

FRANCHISE DISCLOSURE DOCUMENT

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THE MAIDS® Businesses provide household maintenance and cleaning services.

The total investment necessary to begin operation of a THE MAIDS® franchise is \$57,500 to \$155,900. This includes \$28,900 to \$100,900 that must be paid to us.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements 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 our Franchise Development Team at 9394 West Dodge Road, Suite 140, Omaha, NE 68114, phone: (402) 558-5555, email: development@maids.com.

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

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

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

Issuance Date: January 19, 2022

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 Exhibits B and 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 The Maids® 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 The Maids® franchisee? | Item 20 or Exhibits B and 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 K.

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 litigation only in Nebraska. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Nebraska than in your own state.
2. **Mandatory Minimum Payment.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **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.

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

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**THE MAIDS INTERNATIONAL, LLC
FRANCHISE DISCLOSURE DOCUMENT**

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

To simplify the language in this Disclosure Document, “we”, “us”, or “our” and “TMI” mean The Maids International, LLC, the franchisor. “You” means the person, persons or entity who buys a franchise, including the entity’s owners. On October 9, 1979, we were incorporated in the State of Nebraska as The Maids International, Inc. On February 27, 2020, we converted from a Nebraska corporation to a Nebraska limited liability company. On March 4, 2020, we were acquired by The Maids Holdings Inc., a Delaware corporation with a principal address of 251 Little Falls Drive, Wilmington, DE 19808. The Maids Holdings Inc. is a subsidiary of Gladstone Management Corp., a Delaware corporation, which has a principal business address of 1521 Westbranch Drive, Suite 100, McLean, VA 22102. We do business under the name “The Maids®.” As of the date of this Disclosure Document, our offices are at 9394 West Dodge Road, Suite 140, Omaha, NE 68114. Our website is www.maids.com. Except as disclosed in this Item, we have no parents, predecessors or affiliates required to be disclosed in this Item. We are engaged in no business activities other than franchising the right to own and operate The Maids® household maintenance and home services businesses and operating company owned The Maids® stores.

Our agents for service of process are disclosed on Exhibit K to this Disclosure Document.

Franchised Business

We grant the personal right and license to establish and operate a The Maids® household maintenance and home services business (“The Maids® Business”). Under the terms of the Franchise Agreement (which is attached as Exhibit D), you will operate your The Maids® Business within a prescribed territory. The Maids® Businesses provide efficient household cleaning services for people who lack the time or desire to clean their home on a regular basis. It will be your sole responsibility for locating any customer accounts, and you must purchase or lease one vehicle for each maid team used in your The Maids® Business. We may require you to use the Mr. Clean® trademark in the operation of your The Maids® Business, but we do not anticipate that it will be the primary trademark.

We have been franchising The Maids® Businesses since November 1980. As of September 30, 2021, there were a total of 1,583 franchised and company-owned Territories. A total of 122 franchisees licensed and operated 1,423 of the 1,583 Territories. We operated the remaining 160 Territories. We offered Regional Franchises in 1982, but then ceased offering those franchises in 1994. We have not offered franchises in any other line of business.

Competition and Government Regulations

You will compete with national and local businesses offering the same or similar cleaning services. The market for residential cleaning services is developed in some major cities, but remains undeveloped in many areas. Even in developed markets, we believe our concept is different from the standard cleaning service in terms of the services and products offered.

We know of no governmental regulations which specifically govern the household maintenance and cleaning service industry, but you are subject to laws and regulations that apply to businesses generally, including immigration and employment laws. We are not aware of any environmental regulations applicable to the household cleaning supplies used in your The Maids® Business. We strongly encourage you to investigate the laws and regulations that may apply to your business.

Item 2

BUSINESS EXPERIENCE

President and Chief Executive Officer and Director: Daniel F. Kirwan

Mr. Kirwan joined us as Vice-President and Chief Financial Officer in January 2001. He was promoted to Executive Vice-President Operations, Treasurer on January 1, 2003. In September 2010, he was promoted to Chief Operating Officer. In March 2020, he was promoted to his current position. Mr. Kirwan has been a member of our Board of Directors since November 2002.

