases. The Franchisee further acknowledges and agrees that the Franchisor shall be entitled to keep for its own use and account such rebates and revenue.

9.3 The names and addresses of the Franchisor's required suppliers, manufacturers and distributors shall be maintained in the Brand Standards Manuals. Franchisor reserves the right to approve all of the Products, supplies, services, equipment, tools, inventory, computer hardware and software used in connection with the Franchisee's Business.

9.4 Franchisor will not grant its approval of any request by Franchisee to use any alternative suppliers for Franchisee's purchase of any Products, services, equipment, tools, inventory, supplies or computer hardware and software.

## 10. MARKS, COPYRIGHTED WORKS, AND OWNERSHIP OF IMPROVEMENTS

10.1 Franchisee acknowledges and agrees that:

(a) Franchisor is the owner of all right, title and interest, together with all the goodwill of the Marks. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the Business, and the Products and Services, and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. In the event that Franchisee acquires any rights, title or interest in the Marks, Franchisee agrees to assign and hereby assigns all such rights, title or interest to Franchisor, it being the intent of the Franchisee that all rights in and to the Marks or other proprietary rights of the Franchisor will always be owned by the Franchisor and that the Franchisee only has a temporary license thereto during the Term of this Agreement.

(b) All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the Business ("**Copyrighted Materials**") are the property of the Franchisor. Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of the Franchisor, who shall be entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to the Franchisor, Franchisee irrevocably assigns and agrees to assign to the Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Section 10.1(b).

(c) Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks or Copyrighted Materials or Franchisor's ownership of the Marks or Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Franchisor's ownership of the Marks or Copyrighted Materials, nor will it represent that it has any right, title, or interest in the Marks or Copyrighted Materials other than those limited, short time rights expressly granted by this Agreement.

(d) Franchisor may decide, in its sole and absolute discretion, to apply to register or to register any trademarks or copyrights with respect to the Services, Products and any other products and services and the Copyrighted Materials. Failure of Franchisor to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar thereto or any Copyrighted Materials, anywhere in the world.

(e) Upon Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Services and Products and other products and services. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents.

(f) All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor. This Agreement does not confer any goodwill or other interests in the Marks to the Franchisee during the Term hereof, or upon expiration or termination of the Agreement.

(g) FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS OR COPYRIGHTED MATERIALS.

10.2 Franchisee acknowledges and agrees that:

(a) Franchisee's right to use the Marks and Copyrighted Materials are derived solely from this Agreement. Franchisee may only use the Marks and Copyrighted Materials in its operation of the Business and only in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Brand Standards Manuals and elsewhere from time to time during the Initial Term and any Interim Period. Franchisee will make every effort consistent to protect, maintain, and promote the Marks as identifying the System and only the System.

(b) Any unauthorized use of the Marks or Copyrighted Materials by Franchisee constitutes a material breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks and Copyrighted Materials.

(c) Franchisee will not use any Marks or portion of any Marks as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law.

(d) In order to preserve the validity and integrity of the Marks and Copyrighted Materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Business, Franchisor or its agents shall have the right of entry and inspection of Franchisee's Business and operating procedures pursuant to Section 8.4.

(e) Franchisee will safeguard and maintain the reputation and prestige of the Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks. Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same.

(f) Franchisee will use the Marks and Copyrighted Materials only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, invoices, stationery, and promotional items such as clothing, pens, mugs, etc., which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Marks and Copyrighted Materials as provided in the Brand Standards Manuals and otherwise given by Franchisor from time to time.

(g) Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the Products and Services: © (year of first publication). Main Line Brands LLC All Rights Reserved.

(h) Franchisee will use the Marks with a superscript "®", TM or "SM", as specified by Franchisor, unless and until advised by Franchisor to use a different notice.

10.3 Franchisee acknowledges and agrees that if, in Franchisor's reasonable determination, the use of Marks or Copyrighted Materials in connection with the Services, Products, other products and services or the Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Marks or Copyrighted Materials, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify or discontinue of the Marks or Copyrighted Materials then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use 1 or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisee shall be solely responsible for the tangible cost of compliance with this requirement (such as the cost of printing new letterhead and business cards), and Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Marks or Copyrighted Materials. Franchisee shall immediately notify Franchisor after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof or the Copyrighted Materials. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks or Copyrighted Materials, Franchisor shall have the sole right, but not the duty, to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks or Copyrighted Materials and shall exercise such right in the sole discretion of Franchisor. Franchisor shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks, Copyrighted Materials or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of- pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee.

10.4 All provisions of this Agreement applicable to the Marks and Copyrighted Materials apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

10.5 If Franchisee during the Initial Term of the franchise relationship or any Interim Period, conceives or develops any improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the Business or any advertising and promotional ideas or inventions related to the Business (collectively, the "Improvements") Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor's written approval prior to using such Improvements. Any such Improvement may be used by Franchisor and all other franchisees without any obligation to Franchisee for royalties or other fees. Franchisee shall assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Franchisor, in securing such rights. Franchisor may also consider such Improvements as the property and Trade Secrets of Franchisor. In return, Franchisor shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees.

## 11. ADVERTISING AND PROMOTION

11.1 The Franchisee acknowledges that local advertising is required to advise the public of the Business and that Franchisee shall continuously promote the Business. The Franchisee may not advertise outside its Territory without Franchisor's approval, which may be granted or withheld in Franchisor's sole discretion.

11.2 During the Initial Term and any Interim Period, the Franchisee shall furnish the Franchisor an accounting of the Franchisee's previous month's expenditures for advertising and promotion on a form approved by the Franchisor.

11.3 The Franchisor will make available at a reasonable cost to the Franchisee all advertising and promotional materials for the Business which are used by the Franchisor and made available to other franchisees. The Franchisee may utilize only those advertising and promotional materials developed and produced by Franchisor for use in the Franchisee's Business. Franchisor will not grant its approval of any request by Franchisee to use any alternative suppliers of advertising and promotional materials for use in Franchisee's Business.

11.4 The Franchisor, in its sole discretion, may elect to establish and administer a System-wide national marketing, advertising and promotional fund **("National Marketing Fund").** If a National Marketing Fund is established, at all times while the National Marketing Fund is in existence, on or before the 10th day of each month, the Franchisee shall be required to contribute monthly to the National Marketing Fund in a then current amount specified by Franchisor in writing from time to time up to a maximum of 3% of the Gross Revenues from the Pest Authority Business **("National Marketing Fee")**, provided that if/when initiated the National Marketing Fee will in all cases be subject to payment of a minimum monthly fee determined by the number of years that Franchisee has operated the Pest Authority Business when such monthly National Marketing Fee is due and payable, as follows:

| **Year (following implementation)** | **National Marketing Fee** |
|---|---|
| Year 1 | $150 Per Month |
| Year 2 | Minimum of $175 Per Month at our option |
| Year 3 through the Balance of the Initial Term and any Interim Period | Minimum of $200 Per Month at our option |

If/when established, Franchisee must pay the National Marketing Fee beginning the earlier of: a) the date Franchisee begins operating the franchised business, or b) a maximum of 120 days after execution of the Franchise Agreement by Franchisor.

If Franchisee signs a Successor Franchise Agreement with Franchisor, Franchisee's minimum National Marketing Fee in the first year of the successor term will be equal to the National Marketing Fee Franchisee paid during the last year of Franchisee's Initial Term, unless Franchisor's then-current Franchise Agreement specifically requires the payment of a different National Marketing Fee.

No action taken by the Franchisor shall diminish the Franchisee's obligations to pay the National Marketing Fee to the National Marketing Fund. The National Marketing Fee is in addition to the Franchisee's obligations in Section 11.1. The National Marketing Fee shall be made at the same time and in the same manner as Monthly Fee payments.

11.5 Advertising materials and services may be provided to the Franchisee through the National

Marketing Fund, and may consist of local, regional or system-wide advertising. Franchisor may occasionally provide for placement of advertising on behalf of the entire System, including franchisees, or on behalf of a particular region, that may not include Franchisee, through the National Marketing Fund. Franchisor reserves the right to use the National Marketing Fee from the National Marketing Fund to place advertising in national media or regional media (including broadcast, print or other media) in the future. Franchisee acknowledges that the National Marketing Fund is intended to maximize the general brand recognition of the System. Franchisor is not obligated to expend National Marketing Funds directly on Franchisee's behalf or benefit or expend National Marketing Funds equivalent or proportionate to Franchisee's National Marketing Fees on Franchisee's behalf or benefit. Franchisor does not warrant that any particular franchisee will benefit directly from expenditures by the National Marketing Fund.

11.6 National advertising, public relations, and promotions will be started and continued by the Franchisor when, in the Franchisor's sole discretion, the Franchisor deems that it has accumulated sufficient moneys for that purpose. The National Marketing Fund will be used to promote the System, Services and/or Products sold by the franchisees and will not be used for the direct purpose of selling additional franchises. The Franchisor's accounting and marketing personnel or a representative designated by Franchisor will administer the National Marketing Fund. The National Marketing Fund will collect National Marketing Fees from all franchisees. All payments to the National Marketing Fund must be spent on advertising, public relations, market research, promotion, marketing of goods and services provided by the Franchisor, outside vendors providing such or similar services, including, but not limited to, marketing agencies, and the costs of administration of the National Marketing Fund, including, but not limited to, salaries, overhead, administrative, accounting, collection and legal costs and expenses. The National Marketing Funds will be maintained by Franchisor in a separate account or accounts. An annual un-audited financial statement of the National Marketing Fund, at the expense of the National Marketing Fund, will be available to the Franchisee 120 days after the Franchisor's fiscal year end for review, upon request.

11.7 The National Marketing Fees collected by the National Marketing Fund are non- refundable. The National Marketing Fund may be terminated at any time by the Franchisor, in its sole discretion. In the event that the National Marketing Fund is terminated, any remaining balance in the National Marketing Fund will be expended as provided for in this Section 11 or returned to the Franchisee on a pro-rata basis.

11.8 The Franchisor (and any designee of the Franchisor) will have no direct or indirect liability or obligation to the Franchisee or the National Marketing Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the National Marketing Fund. Franchisee and Franchisor agree that their rights and obligations with respect to the National Marketing Fund and all related matters are governed solely by this Agreement and neither this Agreement or the National Marketing Fund creates a trust, fiduciary relationship, or similar arrangement.

11.9 In addition to participation in the National Marketing Fund, the Franchisee must expend a minimum amount (the "**Minimum Individual Local Advertising Expense**") on approved advertising for the Business annually. The Minimum Individual Local Advertising Expense is currently the greater of $5,500 or 5% of Gross Sales annually. All marketing to be purchased and applied to the Minimum Individual Local Advertising Expense must be approved by the Franchisor before use.

11.10 The Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new Services, Products, new franchises or other marketing programs directed or approved by the Franchisor), which are prescribed from time to time by the Franchisor. The Franchisee shall be responsible for the costs of such participation. In addition, the Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of the Franchisor at the Franchisee's sole cost unless otherwise specified in writing by the Franchisor. The Franchisee will maintain an adequate supply of marketing brochures, pamphlets and promotional materials as may be required by' Franchisor from time to time. The cost for such participation will be applied to Franchisee's Individual Advertising Expense obligations set forth in Section 11.1.

11.11 Further, the Franchisor reserves the right to establish or designate specialized, or regional, or special-focused advertising, marketing or media campaigns ("**Special Campaigns**") that may or may not involve the Franchisee and/or other Pest Authority businesses. If Franchisor establishes or designates a Special Campaign that is or will be applicable to the Franchisee, the Franchisee must participate in that campaign and contribute to the costs of the Special Campaign in the amounts and in the manner that the Franchisor specifies. Any amounts that the Franchisee spends or contributes to or for the Special Campaign in a calendar year will be credited toward the Franchisee's required Minimum Individual Local Advertising Expense expenditure for such calendar year.

11.12 Franchisor has established and plans to maintain the Website to provide information about Franchisor, about Pest Authority Businesses generally, about the Products and Services offered and sold by Pest Authority Businesses and about Franchisor's franchising program. Franchisee must provide Franchisor information on the Pest Authority Business so that Franchisor can create and maintain custom local interior website pages containing information about each the Pest Authority Business. If implemented by Franchisor, Franchisee must pay Franchisor or its selected vendors the then current monthly local website pages and digital footprint fee for creation of Franchisee's local website pages, inclusive of a digital marketing offer generator for organic inbound sales leads, review generator and search engine optimization (SEO). Franchisee must also pay Franchisor or its selected vendors a monthly social media fee to create and manage local posts on social media outlets and manage Franchisee's reputation. Franchisor reserves the right to modify or increase these fees upon notice based on Franchisor's then current costs. If Franchisee has multiple Territories under one or multiple franchise agreements with Franchisor, Franchisee will required maintain at least one website per Territory in which Franchisee is responsible for paying the monthly website to Franchisor or its affiliates.

11.13 Unless Franchisor agrees in writing, neither Franchisee nor of its owners, employees or agents may use the Marks or otherwise mention the Pest Authority Business or the Mosquito Authority System in connection with any business or personal uses of Social Media. In all cases, Franchisor has sole discretion and control over any profiles using or relating to the Marks, the Pest Authority Business or the Mosquito Authority System, or that display the Marks that are maintained or posted on Social Media. Franchisor may (but need not) establish guidelines pursuant to which Franchisee may establish profiles or otherwise establish a presence on Social Media. In such event, Franchisee will comply with the standards, protocols and restrictions that Franchisor imposes, and Franchisor can revoke any prior permissions. If implemented, Franchisor may use part of the National Marketing Fee monies to pay or reimburse the costs associated with the development, maintenance and update of profiles on Social Media. In all cases, Franchisee will indemnify Franchisor, its Affiliates and their respective officers, directors and employees with respect to any Damages incurred arising from third-party claims with respect to any such authorized or unauthorized use of Social Media.

## 12. INSURANCE AND INDEMNITY

12.1 The Franchisee shall, upon commencement of the Initial Term:

(a) purchase and at all times maintain in full force and effect at all times during the Initial Term of this Agreement and any Interim Period such insurance policies, in such amounts and on such terms, as prescribed from time to time by the Brand Standards Manuals, issued by an insurance company acceptable to Franchisor. At this time, but subject to change during the Terms pursuant to modifications posted in the Brand Standards Manuals, such insurance policies must include a $2,000,000 aggregate and $1,000,000 per occurrence general liability policy with a deductible not to exceed $1,000.00. Insurance coverage must include, but is not limited to: (i) comprehensive general liability, combined single limit, automobile, bodily injury and all-risk property damage insurance and all other occurrences against claims by any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Brand Standards Manuals and adjusted by Franchisor periodically in Franchisor's sole discretion; (ii) unemployment; (iii) workers compensation insurance and (iv) any other additional insurance required by the terms of any Lease or lender for the Business. Insurance policies must insure Franchisee, Franchisor, Franchisor's Affiliates, and Franchisor's and Franchisor Affiliates' respective officers, directors, shareholders, members and all other parties designated by Franchisor, as additional named insureds against any liability that may accrue against them because of the ownership, maintenance or operation by Franchisee of the Business. The policies must also stipulate that Franchisor shall receive a 30-day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against Franchisor.

Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Franchisor, including original endorsements effecting the coverage required by this Section, shall be furnished to Franchisor together with proof of payment within 10 days of issuance thereof. Franchisee shall also furnish Franchisor with certificates and endorsements evidencing such insurance coverage within 10 days after each of the following events: (i) at all policy renewal periods, no less often than annually, and (ii) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are subject to approval by Franchisor. Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time in Franchisor's sole discretion. In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance within 5 days of the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 17 of this Agreement. Franchisee shall also procure and pay for all other insurance required by state or federal law. Franchisor reserves the right to modify minimum insurance requirements at any time in its sole discretion by updating the Brand Standards Manuals.

(b) All liability insurance policies procured and maintained by Franchisee in connection with the Business will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against Franchisee, Franchisor, Franchisor's Affiliates and their respective officers, directors, agents, employees, and all other entities or individuals designated by the Franchisor as additional insureds.

12.2 Franchisee shall, during the Initial Term and any Interim Period and after the termination or expiration of the Franchise Agreement, indemnify the Franchisor, its Affiliates and their respective officers, directors and employees, and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by the Franchisee or any of its property) (collectively, "Damages,") for which they are held liable, or which they incur (including travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of:

(a) a breach of this Agreement, or any other agreement between the parties, or any breach of a Lease or other instrument by which the right to occupy any Storage Facility or any other premises used by Franchisee to operate the Business is held, by the Franchisee;

(b) any injury to, or loss of property of, any person in, or on, the Storage Facility or any other premises used by Franchisee to operate the Business;

(c) the Franchisee's taxes, liabilities, costs or expenses of its Business;

(d) the operation by Franchisee or its agents or Affiliates of the Business, including, but not limited to, any negligent or willful act or omission of the Franchisee, its employees, agents, servants, contractors or others for whom it is, in law, responsible; and

(e) any advertising or promotional material distributed, broadcasted or in any way disseminated by the Franchisee, or on its behalf unless such material has been produced, or approved in writing, by the Franchisor.

## 13 RELATIONSHIP

13.1 The Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of the Franchisor and no training or supervision given by, or assistance from, the Franchisor shall be deemed to negate such independence. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. The Franchisor and the Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. The Franchisee shall conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from the Franchisor and state that the Franchisor has no liability for the Business being conducted from the Business location. It is expressly agreed that the parties intend by this Agreement to establish between the Franchisor and the Franchisee the relationship of franchisor and franchisee. It is further agreed that the Franchisee has no authority to create or assume in the Franchisor's name or on behalf of the Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of the Franchisor for any purpose whatsoever. The Franchisee agrees that it will not hold itself out. as the agent, employee, partner or co-venturer of the Franchisor. All employees or agents hired by or working for the Franchisee shall be the employees or agents of the Franchisee and shall not, for any purpose, be deemed employees or agents of the Franchisor or subject to the Franchisor’s control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees, agents and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

13.2 Neither party hereto shall make any agreements, representations or warranties (except by the Franchisor in advertising as provided herein) in the name of, or on behalf of, the other party; neither party hereto shall be obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by the Franchisor in advertising as provided herein) nor shall the Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of the Franchisee's Business, whether or not caused by the Franchisee's negligent or willful action or failure to act.

13.3 The Franchisor shall have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Revenues, income, property, or other tax levied upon the Franchisee, the Franchisee's property, the Business or upon the Franchisor in connection with the sales made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor, and then pay over to a revenue agency).

## 14. RESTRICTIVE COVENANTS

14.1 The Franchisee acknowledges and agrees that the restrictive covenants in this Section are fair and reasonable and are justifiably required for purposes, including, but not limited to, the following:

(a) Franchisee's entire knowledge of the operation of the Business, the System, and the concepts and methods of promotion franchised hereunder that it has now or obtains in the future is derived from Franchisor's Confidential Information and Trade Secrets. The Franchisee further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of the Franchisor, represent valuable assets of the Franchisor and that the Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time.

(b) During the Initial Term and any Interim Period, Franchisee, and the Franchisees' owners, Designated Business Managers, and employees (to the extent permissible under applicable laws)who have access to the Confidential Information and Trade Secrets: agree that they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information and Trade Secrets; and (4) will adopt and implement all reasonable procedures the Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring employees, Designated Business Managers, training class attendees, and Franchisee owners who have access to the Confidential Information and Trade Secrets to execute such nondisclosure agreements as the Franchisor may require periodically (which many include noncompetition to the extent permissible under applicable law), and provide the Franchisor, at the Franchisor's request, with signed copies of each of those agreements. Franchisor will be named as a third-party beneficiary on any such nondisclosure (and noncompetition agreements) to which it is not a party.

(c) After the Agreement expires or is terminated, Franchisee, and the Franchisees' owners, Designated Business Managers and employees who have access to the Confidential Information and Trade Secrets agree that for a period of 2 years after the termination or expiration of the Agreement (unless such information is a Trade Secret in which case the requirements in this Section 14.1(c) will remain in place for as long as such information constitutes a Trade Secret) they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information or Trade Secrets; and (4) will adopt and implement all reasonable procedures the Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring written non-disclosure agreements (which many include noncompetition to the extent permissible under applicable law) for those individuals as the Franchisor may require and provide the Franchisor, at the Franchisor's request, with signed copies of each of those agreements. Franchisor will be named as a third-party beneficiary on such nondisclosure (and noncompetition) agreements.

(d) Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) Confidential Information in the public domain after it was communicated to the Franchisee through no fault of the Franchisee, its owners, Designated Business Managers or employees; (b) Confidential Information in the Franchisee's possession free of any obligation of confidence at the time it was communicated to the Franchisee; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that the Franchisee is legally compelled to disclose the information, if the Franchisee has notified the Franchisor before disclosure and used the Franchisee's best efforts, and afforded the Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed.

14.2 Franchisee acknowledges that Franchisor would be unable to protect against unauthorized use or disclosure of its Confidential Information and would be unable to encourage a free exchange of ideas and information among its franchisees if Franchisee was permitted to hold an interest or perform services for any Competitive Business. Therefore, the Franchisee covenants and agrees that:

(a) During the Initial Term of this Agreement and any Interim Period thereof, Franchisee and its owners (and its Designated Business Managers to the extent then permissible under applicable law) shall not, without the prior written consent of the Franchisor, either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder, member, partner or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating in competition with an outdoor and/or indoor pest eradication or pest control business or any other business similar to the Business ("**Competitive Business**") as carried on from time to time during the Initial Term of this Agreement, including any Interim Period thereof.

(b) Upon termination or expiration of the Initial Term or any Interim Period, or the transfer, sale or assignment of this Agreement by the Franchisee, neither the Franchisee nor its owners (nor the Designated Business Manager to the extent then permissible under applicable law) will have any direct or indirect interest (i.e. through a relative) as a disclosed or beneficial owner, investor, lender, partner, member, director, officer, employee, consultant, representative or agent, for 2 years, in any Competitive Business in: (1) the Territory; and, (2) within 25 miles of the Territory.

(c) Upon termination or expiration of the Initial Term or any Interim Period, or the transfer, sale or assignment of this Agreement by the Franchisee, neither the Franchisee nor its owners (nor the Designated Business Manager to the extent then permissible under applicable law), either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder, member, partner or in any manner whatsoever, shall solicit, divert, or attempt to solicit or divert, any business or customer of the Business to any Competitive Business for 2 years.

14.3 If any person restricted by this Section 14 refuses to voluntarily comply with the foregoing obligations, the post-expiration or post-termination time period for the restriction will not commence with the entry of any order of a court or arbitrator enforcing this Section 14.

14.4 The parties have attempted in Section 14.2 above to limit the Franchisee's right to compete only to the extent necessary to protect the Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the provision of Section 14.2 is disputed at any time by the Franchisee, a court or arbitrator, as the case may be, may modify Section 14.2 to the extent that it deems necessary to make such provision enforceable under applicable law. In addition, the Franchisor reserves the right to reduce the scope of said provision without the Franchisee's consent, at any time or times, effective immediately upon notice to the Franchisee. THE FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE

COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE THE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

14.5 Nothing in this Section 14 shall prevent any active officer of Franchisee or member of the Franchisee's family either individually or collectively, from owning up to 5% of the stock of any company, that is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934; provided that Franchisee, or such member of Franchisee's family or such active officer is otherwise not actively involved in the management or operation of that business and does not serve that business in any capacity other than as a minority shareholder holding not more than 5%.

14.6 Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section 14. The Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to the Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. The Franchisee acknowledges that a breach of the covenants contained in this Section 14 will be deemed to threaten immediate and substantial irreparable injury to the Franchisor. Accordingly, the Franchisee agrees that the Franchisor will have the right, without the necessity of proving actual damages and without prior notice to the Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

14.7 In the event that the Franchisee is not an individual, this Section 14 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of the Franchisee, the Franchisee, and any persons controlled by, controlling or under common control with the Franchisee.

## 15. ASSIGNMENT

15.1 The Franchisee acknowledges that the Franchisor's obligations under this Agreement are not personal to the Franchisor. In all cases, the Franchisor shall have the absolute right, in its sole discretion, to unconditionally transfer or assign this Agreement or any of its rights or obligation under this Agreement to any person, corporation or other party.

15.2 Franchisor reserves the right to assign the franchise System to anyone including the operator of a competing franchise system. The Franchisee acknowledges and agrees that the Franchisor may sell its assets, the Marks or the System to any third party of the Franchisor's choice; may offer its securities privately or publicly; may merge with or acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leverage buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without the Franchisee's consent or ability to assert damages, and, in the event of a transferee or successor of the System, the Franchisor will undertake its reasonable best efforts to cause the transferee or successor to expressly assume and perform the Franchisor's obligations in all material respects, free of any responsibility or liability whatsoever to the Franchisee after the transaction occurs.

15.3 With regard to any of the above sales, assignment and dispositions, the Franchisee expressly and specifically waives any claims, demands, or damages against the Franchisor arising from or related to the transfer of the Marks, assets or the System from the Franchisor to any other party.

15.4 The Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to the Franchisee. Accordingly, this Agreement, the Franchisee's rights and interests hereunder, the property and assets owned and used by the Franchisee in connection with the Business and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the Business, and this Agreement, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub- franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of the Franchisee if the Franchisee is an individual), in whole or in part, in any manner whatsoever without the prior written approval of the Franchisor and compliance with all terms of this Section 15. Franchisor shall not unreasonably withhold, condition or delay its approval. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by the Franchisor.

15.5 With and after each valid assignment of this Agreement pursuant to this Section 15, the assignee or assignees of the Franchisee shall be deemed to be the Franchisee under this Agreement and will be bound by and liable for all of the Franchisee's existing and future obligations. No stockholder in any corporation, member in any limited liability company or partner in any partnership which becomes the Franchisee shall have any rights under this Agreement by reason of his, her or its stock ownership, membership interest or partnership interest.

15.6 If the Franchisee shall at any time determine to sell, in whole or in part, the Business, the Franchisee shall obtain a bona fide, executed, written offer ("**Purchase Offer**") for the Business together with all real or personal property, leasehold improvements and other assets used by the Franchisee in its Business from a responsible, arm’s length, and fully disclosed purchaser, and the Franchisee shall submit an exact copy of such Purchase Offer to the Franchisor for approval. Franchisor will have a right of first refusal to purchase the Business as provided in Section 16.

15.7 No transfer or assignment of this Agreement will be approved by the Franchisor or be effective unless and until all the following conditions are satisfied:

(a) the Franchisee being then in full compliance herewith and paying to the Franchisor all outstanding debts or amounts owing to the Franchisor;

(b) the transferee executing the Franchisor's then current franchise agreement (which shall have terms equal to the remainder of Franchisee's Initial Term, but which may contain provisions substantially different from those contained herein, including a higher royalty and greater expenditures for advertising and promotion than are provided hereunder, and such other documents then customarily used by the Franchisor to grant franchises), all other documents as may be reasonably requested by the Franchisor and paying to the Franchisor a transfer fee in the amount of $7,500 U.S. if the transferee does not have any existing relationship with Franchisor (for Mosquito Authority, Pest Authority or Fitness Machine Technicians) or $2,500 U.S. if the transferee has an existing relationship with Franchisor (for Mosquito Authority, Pest Authority or Fitness Machine Technicians) ("**Transfer Fee**");

(c) the Franchisee's execution of a general release of the Franchisor, including its officers, directors, agents and employees and Affiliates from such parties' obligations under the Agreement;

(d) the transferee purchasing all or substantially all of the Franchisee's assets used in the Business in accordance with all applicable bulk sales legislation and assuming all of the liabilities of the Business unless such liabilities have been paid prior to the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock or membership interest of the Franchisee;

(e) the transferee shall be an individual, corporation, limited liability company, partnership or other business entity having adequate financial resources who shall meet all then current criteria established by the Franchisor for new franchisees. The transferee shall also complete the Franchisor's then current training program established by the Franchisor for franchisees unless: (i) the transferee is a current franchisee in good standing in the System; or (ii) the transferee is or has been a Designated Business Manager for a period of 1 year or more of a Business in good standing;

(f) the parties to the proposed transaction will have entered a binding purchase and sale agreement subject only to the rights of the Franchisor set out in Section 16. Franchisor shall be furnished a copy of this binding agreement, and such agreement shall be subject to the Franchisor's approval in writing. The Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement;

(g) the proposed transferee or the stockholders, partners, members or owners of a beneficial interest in a proposed corporation, partnership, limited liability company or other entity transferee, providing jointly and severally such personal guarantees which the Franchisor may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into;

(h) the proposed transferee shall have demonstrated to the Franchisor's satisfaction that it, he or she will meet in all respects the Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote its, his or her full time and best efforts to the operation of the Business, and any other conditions as the Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as the Franchisor may reasonably require. Because of the confidential information and trade secrets available to a franchisee, no assignment to a competitor of the Franchisor will be permitted; and

(i) the transferee paying , in addition to the Transfer Fee, all costs of: (i) the Franchisor with respect to the granting of its approval, as hereinbefore contemplated, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted Franchise Agreement, and all other documents then customarily used by the Franchisor to grant franchises; and (ii) the transfer, including but not limited to all professional fees (attorney's fees, broker fees, and the like), leasing expenses, document preparation costs and due diligence.