Chairwoman of the Board Director and Assistant Secretary: Erika Highland

Ms. Highland joined us in March 2020 as a Director and Assistant Secretary. Ms. Highland has also been a Managing Director of Gladstone Management Corp. in McLean, Virginia since August 2005.

Chief Financial Officer, Treasurer and Secretary: Paul Andersen

Mr. Andersen joined us in February 2008 as Chief Financial Officer. In this role, Mr. Andersen oversees all aspects of finance and accounting and was appointed Treasurer in July 2013 and Secretary in March 2020.

Chief Operating Officer: Troy Florance

Mr. Florance joined us in January 2006 as a Business Coach. In June 2009, Mr. Florance was promoted to National Director of Franchise Operations. In September 2010, he was promoted to Vice President of Franchise Experience, responsible for our business coaching program and franchise operational support. He was promoted to his current position in March 2020.

Chief Strategy Officer: Ken Doty

Mr. Doty joined us in July 2013 as Vice-President of Business Intelligence. In this role, Mr. Doty oversees all aspects of business intelligence pertaining to the franchise network. He was promoted to his current position in March 2020.

General Counsel: Ashley Williams

Ms. Williams joined us in May 2012 as General Counsel, responsible for all legal matters pertaining to the franchise system.

Chief Learning Officer: Erin Murray

Ms. Murray joined us in 1999 as a Technical Trainer, teaching The Maids® cleaning system to new franchisees and their staff. She was promoted to Vice President of Learning Development in January 2017 and was then promoted to her current position in March 2020.

Chief Development Officer: Josh Minturn

Mr. Minturn joined us in February 2020 as Chief Development Officer, responsible for various leadership, management, sales, and marketing components of franchise development. From March 2016 to February 2020, Mr. Minturn was the Senior Director of Franchise Development for Harris Research, Inc. in Logan, Utah.

Item 3

LITIGATION

Concluded Litigation

The Maids International, Inc. (“TMI”) v. Patrick & Associates, L.P. (“P&A”), American Arbitration Association (the “AAA”), Omaha, Nebraska, Case No. 57 114 E 00073 13, filed May 23, 2013. TMI commenced the arbitration in connection with P&A’s failure to properly renew the regional owner agreements between the parties. As part of the arbitration, TMI sought a declaratory judgment that the regional owner agreements expired and/or were properly terminated by TMI. TMI also sought damages related to P&A’s breaches of the regional owner agreements and operations manuals, as well as reimbursement of its attorneys’ fees and costs. On June 7, 2013, P&A filed a counterclaim against TMI alleging breaches of the regional owner agreements and seeking damages and attorneys’ fees. On October 29, 2013, the parties reached a settlement in exchange for a mutual release of claims. As part of the settlement, TMI agreed to pay P&A \$1,700,000 in exchange for the following: (a) P&A’s rights and interest in its’ regional owner agreements have been terminated; (b) P&A relinquished all right, title and interest in any and all The Maids® businesses that it has an interest in; and (c) P&A must comply with all post-termination obligations, including the non-compete agreements, set forth in the regional owner agreements and any franchise agreement in which it has an interest.

Other than the above 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

| | | |
|----|------------------------------|----------------------|
| 1. | <i>Initial Territory Fee</i> | \$.50 Per Household |
| 2. | <i>SMART Start Package</i> | \$16,900 |

Initial Territory Fee

The Initial Territory Fee is \$.50 for each household in your Designated Market Area.

For example, if there are 72,000 households in your Designated Market Area, you would pay to us an Initial Territory Fee of \$36,000 (\$.50 multiplied by 72,000). You must pay this amount when you sign the Franchise Agreement. We offer financing to new and existing franchisees up to 80% of the Initial Territory Fee, as fully described in Item 10. We do not offer financing for any other purpose either in connection with the establishment or the operation of a The Maids® franchise. We also offer a discount of 5% off the Initial Territory Fee if the Initial Territory Fee is paid in full at the time the Franchise Agreement is signed.

If you are a new franchisee, you may choose to pay your Initial Territory Fee based, in part, upon your Gross Revenues (“Alternative Territory Fee”). The Alternative Territory Fee will be up to a \$20,000 down payment, as we determine, plus 2% of your weekly Gross Revenues of your The Maids® Business until the expiration of your franchise agreement or until your The Maids® Business annual calendar year Gross Revenues reach \$600,000, whichever occurs first.

If you qualify and elect to purchase additional Franchise Territories after you sign the Franchise Agreement you will have to pay an Initial Territory Fee of \$.50 per household in your newly acquired territories. To be eligible to purchase additional territories, you must not be in breach or default of any agreement with us, and you must meet our then-current criteria for expansion. Any additional Franchise Territories to be purchased are subject to final approval by us.

As described in Item 12 of this Disclosure Document, your Designated Market Area will consist of one or more Franchise Territories. Designated Market Areas range in size from approximately 24,000 to 168,000 households, which would result in an Initial Territory Fee equal to \$12,000 to \$84,000. Your Designated Market Area will be defined by hard boundaries, such as streets, highways, rivers, or other identifiable physical boundaries.

Initial Territory Fee Terms

We may terminate your Franchise Agreement if you provide us with any inaccurate financial, personal or other information, or if you or your manager fails to successfully complete our training program within 180 days of signing the Franchise Agreement or upon mutual agreement.

If your Franchise Agreement is terminated as described above, we will refund your Initial Territory Fee after deducting all our reasonable administrative and out-of-pocket expenses. These expenses will include our training costs, salespersons’ commissions, brokers’ fees, attorneys’ fees, audit fees, and travel expenses. Otherwise, the Initial Territory Fee is nonrefundable. You will not be charged an amount for these expenses which exceeds the amount of the Initial Territory Fee.

We are a member of the VetFran program. If you are a veteran of the United States Armed Services, your Initial Territory Fee will be discounted by 20%. This discount is not applicable if you are a new franchisee and choose the Alternative Territory Fee.

SMART Start Package

When you sign the Franchise Agreement, you must pay to us \$16,900 for the SMART Start Package necessary to commence operation of your The Maids® Business. Items contained in the SMART Start Package are described in the Operations Manual. We may change the items included in the SMART Start package from time to time to reflect the changing needs of The Maids® Business, including but not

limited to changes in suppliers and/or product specifications. This payment is nonrefundable unless your Franchise Agreement is terminated as described above.

If, after signing the Franchise Agreement for your first The Maids® Business, you purchase an additional territory, then you will not be required to purchase an additional SMART Start package.

If your Franchise Agreement is terminated as described above, we will refund your payment for the SMART Start Package after we receive, freight prepaid, the returned equipment and supply package and deduct the costs of any items not returned to us in a new and salable condition.

Item 6

OTHER FEES

| Type Of Fee (see Note 1) | Amount | Date Due | Remarks |
|---|---|---|---|
| Continuing License Fees | 6.9% to 3.9% of Gross Revenues. Minimum Continuing License Fees may apply | Wednesday of each week for the preceding week | Gross Revenues is defined in Note 3 (see Notes 2, 3, 4 and 5) |
| Technology Innovation Fund Fee | 0.25% of Gross Revenues (see Notes 2 and 6) | Wednesday of each week for the preceding week | The Technology Innovation Fund Fee you pay to us is deposited in The Maids® National Technology Fund |
| Advertising Fund Fee | 2% of Gross Revenues | Wednesday of each week for the preceding week | The Advertising Fund Fee you pay to us is deposited in The Maids® National Advertising Fund (see Notes 2 and 7) |
| Software and Support Fee (see Notes 1, 2) | Currently \$105 to \$265 per month (Additional \$30 per month per additional office) based on prior calendar year's annual Gross Revenues. Subject to change with 30 days' notice | Monthly | Software and Support Fee will begin upon completion of SMART Start Training (see Note 8) |