15.8 Notwithstanding anything to the contrary herein contained, the Franchisor shall, upon the Franchisee's compliance with such requirements as may from time to time be prescribed by the Franchisor (including the obtaining of all necessary approvals to the assignment of leases, if any, of the Storage Facility), consent to an assignment of the Franchisee's right, title and interest in and to this Agreement, and the property and assets owned and used by the Franchisee in connection therewith and any other agreement then in effect between the Franchisee and the Franchisor, to a corporation, limited liability company or other business entity which is wholly owned and controlled by the Franchisee, subject to the following (provided that such assignment shall in no way release the Franchisee from any liability under this Agreement):

(a) Contemporaneously with such assignment and thereafter upon the appointment or election of any person as director, officer, partner or manager of such corporation, limited liability company or other business entity, such corporation, limited liability company, partnership or other business entity shall cause each shareholder, partner, member, manager, director(s) and officer(s) of the corporation, limited liability company, partnership or other business entity to execute a written agreement with the

Franchisor under seal, personally guaranteeing full payment and performance of the Franchisee's obligations to the Franchisor and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement or any new current form of Franchise Agreement and jointly and severally liable;

(b) No shares or interest in the capital of such corporation, limited liability company, partnership or other business entity shall be issued nor shall the Franchisee directly or indirectly, voluntarily or involuntarily, 'by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or interest or offer or attempt to do so or permit the same to be done without the Franchisor's prior written consent;

(c) The corporation shall maintain stop transfer instructions against the transfer of shares on its records subject to the restrictions of this Section and shall have all outstanding shares endorsed with the following legend printed conspicuously upon the face of each certificate:

> "*The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with Main Line Brands LLC". Reference is made to said Franchise Agreement and to the restrictive provisions of the articles of this corporation*."

(d) The articles of incorporation, articles of organization, operating agreement, partnership agreement, shareholder agreement, and by-laws of the corporation, limited liability company, partnership or other business entity shall provide that its objectives or business is confined exclusively to the operation of the Business as provided for in this Agreement, and recite that the issuance and transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement, and copies thereof shall be furnished to the Franchisor upon request; The Franchisor's consent to a transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claim it may have against the assignor, nor shall it be deemed a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee;

(e) The corporation, partnership, limited liability company or other business entity shall advise the Franchisor and keep the Franchisor current as to the names and addresses of the directors, officers, members, partners and shareholder of and those persons financially involved in the corporation, partnership, limited liability company or other business entity; and

(f) The Franchisee agrees to devote its best efforts to manage the day-to-day operations of the franchised business unless it has an operational partner or Designated Business Manager approved by the Franchisor.

15.9 Upon the death of the Franchisee, shareholder, partner, or member the rights granted by this Agreement may pass to the next of kin or legatees, provided that the Franchisee's legal representatives shall within 120 calendar days of the Franchisee's death apply in writing to the Franchisor for the right to transfer to the next of kin or legatee the Franchisee's rights under this Agreement. Franchisor shall not unreasonably withhold its permission so long as the proposed transferees meet each of the requirements set forth in this Section 15 within 30 days of the receipt of a conditional permission for the transfer.

15.10 Any attempt by the Franchisee to transfer any of its rights or interest under this Agreement or the License, without having received the Franchisor's prior written consent, will constitute a material breach of this Agreement. However, if the Franchisee dies and its personal representative does not desire to sell the Business, and if under controlling local law the Franchisee's interest in the Business, the License and Agreement are distributable to heirs or legatees who are members of his or her immediate family and who otherwise would qualify as assignees, then such attempted assignment by operation of law will not be deemed in violation of this Agreement, provided that such heirs or legatees accept the conditions imposed on otherwise permitted assignees.

15.11 The Franchisee shall not have the right to grant a subfranchise.

## 16. OPTION TO PURCHASE - RIGHT OF FIRST REFUSAL

16.1 Unless otherwise explicitly provided by this Agreement, the Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

(a) The expiration without the extension of Franchisee's rights to operate the Pest Authority Business or the termination for any reason of the License or this Agreement;

(b) Any breach, default or other event that gives the Franchisor the right to terminate the License or this Agreement, after expiration of any applicable notice and cure period; or

(c) The receipt by the Franchisor of a copy of a Purchase Offer.

16.2 Upon any event described in this Section 16.1, the Franchisor shall have the option to purchase all of the Franchisee's rights, title and interest in the Business, and all its improvements, furniture, fixtures, equipment and products, and all of the Franchisee's accounts, contract rights, customer and vendor lists, work in progress and other business assets.

16.3 The purchase price for assets itemized in Section 16.2 will be, subject to Section 16.4: (i) the current fair market value if Sections 16.1(a) or 16.1(b) is applicable; or (ii) the price specified in the Purchase Offer received by the Franchisee if Section 16.1(c) is applicable. If the Franchisee and the Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by each of the Franchisee and the Franchisor, at their respective expense, and an average of the 2 appraised values will be binding. The parties agree that, due to the ownership of the System and the Marks by Franchisor, the appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business System licensed to the Franchisee.

16.4 If the Franchisor elects to exercise any option to purchase provided in this Section 16, the Franchisor will have the right to set off all amounts due from the Franchisee under the Franchise Agreement or any other agreements between the parties, any commissions or fees payable to any broker, agent or other intermediary and the cost of the appraisal, if any, against any payment. Franchisor shall also have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

16.5 Franchisor will notify the Franchisee of its intention to exercise or not exercise its rights to purchase ("Notice of Intent") within 60 days following an event described in Sections 16.1(a) or (b) or within 15 days following an event described in Section 16.1(c). The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by the Franchisor if Sections 16.1(a) or 16.1(b) is applicable. In the event the Franchisor is purchasing the assets pursuant to Sections 16.1(a) or (b), the Franchisee will have 14 days following receipt of the Franchisor's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 16.3.

If the Franchisor declines to exercise its rights under this Section within the 15 or 60 day period described above, as applicable, the Franchisee may thereafter, sell or dispose of the Business to any third party in the event of a sale under Sections 16.1(a) or 16.1(b) or to the third party identified in the Purchase Offer in the event of a sale under Section 16.1(c), but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, or the Notice of Intent and subject to the prior written permission of the Franchisor and satisfaction of the other conditions to assignment set forth in Section 15. If the sale to such third-party purchaser is not completed within 120 days after Franchisor delivers the Notice of Intent to Franchisee, the Franchisor shall again have the right of first refusal herein provided.

16.6 If the Franchisor provides Franchisee with its Notice of Intent to exercise its rights under this Section 16, the purchase and sale contemplated in this Section shall be consummated as soon as possible. In the event the Franchisor is purchasing the assets pursuant to Sections 16.1(a) or (b), following the delivery of a Notice of Intent as specified in Section 16.5, the Franchisor or the Franchisor's designee shall have the immediate right to take possession of the Business and to carry on and develop the Business for the exclusive benefit of the Franchisor or its designee.

## 17. DEFAULT AND TERMINATION

17.1 The Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to the Franchisee during the time period Franchisee is in material default of this Agreement; or (ii) terminate this Agreement and all rights granted the Franchisee hereunder, (subject to the provisions of applicable state law governing franchise termination and renewal), effective upon receipt of notice by the Franchisee, addressed as provided in Section 18, upon the occurrence of any of the following events:

a. The Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Brand Standards Manuals, Confidential Information or Trade Secrets of the Franchisor;

b. The Franchisee voluntarily abandons the Business for a period of 5 consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond the Franchisee's control and not related to the availability of funds to the Franchisee;

c. The Franchisee becomes insolvent or is adjudicated bankrupt; or any action is taken by the Franchisee, or by others against the Franchisee under any insolvency, bankruptcy or reorganization act or law, or if the Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed for the Franchisee;

d. Any material judgment (or several judgments that in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedes or other appeal bond has been filed); or if execution is levied against the Franchisee's Business or any of the property used in the operation of the Business and is not discharged within 5 days; or if the real or personal property of the Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal or constable;

e. The Franchisee or any owner of greater than 20% of the Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof;

f. The Franchisee fails to pay any amounts due the Franchisor or Affiliates within 10 days after receiving notice that such fees or amounts are overdue;

g. The Franchisee misuses or fails to follow the Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within 10 days after receipt of notification from the Franchisor;

h. The Franchisee has received 2 notices of default with respect to Franchisee's obligations hereunder from the Franchisor within a 12-month period, regardless of whether the defaults were cured by the Franchisee;

i. The Franchisee sells, transfers or otherwise assigns the Business, an interest in the Business or the Franchisee entity, this Agreement, the Business or a substantial portion of the assets of the Business owned by the Franchisee without complying with the provisions of Section 15;

j. The Franchisee submits on 2 or more occasions during the Initial Term or any Interim Period a report, financial statement, tax return, schedule or other information or supporting record that understates its Gross Revenue by more than 3%, unless the Franchisee demonstrates that such understatement resulted from inadvertent error;

k. The Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than 5 days late on 2 or more occasions during the Initial Term or any Interim Period unless due to circumstances beyond the control of the Franchisee;

l. The Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name or mark that is confusingly similar to the Marks;

m. The Franchisee contests in any court or proceeding the validity of, or the Franchisor's ownership of the Marks or copyrighted materials;

n. The Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken that purports to merge, consolidate, dissolve or liquidate such entity without the Franchisor's prior written consent;

o. The Franchisee or its Designated Business Manager fails to successfully complete the Franchisor's training or retraining course(s);

p. The Franchisee receives from the Franchisor during the Initial Term and any Interim Period 3 or more notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by the Franchisee;

q. Any misrepresentation under Section 1.9 or any violation of Anti-Terrorism Laws by Franchisee, the Designated Business Manager, its owners, agents or employees; or

r. The failure to obtain Franchisor's written approval for a proposed Storage Facility within 120 days of the mutual execution of the Franchise Agreement.

17.2 Without negating or reducing its rights under Section 17.1 herein, the Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its services to the Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days written notice to the

Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30 day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the 30-day period. Defaults shall include, but not be limited to, the following:

(a) The Franchisee fails to maintain the then-current operating procedures and standards established by the Franchisor as set forth herein or in the Brand Standards Manuals or otherwise communicated to the Franchisee;

(b) The Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement;

(c) The Franchisee fails or refuses to comply with the then- current requirements of the Brand Standards Manuals;

(d) The Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest, defaults under any term of the Lease of the Storage Facility or any other premises used by Franchisee to operate the Business, any other franchise agreement with the Franchisor or any other agreement material to the Business and such default is not cured within the time specified in such Lease, other franchise agreement or other agreement;

(e) The Franchisee fails, refuses or neglects to submit a statement of monthly revenues accompanying the Monthly Fee or any other report required under the Agreement when due;

(f) The Franchisee fails, refuses or neglects to accurately report Gross Revenues, sales information or other information required by Franchisor to be reported; or

(g) The Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by the Franchisor and does not correct such failure within 10 days (or 30 days if this is the first non- compliance or breach) after written notice from the Franchisor (which shall describe the action that the Franchisee must take) is delivered to the Franchisee.

17.3 Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30 day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30 day period, the Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than 30 additional days.

17.4 A termination of this Agreement by the Franchisee shall be deemed to be a termination without cause and a breach hereof, by the Franchisee, for which the Franchisor may seek damages. The Franchisee agrees that it shall not, on grounds of an alleged nonperformance by the Franchisor of any of its obligations or any other reason, withhold payment of any amount due to the Franchisor whatsoever or set off amounts owed to the Franchisor under this', Agreement, against any monies owed to the Franchisee, which right of set off is hereby expressly waived by the Franchisee.

17.5 No endorsement or statement on any check or payment of any sum less than the full sum due to the Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and the 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. The Franchisor may apply any payments made by the Franchisee against any past due indebtedness of the Franchisee as the Franchisor may see fit.

The Franchisor may set off against any payment due to the Franchisee hereunder any outstanding debts of the Franchisee to the Franchisor, and may, at the Franchisor's option, pay the Franchisee's trade creditors, if Franchisee is delinquent or out of terms with such trade creditors out of any sum otherwise due to the Franchisee.

17.6 The Franchisee agrees to pay within 5 days of the effective date of termination or expiration of the Franchise all amounts owed to the Franchisor, the landlord of the Storage Facility or other premises used in the Business (if applicable) and the Franchisee's trade and other creditors that are then unpaid.

17.7 All Monthly Fees and advertising contributions, all amounts due for goods purchased by the Franchisee from time to time from the Franchisor or its Affiliates and any other amounts owed to the Franchisor or its Affiliates by the Franchisee pursuant to this Agreement or any other agreement shall bear interest after the due date at the rate of 18% per annum or the highest rate permitted by law, whichever is lower, both before and after default, with interest on overdue interest at the aforesaid rate, from the date payment is due to the date payment is received by Franchisor. The acceptance of any interest payment shall not be construed as a waiver by the Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to the Franchisor's right to terminate this Agreement in respect of such default. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Monthly Fee payments, National Marketing Fee contributions or any other amounts due Franchisor, including reasonable accounting and legal fees, regardless of whether any arbitration or lawsuit is filed. Notwithstanding the provisions of this Section, Franchisee’s failure to pay all amounts when due, shall constitute grounds for termination of this Agreement as provided in this Agreement.

17.8 Should the Franchisee, or any partnership or joint venture or corporation in which the Franchisee has a controlling equity interest, be a franchisee pursuant to another Franchise Agreement with the Franchisor, respecting another franchised Business using the Marks, a default under this Agreement shall constitute a default under such other Franchise Agreement and vice versa, with like remedies available to the Franchisor. Should such other Franchise Agreement cease to be valid, binding and in full force and effect for any reason then the Franchisor may, at its option terminate this Agreement and this Agreement shall be surrendered by the Franchisee and terminated, and likewise should this Agreement cease to be valid binding and in full force and effect for any, reason, the Franchisor may at its option terminate the other Franchise Agreement and the other Franchise Agreement shall be surrendered and terminated. In the event that there is more than one Franchisee, or if the Franchisee should consist of more than one legal entity, the Franchisee's liability hereunder shall be both joint and several. A breach hereof by' one such entity or the Franchisee shall be deemed to be a breach by both or all.

17.9 The Franchisee agrees that upon termination or expiration of this Agreement, it shall take the following action:

(a) Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings, facsimile numbers, e-mail addresses, the Brand Standards Manuals, and all materials, Products and Services of any kind which are identified or associated with the System and return all these materials and Products to the Franchisor;

(b) Immediately turn over to Franchisor all materials, including the Brand Standards Manuals, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business (all of which are acknowledged to be Franchisor's property). Under no circumstances shall Franchisee retain any printed or electronic copies of the Brand Standards Manuals, customer lists, Confidential Information or Trade

Secrets or portions thereof upon expiration or termination of this Agreement;

(c) Franchisee hereby acknowledges that all telephone numbers, facsimile numbers and Internet addresses used in the operation of the Business constitute assets of the Business; and upon termination or expiration of this Agreement, Franchisee shall take such action within 5 days to cancel or assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and Internet and e-mail addresses, and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all telephone numbers, facsimile numbers, directory listings and Internet addresses used by Franchisee to promote the Business and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in- fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Attachment E to this Agreement evidences such appointment;

(d) Make no representation nor state that the Franchisee is in any way approved, endorsed or licensed by the Franchisor or associated or identified with the Franchisor or the System in any manner;

(e) Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the System;

(f) Provide the Franchisor the option to purchase as set forth in Section 16; and

(g) Comply with the provisions of Sections 10.1(c) and (d) and Section 14.

17.10 If, within 30 days after termination or expiration of this Agreement by the Franchisor, the Franchisee fails to remove all displays of the Marks from the Business, which are identified or associated with the System, the Franchisor may enter the Business to effect removal. In this event, the Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

17.11 If, within 30 days after termination or expiration of this Agreement the Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, the Franchisee hereby irrevocably appoints the Franchisor as the Franchisee's true and lawful attorney-in-fact for the Franchisee, and in the Franchisee's name, place and stead and on the Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable the Franchisor to protect the System.

17.12 Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies that the Franchisor may have against the Franchisee, at law or in equity, whether such claims or rights arise before or after termination or expiration.

17.13 All obligations of the parties hereto that expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 10, 12, 14 and 16, hereof shall survive termination or expiration of this Agreement.

17.14 In the event that this Agreement expires or is terminated for any reason whatsoever and the Franchisor is the lender under any loan agreement ("Loan") or the holder of any promissory note ("Note") or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever ("Security Interest") from the Franchisee concerning assets used at any time by the Franchisee in the Business or that are situated on the Business premises, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

17.15 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall: be substituted for the notice requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and such provision shall be enforced as originally made and entered into in all other jurisdictions not so affected.

17.16 In the event of termination of the Agreement for any reason whatsoever the parties shall accept the default remedies contained herein as full and final satisfaction of all claims. The parties waive, to the extent permitted by law, any claim against the other for punitive or exemplary damages; except for such statutory, punitive, special, consequential or exemplary damages for violation of the Lanham Act, trademark infringement or dilution, unauthorized dissemination of the Confidential Information or Trade Secrets or arising under the indemnification set out in Section 12.

17.17 The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law. Nothing herein shall prevent the Franchisor or the Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies. If it is necessary for the Franchisor to seek preliminary or permanent injunctive relief, the Franchisor may do so without a bond, and without the need to prove actual damages.

17.18 THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

## 18. NOTICES

18.1 Any notice of default or other notice, request, demand, approval, consent or other communication that the parties hereto may be required or permitted to be given hereunder shall be in writing and may be given to the party for whom it is intended by personal delivery, email transmission or delivering it to such party by overnight courier with signature required, in the case of the Franchisor to:

**To Franchisor:**

Main Line Brands LLC
2359 Perimeter Pointe Parkway, Suite 250
Charlotte, North Carolina 28208
Email Address: _____________

**To Franchisee:**

______________________________
______________________________
______________________________
Email Address: ______________

18.2 Any such notice or other document delivered personally or by email transmission shall be deemed to have been received by and given to the addressee on the day of delivery and any such notice sent by overnight courier shall be deemed to have been received by and given to the addressee on the next business day following the date of tender to an expedited courier delivery service. Any party may at any time give notice in writing to any other party of any change of address.

**19. ARBITRATION**

19.1 Except as otherwise provided in this Section, any controversy or dispute arising out of, or relating to the franchise or this Agreement shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. Subject to this Section, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed. The arbitration shall be held in Charlotte, North Carolina. However, arbitration will not be required to be used for any dispute which involves the Franchisee's continued unauthorized usage of any of the Marks or the System, business concept or any issue involving injunctive relief against the Franchisee or any issues related to disclosure or misuse of Confidential Information or Trade Secrets, all of which issues may be submitted to a state or federal court within the State of North Carolina. The parties expressly consent to personal jurisdiction in the State of North Carolina and agree that such court(s) will have exclusive jurisdiction over any such issues not subject to arbitration.

19.2 The proceedings will be held by a single arbitrator agreed upon by the parties from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking method. The parties each shall bear all of their own costs of arbitration; provided, however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning such matters.

19.3 Parties to arbitration under this Agreement shall include, by consolidation, joinder or in any other manner, any person other than the Franchisee and any person in privity with or claiming through, in the right of or on behalf of the Franchisee or the Franchisor, unless both parties consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between the Franchisor and the Franchisee or any person in privity with or claiming through, in the right of or on behalf of the Franchisee or the Franchisor.

19.4 The parties agree that any arbitration, court action or other matter between the parties will be conducted on an individual basis, and not as part of a common, consolidated or class action.

19.5 FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT FRANCHISEE HAS READ THE TERMS OF THIS BINDING ARBITRATION PROVISION AND AFFIRMS THAT THIS PROVISION

IS ENTERED INTO WILLINGLY AND VOLUNTARILY AND WITHOUT ANY FRAUD, DURESS OR UNDUE INFLUENCE ON THE PART OF FRANCHISOR OR ANY OF FRANCHISOR'S AGENTS OR EMPLOYEES.

## 20. MISCELLANEOUS

20.1 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other applicable federal law, this Agreement shall be interpreted under the laws of the State of North Carolina, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of North Carolina, which laws shall prevail in the event of any conflict of law. The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving the Franchisee, its officers or directors and the Franchisor, its officers, directors, shareholders, members, employees or Affiliates both parties agree that the exclusive venue for disputes between them shall be in the State of North Carolina and each waive any objection either may have to the personal jurisdiction of or venue in the State of North Carolina. The Franchisee irrevocably submits to the jurisdiction of such courts and waives any objection the Franchisee may have to either the jurisdiction or venue in such court.

20.2 All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; all partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

20.3 If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

20.4 No failure, forbearance, neglect or delay of any kind on the part of the Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish the Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by the Franchisee or the Franchisor's other franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by the Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of the Franchisor's right to enforce that provision at any future time. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon the Franchisee or the Franchisor or effective unless in writing signed by the Franchisee and the Franchisor's CEO, President or Vice President, except that a waiver need be signed only by the party waiving.

20.5 This Agreement, together with the Brand Standards Manuals, any written related agreements, all Exhibits, Attachments, and the State Addenda attached to the disclosure document as Exhibit E, constitutes the entire understanding and agreement between the parties and supersedes all prior understandings, whether oral or written, pertaining to this Agreement, License, System or Business. Nothing in this Agreement is intended to disclaim any representations made by the Franchisor in the Franchise Disclosure Document that was furnished. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

20.6 The headings of the sections hereof are for convenience only and do not define, limit or construe the contents of the sections of such Sections or other Sections. The term "**Franchisee**" as used herein is applicable to one or more persons, a corporation, limited liability company, a partnership or other business entity, as the case may be, and the singular usage (where applicable) includes the plural and the masculine and neuter usages (where applicable) include the other and the feminine. The term Lease shall include a sublease, and a renewal or extension of a lease or sublease. Time shall be of the essence of this Agreement and of every part thereof.

20.7 When calculating the date upon which or the time within which any act is to be done pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded; if the last day of such period is a non-business day, the period in question shall end on the next business day. Time shall be of the essence of this Agreement and of every part thereof.

20.8 Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, pandemics, epidemics, fires, riots, wars, embargoes and civil commotion, or acts of God ("**Force Majeure Event**"). Any such delay shall extend performance only so long as such event is in progress except such Force Majeure Event will not affect or change Franchisee's obligation to pay Monthly Fees and National Marketing Fees when due. Notwithstanding the foregoing, if there is a Force Majeure Event, Franchisor, may in its sole discretion, elect to waive the Monthly Fees and National Marketing Fees during the period of delay caused by the Force Majeure Event or such shorter period.

20.9. The Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained. The Franchisee hereby irrevocably appoints the Franchisor as his attorney-in-fact, and empowers him to execute such instruments regarding the Marks for and in the Franchisee's name in order to give full effect to Sections 10, 12, 15, and 17 of this Agreement, as well as all other applicable Sections of this Agreement. The Franchisee declares that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on its part.

20.10 This Agreement shall be binding upon, and subject to Section 15 hereof, shall inure to the benefit of, the Franchisee's successors and permitted assigns.

20.11 This Agreement may only be modified or amended by a written document executed by the Franchisee and the Franchisor. The Franchisee acknowledges that the Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Brand Standards Manuals unilaterally under any conditions and to the extent to which the Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks, and the quality of the System. Notwithstanding anything herein to the contrary, the Franchisor shall have the right unilaterally to reduce the scope of any covenants of the Franchisee contained in this Agreement upon notice to the Franchisee, whereupon the Franchisee shall comply therewith as so modified.

20.12 From time to time, the Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of the Franchisor or independent contractors which the Franchisor has contracted with to provide such services. The Franchisee agrees in advance to any such delegation by the Franchisor of any portion or all of its obligations and duties hereunder.

20.13 **Franchisee and Franchisor each irrevocably waive trial by jury in any action, whether at law**

**or equity, brought by either of them.**

20.14 Any claim concerning the Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

20.15 Required NASAA Statement. The following only applies in *California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin*: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

20.16 Franchisee represents and acknowledges that it has had a copy of Franchisor's disclosure document for not less than fourteen (14) calendar days and this Agreement in final complete form in its possession for not less than seven (7) business days.

20.17 This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon the Franchisor when executed or initialed by Franchisor's authorized representative.

***[Signatures on following page*)**

## SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above set forth.

| FRANCHISOR: | FRANCHISEE: |
| --- | --- |
| **MAIN LINE BRANDS LLC,**<br>**a Delaware limited liability company** | ___________________________ |
| By: ________________________________<br>Name: ______________________________<br>Title: _______________________________ | By: ________________________________<br>Name: ______________________________<br>Title (if applicable): ___________________ |

**ATTACHMENT A**
**TO FRANCHISE AGREEMENT**

**1. Territory.**

The Territory set forth in Section 4.1 of the Agreement is ___________________________ _______. [**See Attached Zip Code List.]

The Territory is considered a Full-Size Franchise or Hometown Franchise as reflected on the Cover Page and as checked below:

**Full-Size Franchise _________**
**Hometown Franchise _______**

**2. Initial Franchise Fee**. The Franchisee shall pay to the Franchisor and initial franchise fee of $25,000 if a Full-Size Franchise and $12,500 if a Hometown Franchise, due and payable at the time of execution of the Agreement, subject to a 15% discount for all honorably discharged veterans of American and Canadian armed forces, as deemed qualified by Franchisor.

| **FRANCHISOR:** | **FRANCHISEE:** |
| --- | --- |
| **MAIN LINE BRANDS LLC,**<br>**a Delaware limited liability company** | ____________________________ |
| By: _________________________________<br>Name: _______________________________<br>Title: ________________________________ | By: _________________________________<br>Name: _______________________________<br>Title (if applicable): ____________________ |

**ATTACHMENT B**
**TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS**

In consideration of and as an inducement to, the execution of the Franchise Agreement executed between _______(“**Franchisee**”) and Main Line Brands LLC, a Delaware limited liability company (“**Franchisor**”) on the __ day of___________________________, 20____(“**Franchise Agreement**”) each of the undersigned hereby personally and unconditionally:

1. Guarantees to the Franchisor and its successors and assigns, for the Initial Term, including any Interim Period thereof, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Each of the undersigned Guarantor(s) absolutely, irrevocably and unconditionally guarantees the full and faithful performance of the Franchisee under this Franchise Agreement, including the Franchisee's promise to pay monies due to Franchisor. These guaranties are continuing and shall be unaffected by any modification, amendment or extension of the Franchise Agreement. In the event of a default under the Franchise Agreement, Franchisor may proceed against the Franchisee or any or all of the undersigned Guarantors in any order. If any action is brought by Franchisor against any Guarantor to enforce a provision of the Franchise Agreement, the Guarantor shall be liable to Franchisor for all costs of enforcement, including, but not limited to, attorney fees, costs of suit and costs of collecting any judgment such as attorney fees incurred in collection efforts.

**Further, each of the undersigned Guarantors waives the following:**

1. Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking;

2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

3 Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and

5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

**Each of the undersigned consents and agrees that:**

6. His or her direct and immediate liability under this guaranty shall be joint and several;

7. He or she shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;

8. Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Franchisee or any other person; and

9. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the Initial Term, including any Interim Period thereof.

10. The Franchise Agreement is incorporated herein by this reference and all terms used herein shall be defined as set forth in the Franchise Agreement.

**IN WITNESS WHEREOF,** each of the undersigned has affixed his or *her* signature effective on the same day and year as the Franchise Agreement was executed.

| Printed Names of Guarantors | Signatures of Guarantors |
|---|---|
| ______________________________ | ______________________________ |
| ______________________________ | ______________________________ |
| ______________________________ | ______________________________ |

**ACKNOWLEDGEMENT:**

Franchisee, and its shareholders and partners, as applicable, jointly and severally acknowledge that they have carefully read the Franchise Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into the Franchise Agreement, that they understand the nature of the Franchise Agreement, and that they intend to comply herewith and be bound hereby.

**IN WITNESS WHEREOF,** the parties hereto have caused this Guaranty and Assumption of Franchisee's Obligations to be executed as of the first date set forth above.

ACCEPTED on this______day of____________________, 202__.

| **FRANCHISOR:** | **FRANCHISEE:** |
|---|---|
| **MAIN LINE BRANDS LLC,**<br>**a Delaware limited liability company** | ___________________________ |
| By: ______________________________<br>Name: ____________________________<br>Title: _____________________________ | By: ______________________________<br>Name: ____________________________<br>Title (if applicable): ___________________ |

**ATTACHMENT C**
**TO FRANCHISE AGREEMENT**

**STATEMENT OF OWNERSHIP**

**Franchisee**:__________________________________________

**Trade Name** (if different from above):__________________________________

**Form of Ownership (Check One)**
**Individual____________Partnership Corporation_______Limited Liability Company___________**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

Franchisee acknowledges that this Statement of Ownership applies to the Pest Authority Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to the Franchisor in writing.

___________________________ ________________________________________

Date Name

**ATTACHMENT D**
**TO FRANCHISE AGREEMENT**

**BY AND BETWEEN MAIN LINE BRANDS LLC AND "NAME"**

**AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)**

The undersigned depositor ("**Depositor**") hereby authorizes MAIN LINE BRANDS LLC, ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Depository | Branch |
| ______________________________ | ______________________________ |
| Address | City, State, Zip Code |
| ______________________________ | ______________________________ |
| Bank Transit/ABA Number | Account Number |

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

| | |
|---|---|
| ______________________________ | ______________________________ |
| **Depositor** | **Depository** |
| ______________________________ | ______________________________ |
| By: | By: |
| ______________________________ | ______________________________ |
| Title: | Title: |
| ______________________________ | ______________________________ |
| Date: | Date: |

**ATTACHMENT E**
**TO FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS AND TELEPHONE LISTINGS AND INTERNET ADDRESSES**

THIS ASSIGNMENT is entered into this____________________day of_____________________, 202_, in accordance with the terms of the Pest Authority Franchise Agreement ("**Franchise Agreement**") between ________________ ("**Franchisee**") and Main Line Brands LLC ("**Franchisor**"), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a Pest Authority Business ("**Franchise Business**") located___________.