| Type Of Fee (see Note 1) | Amount | Date Due | Remarks |
|---|--|---|--|
| TMI National Convention | The then-current fee. The current registration fee is \$450 per person if you attend the National Convention or \$1,000 if you fail to attend the National Convention. | Before attending the National Convention | You must attend the National Convention. You must also pay your travel and lodging expenses (See Note 9) |
| (Optional Service) National Sales Center Fees (see Note 10) | Sales Calls: \$57 per week \$36 per sold quote \$7.50 per unsold quote | Weekly | Fees are subject to change with 30 days' notice |
| Audit Fees | Amount incurred by TMI to audit your The Maids® Business but no less than \$5,000 | Within 10 days of receipt of an invoice | Payable only if our audit reveals that you understated your Gross Revenues by more than 2% or underpaid your Continuing License Fees by more than \$500 during any 12-month period |
| Transfer Fee | \$6,000 | Before the date you transfer the Franchise Agreement or a controlling interest in a corporation or partnership that is the franchisee | We must approve the transfer. You do not have to pay the Transfer Fee if an existing franchisee is the transferee |
| Collection Costs for Unpaid Fees | Amount we incur to collect fees | On demand | Includes the amount of actual attorneys' fees, deposition costs, expert witness fees, investigation costs, accounting fees, filing fees and travel expenses |
| Interest Charges for Unpaid Fees | 18% per annum or the maximum legal rate allowable in the state in which your The Maids® Business is located | On demand | Applies to all delinquent fee payments due to us |
| ACH Draft – Insufficient Funds | Currently up to \$25 per insufficient fund draft | On demand | You must pay us for each ACH draft refused by your financial institution for insufficient funds in your account |

| Type Of Fee (see Note 1) | Amount | Date Due | Remarks |
|--|---|-----------------------------------|--|
| Requested On-Site Training and Consulting Services Provided by TMI | Currently up to \$250 per day plus travel expenses | After services have been rendered | You must also pay all applicable travel and lodging |
| Territory Infringement Fee | Varies depending on the type and severity of the infringement | As incurred | Only due when you service customers in a neighboring franchisee's Designated Market Area without prior written consent |
| Cost of Alternative Supplier | Our testing costs of alternative supplies and/or equipment which may vary under the circumstances | As incurred | |
| Costs and Attorneys' Fees | Will vary under the circumstances | As incurred | Payable upon your failure to comply with the Franchise Agreement |
| Indemnification | Will vary under the circumstances | On demand | You must indemnify and hold us, our officers, directors, employees and affiliates harmless with respect to any and all claims, losses, costs, expenses, liabilities, attorneys' fees, and damages arising directly or indirectly from, as a result of, or in connection with your The Maids® Business operation and defending against them |

Notes:

1. You must pay each fee to us unless otherwise noted. All fees are nonrefundable and, unless otherwise noted, are uniformly imposed based on Franchise Agreement.
2. You must authorize your bank to accept automatic withdrawals of this amount from your bank into our bank account on a weekly basis. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits.
3. We have designed the Continuing License Fee structure to reward you for expanding your The Maids® Business. Each week, you must pay to us a nonrefundable Continuing License Fee equal to a specified percentage of the weekly Gross Revenues of your The Maids® Business as follows:

| Weekly Gross Revenues | Continuing License Fee Percentage |
|------------------------------|--|
| \$ 0 - 6,730 | 6.9% |
| \$ 6,731 - 13,460 | 6.5% |
| \$ 13,461 - 28,840 | 6.0% |
| \$ 28,841 - 48,070 | 5.5% |
| \$ 48,071 - 76,920 | 5.0% |
| \$ 76,921 - 134,615 | 4.5% |
| \$ 134,616 and up | 3.9% |

- The Continuing License Fee percentage is based on the applicable rate for one week of Gross Revenues.
- If you own multiple The Maids® Businesses and are in compliance under the terms of your Franchise Agreements, you may combine weekly Gross Revenues (excluding The Maids® Businesses you own as a result of any acquisition of an existing The Maids® Business after December 31, 2012) to reach the lowest possible Continuing License Fee percentage provided that you submit weekly Gross Revenues reports for all The Maids® Businesses on the same day and in the format we require.
- Example: If your Gross Revenues during week 1 are \$7,000, you will pay 6.5% of \$7,000 as the weekly Continuing License Fee for week 1. If your weekly Gross Revenues are \$14,000 in week 2, you will pay 6.0% of \$14,000 as the Continuing License Fee for week 2. If in week 3, you had weekly Gross Revenues of \$15,000 in your first The Maids® Business, and you expanded into a new territory and opened a second The Maids® Business that had Gross Revenues of \$15,000 in the same week, you would pay 5.5% of the combined Gross Revenues of \$30,000 as the Continuing License Fee for that week. If in week 4, you had weekly Gross Revenues of \$30,000 in your first and second The Maids® Business, and you purchase an existing The Maids® Business that had Gross Revenues of \$15,000 in the same week, you would pay 5.5% of the combined Gross Revenues of \$30,000 plus 6.5% of \$15,000 as the Continuing License Fee for that week.
- If you fail to cure a default under your Franchise Agreement or any other agreement with us within 30 days of receiving written notice from us that you are in default, your Continuing License Fee will be 6.9% regardless of the amount of your Gross Revenues, until the default is cured.
- You are never allowed to operate your The Maids® Business in the Designated Market Area of another franchisee. In addition to our right to terminate the Franchise Agreement for your operation in the Designated Market Area of another franchisee, you will also owe compensation, up to 100% of the Gross Revenue earned, to the franchisee whose Designated Market Area you infringed upon based upon our then-current territory infringement guidelines.
- Gross Revenues are the total dollar income to you resulting from all sales made to customers or clients of your The Maids® Business and any other cleaning, maintenance or service business which is either inside or outside for all products and home services, whether made for cash, credit or barter. Gross Revenues do not include any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly upon sales, if: (A) the amount of the tax is added to the selling price and is expressly charged to the customer; (B) a specific record is

made at the time of each sale of the amount of such tax; and (C) you pay the amount of the tax to the appropriate taxing authority.

4. You must pay to us a minimum weekly Continuing License Fees under your Franchise Agreement according to the following table under each Franchise Agreement:

| Period From Date of Franchise Agreement | Minimum Weekly Continuing License Fees Per Agreement |
|--|---|
| Months 1-12 | No minimum |
| Months 13-24 | \$90 |
| Months 25-48 | \$150 |
| Months 49-thereafter | \$220 |

5. Provided that franchisees are in compliance with the terms of their Franchise Agreement, we allow existing franchisees to pay Continuing License Fees, Advertising Fund Fees, and Technology Innovation Fund Fees at the lowest rate in any of their existing Franchise Agreements until the Agreement expires. For example, if you signed a Franchise Agreement in year one and expanded in year two, under this program you would be allowed to pay Continuing License Fees, Advertising Fund Fees, and Technology Innovation Fund Fees at the rates in your first Franchise Agreement for the area you expanded into in year two until the first Franchise Agreement expires. After the first Franchise Agreement expires, you would pay Continuing License Fees, Advertising Fund Fees, and Technology Innovation Fund Fees in accordance with the second Franchise Agreement. This program is not applicable to acquisitions of existing The Maids® Businesses after December 31, 2012.
6. We reserve the right to increase the amount of the weekly Technology Innovation Fund Fee. We will give you 90 days written notice before assessing increased Technology Innovation Fund Fees. Any increase will not exceed the maximum 1% of the Franchisee’s weekly Gross Revenues, with a cap of \$15,000 per franchisee per year. We will rebate to you on a semi-annual calendar basis, or in any other frequency as we may determine in our discretion, the Technology Innovation Fund Fees that you pay to us for the first 12 months of your operation.
7. We reserve the right to increase the amount of the weekly Advertising Fund Fee. We will review any proposed increase with the Advisory Council. In addition, we will give you 90 days written notice before assessing increased Advertising Fund Fees. Any increase will not be more than 1/2 of 1% in a two-year period. We will rebate to you on a semi-annual calendar basis, or in any other frequency as we may determine in our discretion, the Advertising Fund Fees that you pay to us for the first 12 months of your operation.
8. You must pay to us a monthly Software and Support Fee of \$105-\$265 per month based on prior year’s annual Gross Revenue (plus \$30 per month for each additional office). For example, if you have one office with annual Gross Revenue of less than \$500,000 your monthly fee will be \$105 and if you have two offices with annual Gross Revenue of over \$2,000,000, your monthly fee will be \$295. We reserve the right to modify this support program and pricing with 30 days prior notice.
9. We have the right to change the registration fees and fee structure with 30 days’ notice. This fee is \$350 for each additional attendee. The first attendee fee of \$450 is nonrefundable and will be collected even if you do not attend the National Convention.