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Telephone Numbers and Listings**") and' (2) those certain Internet website addresses ("**URLs**") associated with Franchisor's trade and service marks and used from time to time by Franchisee in connection with the operation of the Franchise Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "Telephone Company") and/or Franchisee's internet service provider ("**ISP**") to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without the extension of Franchisee's rights to operate the Pest Authority Business), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings and URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that, as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings and URLs, and Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and to execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and URLs to Franchisor, Franchisor, using its position as attorney-in-fact, shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings and URLs upon such termination or expiration of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that, if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that, at any time after the date hereof, they may perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

| ASSIGNEE: | ASSIGNOR: |
|---|---|
| **MAIN LINE BRANDS LLC,**<br>**a Delaware limited liability company** | ___________________________ |
| By: ________________________________<br>Name: ______________________________<br>Title: _______________________________ | By: ________________________________<br>Name: ______________________________<br>Title (if applicable): ___________________ |

**ATTACHMENT F**
**TO FRANCHISE AGREEMENT**

## SAMPLE RELEASE AGREEMENT

## ACKNOWLEDGMENT OF TERMINATION AND RELEASE AGREEMENT

This Acknowledgment of Termination and Release Agreement ("Agreement") is entered into this __________________________ day of 20____, between Main Line Brands LLC ("Franchisor") and _ __________________________ ____________________ ("**Franchisee**"). The Franchisee and the Franchisor will collectively be referred to herein as the "**Parties**."

## RECITALS

**WHEREAS**, Franchisor and Franchisee entered into that certain franchise agreement ("**Franchise Agreement**") dated____________________________________________, 20_, in which Franchisor granted Franchisee the right to operate a Pest Authority Business in the authorized territory ("**Authorized Territory**") described in Attachment A of the Franchise Agreement; and

**WHEREAS**, on__________________________, 20_, Franchisee's rights under the terms of the Franchise Agreement were terminated ("**Termination**") as a result of ______________________.

**WHEREAS**, the Parties desire to enter into this Agreement for the purpose of acknowledging the Termination; acknowledging Franchisor's retention of all rights and remedies under the Franchise Agreement including, but not limited to, Franchisor's right to retain all Initial Franchise Fees, Monthly Fees, National Marketing Fees, and Additional Assistance Fees and any other fees or sums paid to Franchisor or its Affiliates and right to audit Franchisee's books and records; and fully and finally resolving all legal and equitable claims, known or unknown, of Franchisee existing against Franchisor that were or could have been asserted by Franchisee in any action.

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto hereby covenant, promise and agree as follows:

## AGREEMENT

1. Acknowledgment of Termination. Franchisee acknowledges and agrees that all of its rights under the Franchise Agreement and ("**Franchise Documents**"), were fully and finally terminated on , 20 . Franchisee agrees to abide by all provisions which expressly survive the Termination of the Franchise Documents, as more fully set forth in the Franchise Documents.

2. Release by Franchisee. As of the date of this Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, Successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and Affiliates (as hereinafter defined) (collectively, the "**Franchisee Releasing Parties**"), the Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the "**Franchisor Released Parties**"), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured,

including, without limitation, any claim, demand, or cause of action arising out of or in connection with the Franchisee's Pest Authority Business or the Franchise Documents or any other contractual relation between Franchisee and Franchisor and/or any Affiliate of the Franchisor, which the Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of the Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof The Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of the Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. The Franchisor Released Parties are not releasing any claim which they may have against the Franchisee Releasing Parties or any rights or remedies the Franchisor Released Parties may have under the Franchise Documents or the Non-Disclosure and Non-Competition Agreement, (including but not limited to the right to retain all Initial Franchise Fees, Monthly Fees, National Marketing Fees, and Additional Assistance Fees and any other sums paid to the Franchisor or its Affiliates by the Franchisee or its Affiliates and any audit rights), under law or equity, or under any other contractual relationship between the Franchisee and the Franchisor and/or any Affiliate of the Franchisor.

3. Affiliates. When used in this Agreement, the term "Affiliates" has the meaning as given in Rule 144 under the Securities Act of 1933.

4. Full Release. Except as is set forth in this Agreement, the Parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release as to the Franchisor Released Parties and shall extend to all matters, claims, demands, actions or causes of action of any kind or nature whatsoever which the Franchisee Releasing Parties may have against the Franchisor Released Parties. The Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Agreement but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely and forever settle and release the Franchisor Released Parties and that the release given herein shall be and remain irrevocably in effect as a full and complete general release notwithstanding the existence of any such additional or different facts.

5. No Coercion. The Parties acknowledge that they are freely and voluntarily entering into this Agreement, uncoerced by any person, and that they have been advised and afforded the opportunity to seek the advice of legal counsel of their choice with regard to this Agreement.

6. Notices. Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

7. Binding Effect. This Agreement shall .be binding upon and inure to the benefit of the parties and their respective successors and assigns.

8. Amendments. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto.

9. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina.

10. Jurisdiction. The Parties agree that any disputes relating to the enforcement of this

Agreement will be governed by the dispute resolution provisions set out in the Franchise agreement.

11. Fees and Costs. In any action to enforce, interpret or seek damages for violation of this Agreement, the prevailing Party shall recover all attorney's fees and litigation expenses.

12. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

13. Authorization. Each Party warrants that each individual executing this Agreement on behalf of the respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that he or she is acting within the scope of his or her employment and authority in executing this Agreement.

14. Counterparts and Telecopies. This Agreement may be executed in counterparts or by copies transmitted by telecopier, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

15. Entire Agreement. This Agreement contains the entire agreement between the Parties related to the subject matter hereof, and in entering into this Agreement, each Party represents that he, she, or it is doing so voluntarily and of his, her or its own free will, and have executed this Agreement below acknowledging that each Party has completely read and fully understands the terms of this Agreement.

Notwithstanding the foregoing, this release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

| | |
|---|---|
| **FRANCHISOR:**<br><br>**MAIN LINE BRANDS LLC,**<br>**a Delaware limited liability company**<br><br>By: ______________________________<br>Name: ____________________________<br>Title: _____________________________ | **FRANCHISEE:**<br><br>__________________________<br><br><br>By: ______________________________<br>Name: ____________________________<br>Title (if applicable): __________________ |

## ATTACHMENT G
## TO FRANCHISE AGREEMENT

### Sample Financing Amendment to Franchise Agreement and Promissory Note

**PEST AUTHORITY**
**FINANCING AMENDMENT TO FRANCHISE AGREEMENT**
**(Financing)**

**THIS FINANCING AMENDMENT TO FRANCHISE AGREEMENT** ("**Financing Amendment**") is made effective as of ____________, 20__ (the "**Financing Amendment Effective Date**"), by and among [Insert Name of Franchisor], a Delaware limited liability company ("**Franchisor**"); ________________ ("**Franchisee**"); and _________________ ("**Guarantor(s)**"). Terms not otherwise defined herein will have the meaning attributed to them in the Franchise Agreement (as defined below).

## RECITALS

a. Franchisor and Franchisee are parties to a Pest Authority Franchise Agreement dated ______________ (the "**Franchise Agreement**") relating to the Pest Authority Business (the "**PA Business**") operated within certain agreed geographic area in and around ______________ (the "**Territory**"). Guarantor(s) is/are the Owner(s) of Franchisee and Guarantor(s) of Franchisee's obligations under the Franchise Agreement. The rights related to the PA Business granted under the Franchise Agreement are referred to herein as the "**Franchise**".

b. Franchisee has requested permission to finance a portion of the Initial Franchise Fee payable under the Franchise Agreement through Franchisor.

c. Franchisor is willing to permit Franchisee to finance a portion of the Initial Franchise Fee payable under the Franchise Agreement through Franchisor, all as set forth in this Financing Amendment and the Promissory Note attached as Exhibit A ("**Note**").

## AGREEMENT

Franchisor and Franchisee hereby amend the Franchise Agreement as follows:

1. **Payment Terms for the Initial Franchise Fee.** Notwithstanding anything to the contrary in Section 5.1 of the Franchise Agreement, Franchisor and Franchisee acknowledges and agrees that the Initial Franchise Fee of $25,000 shall be due and payable as follows:

a. $12,500 payable concurrent with the execution of the Franchise Agreement and this Financing Amendment.

b. $12,500 payable in 24 monthly payments of $____________ (based on interest at 5% per annum) with the first payment due by [wire /ACH] on ________, 20__ and thereafter each subsequent payment due on the first of each subsequent calendar month thereafter until paid in full, all in accordance with the Note, which will be executed concurrent with this Financing Amendment.

2. **Franchisee Acknowledgment**. Franchisee acknowledges and agrees that a failure to timely pay to Franchisor any payment due under this Financing Amendment and the Note shall constitute a material payment default under Section 17.1(f) of the Franchise Agreement, for which Franchisor may have the right to terminate the Franchise Agreement if Franchisee fails to cure such payment default following receipt of notice and a 10-day opportunity to cure such payment default.

3. **Guaranty**. Guarantor(s) hereby jointly and severally and unconditionally and irrevocably guarantee to Franchisor (a) the punctual payment when due, whether by lapse of time, by acceleration of maturity, or otherwise, and at all times thereafter, of all principal, interest (including interest accruing after the commencement of any bankruptcy or insolvency proceeding by or against Franchisee, whether or not allowed in such proceeding), fees, costs, expenses, indemnification indebtedness, and other sums of money now or hereafter due and owing pursuant to (i) the terms of the Note and (ii) all renewals, extensions,

refinancings, modifications, supplements or amendments of such indebtedness or any part thereof. The guaranty of Guarantors as set forth in this Section is a continuing guaranty of payment and performance not a guaranty of collection.

4. **Counterpart Execution; Electronic Signatures**. This Financing Amendment may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument. Electronic signatures shall be considered effective for execution purposes.

**4. Conflict of Terms**. In the event of any conflict or ambiguity between the terms of Financing Amendment and the Franchise Agreement, the terms of this Financing Amendment shall control. The parties hereby ratify and confirm the other terms and provisions of the Franchise Agreement as amended by this Financing Amendment.

**IN WITNESS WHEREOF**, the parties have executed this Financing Amendment as of the Financing Amendment Effective Date.

<table>
<tr><td><u>FRANCHISOR</u><br><br>[Insert Name of Franchisor],<br>a Delaware limited liability company<br><br>By:______________________________<br>Title: ____________________________<br>Print Name: _______________________</td><td><u>FRANCHISEE</u><br><br>______________________________<br><br><br>By:______________________________<br>Title: ____________________________<br>Print Name: _______________________</td></tr>
<tr><td></td><td><u>GUARANTOR(S)</u><br><br><br>__________________________________________<br>Print Name: _______________________<br><br><br>__________________________________________<br>Print Name: _______________________<br><br><br>__________________________________________<br>Print Name: _______________________</td></tr>
</table>

## Exhibit A

## PROMISSORY NOTE
**(attached)**

**PROMISSORY NOTE**

$12,500 _____________, 20__

FOR VALUE RECEIVED, we, the undersigned (individually, a "Maker" and collectively, the "Makers"), jointly and severally, promise to pay to the order of [Insert Name of Franchisor]. ("Payee"), a Delaware limited liability company, the principal sum of Twelve Thousand Five Hundred and 00/100 Dollars ($12,500.00).

This Promissory Note ("Note") shall be for a term beginning on the date written above and ending on [Final Payment Date]. The Note shall bear interest at the rate of eight percent (8.0%) per annum on the unpaid principal balance from time to time outstanding until paid in full. Interest on the unpaid principal balance shall be accrued and paid monthly with a final payment in full on the date of the last payment due under the Note, subject only to the provisions hereinafter stated as to default and acceleration.

Makers shall begin principal and interest payments on or before ___________ and shall continue such principal and interest payments through [Final Payment Date] on or before the dates and in the amounts set forth on the chart attached to this Note as Appendix A, with all accrued interest also due on or before [Final Payment Date].

When reconciling payments of principal and interest for purposes of determining interest and the amount of the principal and interest payment due on or before [Final Payment Date], payments shall be credited first to the payment of accrued interest, and the balance of any payment in excess of such interest shall be applied and credited to the principal balance then outstanding.

This Note is payable by electronic funds transfer to an account designated by Payee. If no account is designated, Makers shall make all payments due under this Note in the same manner in which they pay Payee other amounts due under the franchise agreements with Payee.

This Note shall become immediately due and payable without notice or demand upon the occurrence at any time of any of the following events of default (individually, an "Event of Default" and collectively, "Events of Default"):

(1) Default in the payment when due of any principal or interest under this Note;

(2) The occurrence of any event of default under any franchise agreement or other agreement between any of the Makers and Payee;

(3) The liquidation, termination of existence, dissolution, insolvency, or business failure of any Maker, or the appointment of a receiver or custodian for any Maker or any part of its property;

(4) The institution by or against any Maker of this Note of any proceedings under any Bankruptcy Code or any other federal or state bankruptcy, reorganization, receivership, insolvency, or other similar law affecting the rights of creditors generally or the making by any Maker of this Note of a composition or an assignment or trust mortgage for the benefit of creditors; or

(5) The sale, assignment or transfer by any Maker of any interest to the franchise agreements or related franchised businesses, which is not in accordance with the terms of those agreements.

Every amount overdue under this Note shall bear interest from and after the date on which such amount first became overdue at an annual rate of ten percent (10%). Such interest on overdue amounts under this Note shall be payable on demand and shall accrue and be compounded monthly until the obligation of the Maker with respect to the payment of such interest has been discharged (whether before or after judgment).

In no event shall any interest charged, collected, or reserved under this Note exceed the maximum rate then permitted by applicable law and if any such payment is paid by the Makers, then such excess sum shall be credited by Payee as a payment of principal.

All payments by the Makers under this Note shall be made without set-off or counterclaim and be free and clear and without any deduction or withholding for any taxes or fees of any nature whatever, unless the obligation to make such deduction or withholding is imposed by law. The Makers shall jointly and severally pay and save Payee harmless from all liabilities with respect to or resulting from any delay or omission to make any such deduction or withholding required by law.

The Makers agree to pay on demand all costs of collection, including reasonable attorneys' fees, incurred by Payee in enforcing the obligations of the Makers under this Note, whether suit is brought or not.

No delay or omission on the part of Payee in exercising any right under this Note or the Forbearance Agreement shall operate as a waiver of such right or of any other right of Payee, nor shall any delay, omission, or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The Makers each waive presentment, demand, protest, and notices of every kind and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral, and to the addition or release of any other party or person primarily or secondarily liable.

This Note may be prepaid in whole or in part at any time or from time to time in the sole discretion of Payee. Any such prepayment shall be without premium or penalty.

None of the terms or provisions of this Note may be excluded, modified, or amended except by a written instrument duly executed on behalf of Payee expressly referring to this Note and setting forth the provision so excluded, modified, or amended.