10. We will waive all fees associated with our National Sales Center for the first 12 months of your operation if you are a start-up franchisee.

Item 7

**ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT**

| Type of Expenditure | Amount | Method of Payment ⁽¹⁾ | When Due | To Whom Payment is to be Made |
|--|-----------------------------|---|--|--|
| Initial Fees | | | | |
| Initial Territory Fee ⁽²⁾ | \$9,600 - \$84,000 | Lump Sum | When you sign the Franchise Agreements | Us |
| SMART Start Package | \$16,900 | Lump Sum | When you sign the Franchise Agreements | Us |
| Office Security Deposit | \$0 - \$2,150 | Lump Sum | Before Opening | Landlord |
| Office Fixtures, Decorating & Furniture | \$500 - \$2,000 | Lump Sum | Before Opening | Supplier |
| Auto Down Payments or Lease Payments and Paint or Wrap Installation | \$1,800 - \$4,500 | Lump Sum | Before Opening | Supplier |
| Telephone and Internet | \$900 - \$1,800 | Lump Sum | Before Opening | Supplier |
| Insurance Deposit ⁽³⁾ | \$2,200 - \$3,200 | Lump Sum | Before Opening | Supplier |
| Washer and Dryer | \$0 - \$1,500 | Lump Sum | Before Opening | Supplier |
| Start Up Professional Services | \$500 - \$1,500 | Lump Sum | Before Opening | Supplier |
| Wages, Travel and Living Expenses During SMART Start Training ⁽⁴⁾ | \$900 - \$4,850 | As Incurred | During Training | Manager, Airlines, Hotels, and Restaurants |
| Additional Funds – 3 Months ⁽⁵⁾ | \$23,900 - \$33,500 | As Incurred | Monthly | Supplier/Us |
| GRAND TOTAL ⁽⁶⁾⁽⁸⁾⁽⁹⁾ | \$57,500 - \$155,900 | | | |

Notes:

1. Payments are non-refundable unless otherwise noted. We may offer financing to new and existing franchisees of up to 80% of the Initial Territory Fee for the purchase of Territories. Financing is not offered for any other purpose either in connection with the establishment or the operation of a The Maids® franchise by us. Certain vendors, suppliers or other third parties may offer financing on other expenses disclosed in this Item and those terms would be set by those third parties.
2. The price for each household located in the Designated Market Area you purchase will be \$.50 per household. The low estimate assumes that there are approximately 24,000 households and the Franchisee received our veteran discount of 20% off the Initial Territory Fee and not utilizing the Alternative Territory Fee. The range of size of a Designated Market Area encompasses approximately 24,000 to 168,000 households. As described in Item 12 of this Disclosure Document, your Designated Market Area will consist of one or more Franchise Territories. Your Designated Market Area will be defined by hard boundaries, such as streets, highways, rivers, or other identifiable physical boundaries.