During the term of this Note, and upon ten (10) days written request by Payee, Makers agree to give Payee adequate assurances as to Makers' ability to comply with the terms of this Note. Such assurances shall include, but not be limited to, Makers' then current financial statement, which Payee may require be certified by a Certified Public Accountant. Maker agrees that Payee may disclose such financial statements, or any other financial information pertaining to Maker which Payee may possess, to any potential buyer, assignee or holder in due course of this Note.

The Makers acknowledge that an Event of Default under the terms of this Note shall constitute a default under the terms of the franchise agreements between Makers and Payee. Should Makers fail to cure said default within ten (10) days of receipt of written notice, Payee shall have the right to terminate said franchise agreements and all post-termination obligations of said agreements shall apply.

The enforceability of the terms of this Note and the legality of the interest rate specified herein shall be interpreted in accordance with and governed by the laws of the State of North Carolina. In the event of litigation involving this Note, Makers agree that this Note shall be construed in accordance with North Carolina law. Makers acknowledge and agree that the federal and state courts located in North Carolina shall be the venue and exclusive proper forum in which to adjudicate any case or controversy arising, either directly or indirectly, under or in connection with the Note and Makers further agree that, in the event of litigation arising out of or in connection with this Note in these courts Makers will not contest or challenge the jurisdiction or venue of these courts.

*[completed and executed on the following page]*

This Note is executed as an instrument under seal.

______________________,
a ______________________

By:______________________________
Title:____________________________
Print Name:_______________________

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF CALIFORNIA**

The Main Line Brands LLC Franchise Agreement between __________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated __________________ (the "Franchise Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the "Amendment"):

**CALIFORNIA LAW MODIFICATIONS**

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to You concerning termination, transfer or non-renewal of the Franchise Agreement. The Federal Bankruptcy Code also provides rights to You concerning termination of the Franchise Agreement upon certain bankruptcy-related events. To the extent the Franchise Agreement contains a provision that is inconsistent with these laws, these laws shall control.

b. If Franchisee is required in the Franchise Agreement to execute a release of claims, such release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.

c. If the Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.

d. If the Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Franchise Agreement, the covenant may be unenforceable under California law.

e. If the Franchise Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.

f. If the Franchise Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.

g. If the Franchise Agreement requires an interest rate greater than 10% per annum (the highest amount allowed in California), such interest rate will be reduced to 10% per annum.

h. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

2. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**IN WITNESS WHEREOF,** the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

| | |
|---|---|
| **FRANCHISOR** | **FRANCHISEE** |
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ______________________________<br>______________________________ |
| By: ____________________________ | By: ____________________________ |
| Print Name: _____________________ | Print Name: _____________________ |
| Its: ____________________________ | Its: ____________________________ |
| Effective Date: __________________ | Date: __________________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF HAWAII**

The Main Line Brands LLC Franchise Agreement between __________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated __________________ (the "Franchise Agreement") will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the "Amendment"):

**HAWAII LAW MODIFICATIONS**

1. The Franchise Agreement is revised to state that the Initial Franchise Fee and all other payments due to Franchisor before Franchisee opens the Business for business are deferred until Franchisor completes its pre-opening obligations to Franchisee and Franchisee opens the Business for business.

**IN WITNESS WHEREOF,** the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

| **FRANCHISOR** | **FRANCHISEE** |
|---|---|
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ___________________________________<br>___________________________________ |
| By: _______________________________<br>Print Name: ________________________<br>Its: ________________________________ | By: _______________________________<br>Print Name: ________________________<br>Its: ________________________________ |
| Effective Date: _____________________ | Date: _____________________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF ILLINOIS**

The Main Line Brands LLC Franchise Agreement between _________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated _________________ (the "Franchise Agreement") will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the "Amendment"):

**ILLINOIS LAW MODIFICATIONS**

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 - 705/44 (1994) (the "Act"). To the extent that this Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows:

a. Sections 705/19 and 705/20 of the Act provide rights to franchisees concerning nonrenewal and termination of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, are unenforceable with respect to claims under the Act.

c. Any provision that designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside the state of Illinois.

d. If this Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with Illinois law, Illinois law will control.

e. To the extent that the Act prohibits the disclaimer of representations contained in Franchisor's Franchise Disclosure Document, the Franchise Agreement is amended to include representations made in's Franchise Disclosure Document to the extent required by law.

f. Section 41 of the Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in this Agreement is inconsistent with Illinois law, Illinois law will control.

g. Illinois Franchise Disclosure Act paragraph 705/27 provide rights to you concerning periods of limitation for bring claims under this Agreement. If this Agreement contains a provision that is inconsistent with the Act, but the Act shall control.

2. All initial fees and payments due to us before you open your Business for business are deferred until we complete our pre-opening obligations to you and you open your Business for business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of Illinois law applicable to the provisions are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

**IN WITNESS WHEREOF,** the parties have signed this Agreement. On execution and delivery of this Agreement by both parties, the effective date will be the date first above written.

| **FRANCHISOR** | **FRANCHISEE** |
|---|---|
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ______________________________<br>______________________________ |
| By: ________________________<br>Print Name: __________________<br>Its: ________________________ | By: ________________________<br>Print Name: __________________<br>Its: ________________________ |
| Effective Date: ________________ | Date: ______________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF MARYLAND**

The Main Line Brands LLC Franchise Agreement between ________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated _________________ (the "Franchise Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the "Amendment"):

**MARYLAND LAW MODIFICATIONS**

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 et. seq. (2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. 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.

b. This Agreement requires litigation to be conducted in a forum other than the State of Maryland. The requirement shall not be interpreted to limit any rights Franchisee may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.

c. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

d. This Agreement is hereby amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[completed and executed on the following page]

**IN WITNESS WHEREOF,** the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

| | |
|---|---|
| **FRANCHISOR** | **FRANCHISEE** |
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ______________________________<br>______________________________ |
| By: ____________________________<br>Print Name: ______________________<br>Its: ____________________________ | By: ____________________________<br>Print Name: ______________________<br>Its: ____________________________ |
| Effective Date: ___________________ | Date: ___________________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF MINNESOTA**

The Main Line Brands LLC Franchise Agreement between __________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated __________________ (the "Franchise Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the "Amendment"):

**MINNESOTA LAW MODIFICATIONS**

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Franchise Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that Franchisee's use of the Proprietary Marks infringes trademark rights of the third party. Franchisor does not indemnify against the consequences of Franchisee's use of the Proprietary Marks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days after the earlier of (i) actual notice of the claim or (ii) receipt of written notice of the claim, and must therein tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act's requirements and shall have no force or effect.

b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that Franchisee be given written notice of a Franchisor's intention not to renew 180 days prior to expiration of the franchise and that Franchisee be given sufficient opportunity to operate the franchise in order to enable Franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act's requirements and shall have no force or effect.

c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure). If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act's requirements and shall have no force or effect.

d. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.

e. If the Franchise Agreement and/or the Franchise Disclosure Document requires that it be governed by a state's law, other than the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

f. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to sue Franchisor outside the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

g. Minn. Rule 2860.4400J. prohibits Franchisor from requiring You to consent to liquidated damages and prohibits waiver of a jury trial. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement and/or the Franchise Disclosure Document shall be superseded by the Minn. Rule's requirements and shall have no force or effect.

h. You cannot consent to the Franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

i. The Limitations on Actions section must comply with Minnesota Statutes, Section 80C.15, Subd. 5.

2. Each provision of this Agreement and/or the Franchise Disclosure Document shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**IN WITNESS WHEREOF,** the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

| **FRANCHISOR** | **FRANCHISEE** |
|---|---|
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ____________________________<br>____________________________ |
| By: ________________________<br>Print Name: __________________<br>Its: ________________________ | By: ________________________<br>Print Name: __________________<br>Its: ________________________ |
| Effective Date: ________________ | Date: ______________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF NEW YORK**

The Main Line Brands LLC Franchise Agreement between _________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated __________________ (the "Franchise Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the "Amendment"):

**NEW YORK LAW MODIFICATIONS**

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

b. If the Franchise Agreement requires that it be governed by a state's law, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

c. Notwithstanding any rights you may have in the Franchise Agreement permitting You to terminate the Franchise Agreement, You may also have additional rights to terminate the Franchise Agreement on any grounds available by law.

d. With respect to any transfer or assignment by Franchisor, no assignment will be made except to an assignee who, in good faith and judgment of Franchisor, is willing and financially able to assume Franchisor's obligations under the Franchise Agreement.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

**IN WITNESS WHEREOF,** the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

| **FRANCHISOR** | **FRANCHISEE** |
|---|---|
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ______________________________<br>______________________________ |
| By: ________________________<br>Print Name: __________________<br>Its: ________________________ | By: ________________________<br>Print Name: __________________<br>Its: ________________________ |
| Effective Date: ________________ | Date: ______________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF NORTH DAKOTA**

The Main Line Brands LLC Franchise Agreement between __________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated __________________ (the "Franchise Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the "Amendment"):

**NORTH DAKOTA LAW MODIFICATIONS**

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate North Dakota Law, or a rule or order under North Dakota Law, such release shall exclude claims arising under North Dakota Law, and such acknowledgments shall be void with respect to claims under the Law.

b. Covenants not to compete during the term of and upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota Law. If the Franchise Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.

c. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under North Dakota Law.

d. If the Franchise Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law shall control.

e. If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under North Dakota Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location shall be determined by the arbitrator.

f. The Franchise Agreement is amended to reflect that all liquidated damages provisions in the Franchise Agreement (if any) are deleted in their entirety.

g. Section 20.13 of the Franchise Agreement entitled "Waiver of Trial by Jury" is deleted in its entirety.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional

requirements of North Dakota Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**IN WITNESS WHEREOF,** the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

| | |
|---|---|
| **FRANCHISOR** | **FRANCHISEE** |
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ______________________________<br>______________________________ |
| By: ___________________________<br>Print Name: _____________________<br>Its: ____________________________ | By: ___________________________<br>Print Name: _____________________<br>Its: ____________________________ |
| Effective Date: __________________ | Date: __________________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF RHODE ISLAND**

The Main Line Brands LLC Franchise Agreement between __________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated __________________ (the "Franchise Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the "Amendment"):

**RHODE ISLAND LAW MODIFICATIONS**

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.

b. If this Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.

c. If Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**IN WITNESS WHEREOF,** the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

| **FRANCHISOR** | **FRANCHISEE** |
|---|---|
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | ________________________________<br>________________________________ |
| By: ____________________________ | By: ____________________________ |
| Print Name: ______________________ | Print Name: ______________________ |
| Its: _____________________________ | Its: _____________________________ |
| Effective Date: ___________________ | Date: ____________________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF VIRGINIA**

The Main Line Brands LLC Franchise Agreement between ________________________ ("Franchisee" or "You") and Main Line Brands LLC ("Franchisor") dated __________________ (the "Franchise Agreement") will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the "Amendment"):

**VIRGINIA LAW MODIFICATIONS**

1. The Virginia State Corporation Commission, Division of Securities and Retail Franchising requires that certain provisions contained in franchise documents be amended to be consistent with Virginia law. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Franchisor to defer payment of the initial franchise fee and other initial payments owed by franchisees to Franchisor until Franchisor has completed its pre-opening obligations under the Franchise Agreement.

2. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Virginia law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on _____________________, _______.

| **FRANCHISOR** | **FRANCHISEE** |
|---|---|
| **Main Line Brands LLC,**<br>**a Delaware limited liability company** | __________________________________<br>__________________________________ |
| By: ______________________________<br>Print Name: _______________________<br>Its: ______________________________ | By: ______________________________<br>Print Name: _______________________<br>Its: ______________________________ |
| Effective Date: ____________________ | Date: ____________________________ |

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF WASHINGTON**

The Main Line Brands LLC Franchise Agreement between __________________________ (“Franchisee” or “You”) and Main Line Brands LLC (“Franchisor”) dated __________________ (the “Franchise Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the “Amendment”):

**WASHINGTON LAW MODIFICATIONS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees or other pre-opening amounts until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

The undersigned does hereby acknowledge receipt of this addendum.

| FRANCHISOR | FRANCHISEE |
|---|---|
| **Main Line Brands LLC,** | ______________________________ |
| **a Delaware limited liability company** | ______________________________ |
| By: ______________________________ | By: ______________________________ |
| Print Name: ______________________ | Print Name: ______________________ |
| Its: ______________________________ | Its: ______________________________ |
| Effective Date: ____________________ | Date: ______________________________ |

**Exhibit C**
**List of Franchisees and Franchisees**
**Who Have Left the System**

**LIST OF CURRENT FRANCHISEES**
(as of December 31, 2023)

| NAME | ADDRESS | CITY | STATE | ZIP CODE | PHONE | STATES SERVED |
|---|---|---|---|---|---|---|
| Chris & Amberly Mason | 13745 Landview Drive | Coker | AL | 35452 | 205-292-2122 | AL |
| Mike Allen* | PO Box 2083 | Daphne | AL | 36526 | 251-504-1317 | AL, FL, MS |
| Chad Hill | 2506 Oakridge Dr | Jasper | AL | 35504 | 205-388-4580 | AL |
| Jason & Angie Chandler | 21050 N 33rd Avenue | Phoenix | AZ | 85027 | 480-698-1005 | AZ |
| Richard & Cara Boggs | 13303 N. 101st Way | Scottsdale | AZ | 85260 | 480-215-5680 | AZ |
| Paul & Sarah Juedes | 26752 Magdalena Lane | Mission Viejo | CA | 92691 | 949 784-9773 | CA |
| David Cervantes | 1501 W Sierra Dr | Visalia | CA | 93291 | 559 469-6749 | CA |
| Matthew Rotuno*^ | 14 Starlifter Avenue | Dover | DE | 19901 | 844-284-7248 | DE |
| John & Susan Ghabra | 125 Cornwall Road | Rehoboth Beach | DE | 19971 | 302-226-2004 | DE |
| Joel LeBlanc | 122 NW Samme Court | Lake City | FL | 32055 | 423 521-5040 | FL |
| Jason & Mary Andrews | 1417 Maine Avenue | Lynn Haven | FL | 32444 | 850-888-2483 | FL |
| Jason Fife^ | 11940 Alpharetta Highway. | Alpharetta | GA | 30009 | 404-692-6139 | GA |
| Terry Emlet* | 202 City Pond Road | Barnesville | GA | 30204 | 706-816-1132 | GA |
| Mike, Janet, Todd, & Kim Adamson* | 1015 Melody Lane | Roswell | GA | 30075 | 404-543-9585 | GA, TN |
| Justin Watson* | 4 Robin Road | Savannah | GA | 31419 | 912-414-2681 | GA, SC |
| Brad Danowski*^ | PO Box 20422 | St. Simons Island | GA | 31522 | 912-580-1797 | GA, SC |
| Tim Ure+ | 2003 South 4th Ave | Marshalltown | IA | 50158 | 515-897-0288 | IA |
| Mark Focht*^ | 10 Sunbeam Drive | Highland | IL | 62249 | 618-606-7372 | IL, MO |
| Garrett Garofolo | 35098 N. Edgewater Lane | Ingleside | IL | 60041 | 847-778-2369 | IL |
| Scott & Marcy Langdon | 1129 3rd Avenue SW | Carmel | IN | 46032 | 317-413-4554 | IN |
| Nathan Banga+ | 12566 Massachusetts Street | Crown Point | IN | 46307 | 219-688-0129 | IN |
| Alyssa Alexander | 10324 Indian Lake Blvd S | Indianapolis | IN | 46236 | 317-670-7559 | IN |
| Jason Dolan^+ | 205 21 Mile Road NE | Cedar Springs | MI | 49319 | 616-952-1223 | MI |
| Willy & Kirri Beach | 72 Chelsea Court NE | Rockford | MI | 49341 | 616-644-8579 | MI |
| James Harrington | 133 Road 1410 | Mooreville | MS | 38857 | 662-687-1625 | MS |
| Aaron Zydonik*^ | 145 Meadows Lane | Aberdeen | NC | 28315 | 910-693-7969 | NC, SC |
| Ryan Hahn | 3026 Brookmont Place | Charlotte | NC | 28210 | 704-999-1808 | NC |
| Charles Glover & Jason Pritchard*^ | 12 Trey Court | Granite Falls | NC | 28630 | 828-234-4592 | TX |
| Joel & Jenny Denny* | 326 8th Street NW | Hickory | NC | 28601 | 919-710-5596 | VA |
| Mitch & Haze Lancaster*^ | 2200 Gateway Centre | Morrisville | NC | 27560 | 888-784-2310 | MD, NC, |