3. See Item 8 of this Disclosure Document and Article 12 of the Franchise Agreement for more complete information regarding the insurance coverage necessary for your The Maids® Business.
4. You are responsible for all wages, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel costs, lodging, food, automobile rental and other expenses incurred for all persons attending our SMART Start Training Program. You must attend and successfully complete our SMART Start Training Program which is described in Item 11 of this Disclosure Document. **This Wage, Travel and Living Expenses During SMART Start Training estimate does not include any Franchisee compensation or payroll costs.**
5. This additional funds estimate does not include the Continuing License Fees, Advertising Fund Fees, or the Technology Innovation Fund Fee you must pay to us. **This additional funds estimate does not include any Franchisee compensation.** These figures are estimates only, and it is possible that you may have additional or greater expenses during this initial three-month period. Your costs will vary depending on the size of your The Maids® Business, economic and market conditions, competition, wage rates, sales levels attained, and other factors.
6. Your estimated initial investment and other estimates in this Disclosure Document do not take into account any debt service, ongoing working capital financing, accounts receivable financing or other related costs. The numbers are estimates only and there is no assurance that additional funds might not be needed by you before or after opening your The Maids® Business. These estimates are based on our years of experience in franchising and operating The Maids® Business, and are derived primarily from information which franchisees provide to us. These estimates make no provisions for personal living expenses needed by you and your family.
7. Since costs to begin operating a The Maids® Business can vary with each franchise (particularly if you are purchasing an existing The Maids® Business), we strongly recommend that you (1) obtain, before purchasing a The Maids® franchise or making other commitments, independent estimates from third-party vendors and your accountant of the costs which would apply to the establishment and operation of a The Maids® Business, (2) discuss with current and past The Maids® franchisees their economic experiences (including initial investment and appropriate reserve funds) in opening and operating a The Maids® Business, and (3) evaluate carefully the adequacy of your total financial reserves with an accountant or other professional financial advisor.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

When you sign the Franchise Agreement, you must also sign the then current Software License Agreement to license and use the required software and pay to us an ongoing license fee. Software and Support Fee amount to an insignificant percentage of your annual expenses to operate your Business. In the fiscal year ended September 30, 2021, our revenue from software maintenance and related fees was \$225,714 or 1.36% of our total revenue of \$16,588,011 based on our audited financial statements.

Specifications and approved suppliers are necessary to insure high quality and service throughout the country and to promote uniformity throughout all the franchised The Maids® Businesses. There are no goods or services required in the operation of a The Maids® franchise for which we or persons affiliated with us are the only approved suppliers, with the exception of the required software and the SMART Start package.

The materials contained in the SMART Start Package are described in the Operations Manual. The purchase of the SMART Start Package will constitute approximately 11.4% of the expenditures to establish your The Maids® Business. In the fiscal year ended September 30, 2021, our revenue from the SMART Start Package purchases was \$121,536 or 0.73% of our total revenue of \$16,588,011 based on our audited financial statements.

You must operate your The Maids® Business and use the Marks in full compliance with the Business System and the Online Operations Manuals. In particular, you must use and offer each of the systems, services, equipment and products we designate. You are not allowed to use or offer any systems, services and/or products not approved by us.

Certain approved suppliers pay us a percentage of their sales of approved supplies to our franchisees. In the fiscal year ended September 30, 2021, we received no revenue from approved suppliers.

For the fiscal year ended September 30, 2021, TMI's National Sales Center generated revenues from franchisees of \$257,106 or 1.55% of our total revenue of \$16,588,011 based on our audited financial statements.

You must use only supplies, equipment, certain computer hardware and software, and other items used in your The Maids® Business that we specify and approve, including certain Mr. Clean® branded products. We, an affiliate or a third-party vendor or supplier periodically may be the only approved supplier for certain products. If you wish to use any supplies or equipment not specifically approved by us, you must submit sufficient specifications to us for examination to determine whether the item and/or supplier meets our standards. We will make our determination and communicate our decision to you within 90 days. You may be responsible for the cost of the evaluation, including a reasonable amount for the time spent by our employees.

Before opening your The Maids® Business, you must purchase or lease at least one four-door automobile wrapped or decaled to The Maids® brand standards.

In addition, you must subscribe to an electronic mail service provider and install connection to the Internet using the fastest high-speed service provider reasonably available (excluding dial up). We use electronic mail and The Maids® intranet to transmit messages, mailings and other data to our franchisees. You are required to submit weekly reporting data to us electronically. You can also use The Maids® intranet to access important information from the online resource library.