| NAME | ADDRESS | CITY | STATE | ZIP CODE | PHONE | STATES SERVED |
|---|---|---|---|---|---|---|
| | Blvd suite 220 | | | | | NJ, SC, TN, TX, VA |
| Chip & Shea Crutchfield^ | 5723 Country Club Rd.Suite X | Winston-Salem | NC | 27104 | 336-712-5278 | NC |
| Jay Thomas & Matthew Olsen | 18627 Redwood Street | Omaha | NE | 68136 | 402-983-1246 | NE |
| Brian Gould+ | 23 Cranberry Ledge Rd | Byram Township | NJ | 07821 | 201-362-7524 | NJ |
| William Webb | 25 Doncaster Road | Cherry Hill | NJ | 08003 | 856-410-5626 | NJ |
| Mark Trapani | 13 Big Look Trail | Medford | NJ | 08055 | 609-412-0388 | NJ |
| Vince Norton | 9 Woodside Ave | Narberth | NJ | 19072 | 215-787-7543 | NJ, PA |
| Scott Feldman+ | 78 Shadybrook Lane | Princeton | NJ | 08540 | 908-900-9525 | NJ |
| Alan & Sarah Botsch | 17 Chestnut Drive | Robbinsville | NJ | 08691 | 609-477-3249 | NJ |
| Chris & Bryan Madigan | 841 Brown Court | Toms River | NJ | 08753 | 732-797-1617 | NJ |
| Enzo "Vinny" Gerardi*+ | 222 DownHill Run | Toms River | NJ | 08755 | 732-814-5661 | NY |
| Salvatore Galati | 3 Emerson Drive | Whippany | NJ | 07981 | 973-954-9433 | NJ |
| Arthur Saunders | 1180 Blanca Ave NW | Los Lunas | NM | 87031 | 505-918-3322 | NM |
| Kevin Gates | P.O. Box 942 | Mexico | NY | 13114 | 315-343-0556 | NY |
| Sean & Colette Lewis | 7824 Dearborn Avenue | Cincinnati | OH | 45236 | 513-615-0206 | OH |
| Tim Casey & Nick Coughlin^ | 2619 WELLESLEY RD | Columbus | OH | 43209 | 614-321-2524 | OH |
| Blaine Miller^ | 13821 Gardenia Avenue NE | Hartville | OH | 44632 | 330-933-5539 | OH |
| Richie Van Bourgondien | 1975 Appian Way | Springfield | OH | 45503 | 937-505-3524 | OH |
| Sarah & Ronnie Phillips | 820 E Lamplighter Ct, | Guthrie | OK | 73044 | 580-380-3460 | OK |
| Beth Everitt | 2417 Stonebridge Drive | Norman | OK | 73071 | 405-217-3939 | OK |
| Kenneth & Stacey Juergens^+ | 107 Port Royal Drive | Ninety Six | SC | 29666 | 864-992-1305 | SC |
| Oscar & Sarah Beall^+ | 126 Angie Lane | Abilene | TX | 79602 | 325-669-1980 | TX |
| Ben Archer* | 12117 Bee Cave Road | Bee Cave | TX | 78738 | 512-673-0136 | TN, TX |
| Oscar & Loretta Dominguez | 11125 La Quinta Place, Suite A | El Paso | TX | 79936 | 915-242-1344 | TX |
| Jeremy & Megan Holland | 3553 Barkwood Lane | Frisco | TX | 75033 | 318-381-5427 | TX |
| Rodrigo & Jeannie Feliu | 23415 Whispering Wind | Katy | TX | 77494 | 281-766-0403 | TX |
| Jay Terry^ | 100 Braniff Lane | Longview | TX | 75605 | 903-918-9121 | TX |
| Richard Baker | 18910 Kenswick Cove Drive | Tomball | TX | 77375 | 832-557-7541 | TX |
| Zach Davis^ | 479 North 6800 West | Corinne | UT | 84307 | 435-230-0091 | UT |
| Chris MaGuire+ | 5911 South 1300 East | Salt Lake City | UT | 84121 | 720-474-1040 | UT |
| Christine McKinnley & Brenda Witten | P.O. Box 311 | Kilmarnock, | VA | 22482 | 804-577-3806 | VA |
| Nick & Lauren Perelli | 12098 Brent Town Road | Midland | VA | 20119 | 540-840-0104 | VA |

| NAME | ADDRESS | CITY | STATE | ZIP CODE | PHONE | STATES SERVED |
|---|---|---|---|---|---|---|
| Anthony Duncan* | 14619 Wave Lane | Midlothian | VA | 23225 | 804 545 2846 | PR, VA |
| Codie & Gary Wegener+ | N8109 Shady Lane Road | Bear Creek | WI | 54922 | 920-422-4767 | WI |
| JJ & Lisa LaDue | W173N5160 Mulberry Lane | Menomonee Falls | WI | 53051 | 262-788-9162 | WI |
| Jared Mataczynski^ | 222688 Bluebell Lane | Wausau | WI | 54401 | 715-551-4440 | WI |

Notes:
* designates a Franchisee that has been granted a franchise containing more than one territory that's principal place of business may be located in another state.
^ indicates Franchisee owns at least one hometown territory.
+ Indicates Franchisee was not operational as of December 31, 2023

## LIST OF FORMER FRANCHISEES
(as of December 31, 2023)

The following franchisees left the Pest Authority system during the recently completed fiscal year:

| FRANCHISEE | ADDRESS | CITY | STATE | ZIP CODE | PHONE | # OF TERRITORIES |
|---|---|---|---|---|---|---|
| **NEW JERSEY** | | | | | | |
| *Catherine Hartman | 48 Millers Run | Delran | NJ | 08075 | 856-630-4750 | 2 |
| | | | | | | |
| **SOUTH DAKOTA** | | | | | | |
| *Patrick DeGroot | 202 W. 5th Street | Hartford | SD | 57033 | 605-759-2628 | 1 |
| | | | | | | |
| **TENNESSEE** | | | | | | |
| *Brad Parker | 667 Chaney Drive | Collierville | TN | 38017 | 901-500-7681 | 5 |

Notes:
*means franchisee transferred one or more franchises
^means franchisee ceased operations

**Exhibit D**
**List of State Agents and Agents for Service of Process**

## STATE ADMINISTRATORS

**CALIFORNIA**
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: http://www.dfpi.ca.gov/
Email: Ask.DFPI@dfpi.ca.gov

**HAWAII**
Department of Commerce and Consumer Affairs Business Registrations Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586 2722

**ILLINOIS**
Office of Attorney General 500 South Second Street Springfield, Illinois 62706
(217) 782 4465

**INDIANA**
Franchise Section Securities Division
302 W. Washington St., Room E 111 Indianapolis, Indiana 46204
(317) 232 6681

**KENTUCKY**
Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602
(502) 696 5300

**MARYLAND**
Office of Attorney General
Securities Division
200 St. Paul Place Baltimore, Maryland 21202
(410) 576-6360

**MICHIGAN**
Office of the Attorney General Consumer Protection Division Antitrust and Franchise Section
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

**MINNESOTA**
Minnesota Dept. of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1500

**NEBRASKA**
Nebraska Department of Banking and Finance 1200 N1526 K Street, Suite 300
Lincoln, Nebraska 68508-2732
P.O. Box 95006
Lincoln, Nebraska 68509-5006
(402) 471-2171

**NEW YORK**
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st FL
New York, NY 10005
212-416-8222

**NORTH DAKOTA**
North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, ND 58505-0510
701-328-4712

**OREGON**
Division of Consumer and Business Services Finance and Corporate Securities
350 Winter Street N.E.
Labor and Industries Building, Room 21
Salem, Oregon 97310
(503) 378 4387

**RHODE ISLAND**
Securities Division
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222 3048

**SOUTH DAKOTA**
Division of Insurance Securities
Regulation 124 S. Euclid, Suite 104
Pierre SD 57501
(605) 773-3563

**TEXAS**
Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711
(512) 475 1769

**UTAH**
Division of Consumer Protection
Utah Department of Commerce 160
East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114
(801) 530 6601

**VIRGINIA**
State Corporation Commission
Division of Securities and Retail
Franchising 1300 East Main Street,
9th Floor
Richmond, Virginia 23219
(804) 371 9051

**WASHINGTON**
Securities Division,
Department of Financial Institutions
PO Box 41200
Olympia, WA 98504-1200
(360) 902 8760

**WISCONSIN**
Division of Securities
Department of Financial
Institutions
P.O. Box 1768
Madison, Wisconsin 53701 or 201
W. Washington, Suite 300
Madison, Wisconsin 53703
(608) 266 8559

**AGENTS FOR SERVICE OF PROCESS**

CALIFORNIA
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: http://www.dfpi.ca.gov/
Email: Ask.DFPI@dfpi.ca.gov

HAWAII
Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registrations Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS
Illinois Attorney General
500 South Second Street Springfield, Illinois 62706

INDIANA
Secretary of State
201 State House
200 W. Washington Street
Indianapolis, Indiana 46204

MARYLAND
Maryland Securities Commissioner Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN
Department of Labor & Economic Growth Commercial Services & Corporations Bureau
611 W. Ottawa Street
Lansing, Michigan 48909

MINNESOTA
Commissioner of Commerce Minnesota Dept. of Commerce Securities-Franchise Registration
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

NEW YORK
Secretary of State
99 Washington Avenue
New York, New York 12231

NORTH DAKOTA
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, ND  58505-0510
701-328-4712

OREGON
Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND
Director
Department of Business Regulation 233 Richmond Street, Suite 232
Providence, Rhode Island 02903

SOUTH DAKOTA
Division of Insurance Securities Regulation 124 S. Euclid, Suite 104
Pierre SD 57501

VIRGINIA
Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
Director of Financial Institutions Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501
(360) 902 8760

WISCONSIN
Commissioner of Securities
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

**Exhibit E**
**State-Specific Addenda to Disclosure Document**

**AMENDMENT TO MAIN LINE BRANDS LLC**
**FRANCHISE DISCLOSURE DOCUMENT**
**FOR FRANCHISEES IN FRANCHISE REGISTRATION STATES**

Required NASAA Statement. The following only applies in *California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin*: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO MAIN LINE BRANDS LLC**
**FRANCHISE DISCLOSURE DOCUMENT**
**FOR THE STATE OF CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

1. Item 3 of the Disclosure Document is supplemented by the following language:

   Neither we nor any person or franchise broker identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A.78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. Item 6 of the Disclosure Document is supplemented to reflect that 10% per annum is the highest interest rate allowed in California.

3. Item 17 of the Disclosure Document is supplemented by the following language:

   California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

   The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

   The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.

   The Franchise Agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.

   The Franchise Agreement requires submission of dispute to courts located in North Carolina. This provision may not be enforceable under California law.

   The Franchise Agreement requires you to waive your right to a trial by jury. This provision may not be enforceable under California law.

   The California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

   The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.

   You must 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).

4. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL

PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH A COPY OF THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS BEFORE SIGNING THE AGREEMENT.

5. OUR WEBSITE (pestauthority.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

6. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.

7. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

8. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, Any provision of a franchise agreement, franchise disclosure document, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
(d) Violations of any provision of this division.

**ADDENDUM TO MAIN LINE BRANDS LLC**
**DISCLOSURE DOCUMENT**
**FOR THE STATE OF HAWAII**

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

**ADDENDUM TO MAIN LINE BRANDS LLC**
**DISCLOSURE DOCUMENT**
**FOR THE STATE OF ILLINOIS**

Item 5 is amended by the addition of the following language:

1. All initial fees and payments due to us under the Franchise Agreement will be deferred until we complete our initial obligations to you and your first franchise is open for business.

The State Cover Page and Item 17 of this Franchise Disclosure Document are amended by adding the following:

1. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement may provide for arbitration outside Illinois. In addition, Illinois law will govern the Franchise Agreement.

2. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning non-renewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

3. Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act will be void and are deleted with respect to claims under the Act.

4. Section 41 of the Illinois Franchise Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.

**ADDENDUM TO MAIN LINE BRANDS LLC**
**DISCLOSURE DOCUMENT**
**FOR THE STATE OF MARYLAND**

1. Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

A general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17, under the Summary column of part (h), is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. Item 17, under the Summary column of part (v), is modified to include the words "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

4. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Item 17 is amended to state that the franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

**ADDENDUM TO MAIN LINE BRANDS LLC**
**FRANCHISE DISCLOSURE DOCUMENT**
**FOR THE STATE OF MICHIGAN**

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

**(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.**

**(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.**

**(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.**

**(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.**

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

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

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

(i) **THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR FULL-SIZES.**

(ii) **THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.**

(iii) **THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.**

(iv) **THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.**

**(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).**

**(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.**

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

**As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.**

**ADDENDUM TO MAIN LINE BRANDS LLC**
**FRANCHISE DISCLOSURE DOCUMENT**
**FOR THE STATE OF MINNESOTA**

The following is added to Item 17 of the Disclosure Document:

Under Minnesota law and except in certain specified cases, we must give you 90 days' notice of termination with 60 days to cure. We also must give you at least 180 days' notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Specifically, we cannot require you to consent to us obtaining injunctive relief, however, we may seek such relief through the court system.

Minn. Rule 2860.4400J prohibits us from requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Agreement will be considered amended to the extent necessary to comply with Minnesota law.

**ADDENDUM TO MAIN LINE BRANDS LLC**
**DISCLOSURE DOCUMENT**
**FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations. C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**ADDENDUM TO MAIN LINE BRANDS LLC**
**DISCLOSURE DOCUMENT**
**FOR THE STATE OF NORTH DAKOTA**

1. Items 6 and 17(i) of this disclosure document are amended to reflect that all liquidated damages provisions in the Franchise Agreement are deleted in their entirety.

2. Item 17(r) of this disclosure document is amended to reflect that covenants not to compete such as those contained in the Franchise Agreement are generally considered unenforceable in the State of North Dakota.

3. Item 17(v) of this disclosure document is amended to reflect that the jury trial waiver provisions in the Franchise Agreement are deleted in their entirety.

4. Item 17(w) of this disclosure document is amended to reflect that the choice of law provisions in the Franchise Agreement may not be enforceable in the State of North Dakota.

5. Notwithstanding the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages, this provision is deleted in its entirely.

6. Notwithstanding the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year, the provision is changed to read the statute of limitations under North Dakota Law will apply.

7. Notwithstanding the Franchise Agreement stipulating that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the Franchise Agreement, the provision is changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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

**ADDENDUM TO MAIN LINE BRANDS LLC**
**FRANCHISE DISCLOSURE DOCUMENT**
**FOR THE STATE OF RHODE ISLAND**

The following language will apply to Disclosure Documents issued in Rhode Island and be attached by addendum to Agreements issued in the state of Rhode Island:

If any of the provisions of this Franchise Disclosure Document (Risk Factor 1., Cover Page, and Item 17w) are inconsistent with §19-28.1-14 of the Rhode Island Franchise Investment Act, which states that a provision in an Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act, then said Rhode Island law will apply.

**ADDENDUM TO MAIN LINE BRANDS LLC**
**FRANCHISE DISCLOSURE DOCUMENT**
**FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17 of the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Any securities offered or sold by the franchisee as part of the Pest Authority Business must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

2. Item 5 of this Franchise Disclosure Document is amended by adding the following:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fees and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

**ADDENDUM TO MAIN LINE BRANDS LLC**
**FRANCHISE DISCLOSURE DOCUMENT**
**FOR THE STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

In lieu of an impound of initial franchise fees, under the Franchise Agreement, the Franchisor will not require or accept the payment of any initial franchise fees or other pre-opening amounts until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

**Exhibit F**
**Brand Standards Manuals Table of Contents**

**EXHIBIT F**
**BRAND STANDARDS MANUALS TABLE OF CONTENTS**

## Pest Authority Operations Manual (Training Manual)



TOTAL PAGES: 135

**Exhibit G**
**Main Line Brands LLC**
**Non-Disclosure Agreement**

**MAIN LINE BRANDS LLC**
**NON-DISCLOSURE AND NON-COMPETITION AGREEMENT**

This Non-Disclosure and Non-Competition Agreement ("**Agreement**") is made and entered into this day of________________________________, 20__, by and between Main Line Brands LLC, a Delaware limited liability company located at 2359 Perimeter Pointe Parkway, Suite 250, Charlotte, North Carolina 28208 ("Company"), and________________________("**Associate**"), who resides or has a principal place of address at___________________________________.

**RECITALS**

A. The Company is engaged in the business of selling franchises for the operation of a business offering outdoor and indoor pest control and moisture control services and equipment, including but not limited to the application of repetitive application pest elimination and control systems for both residential and commercial use ("**Franchise Business**"). The Franchise Business is operated under the Company's trademark "PEST AUTHORITY" and other service marks, trademarks, logo types, designs, and other commercial symbols (collectively "**Marks**"),

B. The Company has developed methods for establishing, operating and promoting Franchise Businesses pursuant to the Company's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Company ("**Confidential Information**" and "**Trade Secrets**") and any Confidential Information and Trade Secrets as may be further developed periodically by the Company,

C. The Company has established substantial goodwill and an excellent reputation with respect to the quality of its System, which goodwill and reputation have been and will continue to be of major benefit to the Company,

D. Associate desires to become involved with the Company or a franchisee of the Company in the capacity of an officer, partner, director, agent, manager, employee, Designated Business Manager or as a beneficial owner of the Franchise Business, or is an immediate family member, spouse or domestic partner of a principal owning an interest in the Franchise Business, and will become privileged as to certain Confidential Information and Trade Secrets. Associate may or may not have signed the Franchise Agreement or Guaranty and Assumption of Franchisee's Obligations form, and

E. Associate and the Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and Trade Secrets and with respect to noncompetition by Associate with the Company and other franchisees of the Company. Associate agrees to the terms of this Agreement as partial consideration for the Company's willingness to allow Associate to engage in a business relationship with Company or a franchisee of the Company using the Company's Confidential Information and Trade Secrets.

**NOW THEREFORE**, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows:

1. Definitions.

(a) "**Associate**" shall mean the individual or entity described on page 1 of this Agreement and the Associate's managers, officers, beneficial owners, directors, employees, partners, members, principals and immediate family members.

(b) "**Competitive Business**" as used in this Agreement means any business operating in competition with or similar to the Franchise Business; provided, however, Associate will not be prohibited from owning not more than a total of 5% of the stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934.

(c) "**Confidential Information**" shall mean without limitation, all knowledge, know-how, standards, formulas, methods and procedures related to the establishment and operation of the Franchise Business and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchise Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information which the Company or its affiliates designates as confidential including all information contained in the Company's Brand Standards Manuals, which may be provided as one or more separate manuals, written instructional guides, CD Rom, or other communications from the Company or its affiliates, which may be changed or supplemented periodically.

(d) **"Franchise Agreement"** shall mean the franchise agreement between Main Line Brands LLC and ________________________________ dated ______________________, as amended or renewed periodically.

(e) **"Territory"** shall have the meaning defined in the Franchise Agreement.

(f) **"Term"** shall have the meaning defined in the Franchise Agreement.

(g) "**Trade Secret(s)**" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process related to the Franchise Business that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. Confidential Information and Trade Secrets. Associate and the Company acknowledge that the Confidential Information and Trade Secrets which are developed and utilized in connection with the operation of the Franchise Business is unique and the exclusive property of the Company or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information and Trade Secrets would be wrongful and would cause irreparable injury and harm to the Company or its affiliates. Associate further acknowledges that the Company or its affiliates has expended a great amount of effort and money in obtaining and developing the Confidential Information and Trade Secrets, that the Company or its affiliates has taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and that it would be very costly for competitors to acquire or duplicate the Confidential information and Trade Secrets.

3. Nondisclosure of Confidential Information and Trade Secrets. During the Term and any renewal Term of the Franchise Agreement and for a period of 2 years after the expiration or termination of the Franchise Agreement (unless this information is a Trade Secret in which case the requirements in this

Section 3 will remain in place while this information constitutes a Trade Secret), Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Franchise Business, any of the Confidential Information or Trade Secrets of the Company or its affiliates.

Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information that was in the public domain being communicated to the Associate through no fault of the Associate; (b) information that entered the public domain after it was communicated to the Associate through no fault of the Associate; (c) information that was in the Associate's possession free of any obligation of confidence at the time it was communicated to the Associate; or (d) the disclosure of the Confidential Information in judicial or administrative proceedings if the Franchisee is legally compelled to disclose the information, if the Franchisee has notified the Franchisor before disclosure and used the Franchisee's best efforts, and afforded the Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed.

4. Noncompetition Covenant. Associate acknowledges that the Company must be protected against the potential for unfair competition by Associate's use of the Confidential Information and Trade Secrets in direct competition with the Company. Associate further acknowledges that the Confidential Information and Trade Secrets would not have been divulged to the Associate absent the Associate's agreement to strictly comply with the provisions of this Agreement. Associate therefore agrees that other than the Franchise Business licensed under the Franchise Agreement, Associate, will not during the Term and renewal Term of the Franchise Agreement:

(a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business; or,

(b) perform services as a manager, officer, beneficial owner, director, principal, employee, partner, member, consultant, representative, agent or otherwise for a Competitive Business; or divert or attempt to divert any business related to, or any customer or account of the Franchise Business, the Company's business, the business of any affiliate of the Company or any other franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Company or another franchisee licensed by Company, to any Competitive Business by any direct inducement or otherwise.

5. Post-Termination Covenant Not to Compete. Upon termination or expiration of the Franchise Agreement for any reason, Associate agrees that, for a period of 2 years commencing on the effective date of termination or expiration of the Franchise Agreement, Associate will not have any direct or indirect interest (through any immediate family member of Associate or its beneficial owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business, located or operating: (a) in the Territory; (b) within 25 miles of the Territory.

The restrictions of this Section 6 will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding.

The parties have attempted in this Agreement to limit the Associate's right to compete only if necessary to protect the Company from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the provision of Sections 5 and 6 are disputed at any time by the Franchisee, a court or arbitrator, as the case may be, may modify Sections 5 and 6 if it deems necessary to make these provisions enforceable under applicable law. THE ASSOCIATE EXPRESSLY ACKNOWLEDGES THAT THE ASSOCIATE POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT THOSE SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE ASSOCIATE OF THE ABILITY TO EARN A LIVING.

6. Preliminary and Injunctive Relief. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled. Associate agrees that the Company may obtain injunctive relief, without posting a bond or bonds. Associate's sole remedy, in the event of the entry of injunctive relief, shall be dissolution of injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any injunction are hereby expressly waived by Associate. In any litigation, arbitration or other proceeding concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives any defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated, arbitrated or otherwise relating to any claimed "prior breach" on the part of the Company; it being specifically understood and agreed between the parties that no action or lack of action on the part of the Company will entitle or permit the Associate to disclose any Confidential Information and Trade Secrets in any circumstances.

7. Entire Agreement. This instrument contains the entire agreement of Associate and the Company relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

8. Governing Law. This instrument shall be governed by and construed under the laws of the State of North Carolina.

9. Jurisdiction and Venue. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of North Carolina. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then that other state's laws shall control.

10. Effect of Waiver. The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, the holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under

this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred by such party or parties (including without limitation those costs, expenses and fees on any appeals), and if the successful party shall recover judgment in any action or proceeding, those costs, expenses and attorneys' fees shall be included as part of the judgment.

**WHEREOF**, the parties have signed this Agreement on the date first above written.

| **FRANCHISOR:** | **FRANCHISEE:** |
|---|---|
| **MAIN LINE BRANDS LLC,**<br>**a Delaware limited liability company** | ___________________________ |
| By: ________________________________<br>Name: ______________________________<br>Title: _______________________________ | By: ________________________________<br>Name: ______________________________<br>Title (if applicable): ___________________ |

**Exhibit H**
**Termination Agreement and Release**

**MAIN LINE BRANDS LLC**
**<u>TERMINATION AGREEMENT AND RELEASE</u>**

The parties mutually agree that the Franchise Agreement (the "Agreement") dated ____________________ ____________________________, between___________________________________, ("you" "your") and Main Line Brands LLC, a Delaware limited liability company ("us," "our"), a copy of which is attached, is hereby terminated, effective on the date this termination is signed by all parties.

You remain liable to us for all undischarged obligations under the Agreement that existed before this termination. You are bound by all post-term obligations under the Agreement including, but not limited to, the covenant not to compete, the promise to indemnify us for all damages we suffer because of conduct by you before and after this termination, the promise to return our Manual, and the promise not to use the words "Pest Authority" in any other business endeavor.

You waive all notice requirements in the Agreement and any statutory notice periods required by law.

You and your legal representatives and assigns release and discharge us, our officers, directors, agents, successors, and assigns and other legal representatives, from all claims, demands, actions, judgments and executions that you ever had, now have or may have, known or unknown, or that anyone claiming through you may have or claim to have against us that you know of now, or should know now, from the beginning of time up to the date you sign this Termination Agreement and Release, excluding only such claims as the You [Transferor] may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233). **Notwithstanding the foregoing, this release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.**

**WHEREOF**, the parties have signed this Agreement on the date first above written.

| **FRANCHISOR:** | **FRANCHISEE:** |
|---|---|
| **MAIN LINE BRANDS LLC,**<br>**a Delaware limited liability company** | ____________________________ |
| By: _________________________________<br>Name: _______________________________<br>Title: ________________________________ | By: _________________________________<br>Name: _______________________________<br>Title (if applicable): ____________________ |

## 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:

| State | Effective Date |
|---|---|
| California | Pending |
| Hawaii | Pending |
| Illinois | Pending |
| Indiana | Pending |
| Maryland | Pending |
| Michigan | Pending |
| 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.

## Exhibit I Receipts

**RECEIPT**
**(Your copy to keep)**

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Main Line Brands LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Main Line Brands LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or make any consideration that relates to the franchise relationship. Connecticut and Michigan require that Main Line Brands LLC 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. Iowa and Maine require that Main Line Brands LLC give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale.

If Main Line Brands LLC 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. 20590 or the appropriate state agency listed in Exhibit D.

Date of Issuance: May 15, 2024

The name and address of our registered agent authorized to receive service of process is shown in Exhibit D.

The franchise sellers are Chris Buitron, Chris Brown, and Brett Fick (each can be reached 2359 Perimeter Pointe Parkway, Suite 250 Charlotte, North Carolina 28208 and 1-800-709-1190) and
____________________________________________.

I have received a Disclosure Document dated May 15, 2024 that included the following Exhibits:

| | |
|---|---|
| Exhibit A: | Financial Statements |
| Exhibit B: | Franchise Agreement (and State Addenda to Franchise Agreement) |
| Exhibit C: | List of Franchisees and Franchisees Who Have Left the System |
| Exhibit D: | List of State Agents for Services of Process and State Administrators |
| Exhibit E: | State-Specific Addenda to Disclosure Document |
| Exhibit F: | Brand Standards Manuals Table of Contents |
| Exhibit G: | Non-Disclosure and Non-Competition Agreement |
| Exhibit H: | Termination Agreement and Release |
| Exhibit I: | Receipt Pages |

| **PROSPECTIVE FRANCHISEE:** | **PROSPECTIVE FRANCHISEE:** |
|---|---|
| ______________________________ | ______________________________ |
| Print Name: ____________________ | Print Name: ____________________ |
| Date: _________________________ | Date: _________________________ |

**RECEIPT**
**(Sign receipt and return to us)**

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Main Line Brands LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Main Line Brands LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or make any consideration that relates to the franchise relationship. Connecticut and Michigan require that Main Line Brands LLC 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. Iowa and Maine require that Main Line Brands LLC give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale.

If Main Line Brands LLC 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. 20590 or the appropriate state agency listed in Exhibit D.

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| **PROSPECTIVE FRANCHISEE:** | **PROSPECTIVE FRANCHISEE:** |
|---|---|
| ______________________________ | ______________________________ |
| Print Name: ____________________ | Print Name: ____________________ |
| Date: _________________________ | Date: _________________________ |