You must carry general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 aggregate (and with a deductible no greater than \$100,000), vehicle insurance with coverage of at least \$1,000,000, all risks property insurance coverage, which must include fire and extended coverage, third-party fidelity insurance coverage with coverage of at least \$25,000, and all insurance required by law. Your insurance policies must name us and The Proctor & Gamble Company ("P&G") as an additional insured. All insurance must be underwritten by an insurance company that has been rated at least A-VI by the most recent edition of Best's Insurance Report. Item 7 of this Disclosure Document describes the estimated cost of the required insurance coverage.

Except as disclosed above, we do not receive revenue or any other material consideration as a result of required purchases or leases, nor do we provide material benefits to you based on your use of designated or approved sources. We currently are the only approved supplier for the required software and the SMART Start Package. Some of our officers own an interest in us. Our officers do not own an interest in any other supplier.

For the benefit of franchisees, we negotiate with certain suppliers to obtain competitive prices on cleaning solutions, insurance, equipment, advertising and uniforms. We are not aware of any formal distribution cooperatives.

Item 9

FRANCHISEE’S OBLIGATIONS

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

| | Obligation | Section in Agreement | Disclosure Document Item |
|----|---|--|---------------------------------|
| a. | Site selection and acquisition/lease | Not applicable | |
| b. | Pre-opening purchases/leases | Articles 5 and 11 of Franchise Agreement | Items 5 and 8 |
| c. | Site development and other pre-opening requirements | Not applicable | |
| d. | Initial and ongoing training | Article 9 of Franchise Agreement | Items 6 and 11 |
| e. | Opening | Article 16.1(A) of Franchise Agreement | Item 11 |
| f. | Fees | Articles 5, 6, 7, and 11 of Franchise Agreement | Items 5 and 6 |
| g. | Compliance with standards and policies/Operations Manuals | Articles 8, 11 and 13 of Franchise Agreement | Item 11 |
| h. | Trademarks and proprietary information | Articles 4 and 8 of Franchise Agreement | Items 13 and 14 |
| i. | Restrictions on products/services offered | Articles 11.10 and 11.11 of Franchise Agreement | Item 16 |
| j. | Warranty and customer service requirements | Article 11 of Franchise Agreement | Item 11 |
| k. | Territorial development and sales quotas | Article 6.2 of Franchise Agreement | Items 6 and 12 |
| l. | Ongoing product/service purchases | Article 11.13 of Franchise Agreement | Item 8 |
| m. | Maintenance, appearance and remodeling requirements | Articles 11.5 and 11.9 of Franchise Agreement | Item 11 |
| n. | Insurance | Article 12 of Franchise Agreement | Items 7 and 8 |
| o. | Advertising | Articles 6.4, 6.5, 7 and 11.7 of Franchise Agreement | Items 6 and 11 |
| p. | Indemnification | Article 21 of Franchise Agreement | |
| q. | Franchisee’s participation/management/staffing | Article 11.27 of Franchise Agreement | Items 11 and 15 |
| r. | Records/reports | Article 13 of Franchise Agreement | Item 6 |
| s. | Inspections/audits | Articles 11.21 and 13.6 of Franchise Agreement | Items 6 and 11 |
| t. | Transfer | Article 15 of Franchise Agreement | Item 17 |
| u. | Renewal | Article 3 of Franchise Agreement | Item 17 |

| | Obligation | Section in Agreement | Disclosure Document Item |
|----|------------------------------|-----------------------------------|---------------------------------|
| v. | Post-termination obligations | Article 18 of Franchise Agreement | Item 17 |
| w. | Non-competition covenants | Article 19 of Franchise Agreement | Item 17 |
| x. | Dispute resolution | Article 24 of Franchise Agreement | Item 17 |
| y. | Personal Guaranty | Article 19 of Franchise Agreement | Item 15 |

Item 10

FINANCING

Except as stated below, we, our agents, and our affiliates offer no financing arrangements, and we, our agents, and our affiliates do not receive payment or other consideration for the placing of financing, or do not guaranty any note, lease or obligation you enter into for your The Maids® Business.

We, in our sole discretion, may offer financing to new and existing franchisees, of up to 80% of the Initial Territory Fee for the purchase of territories. Financing is not offered for any other purpose either in connection with the establishment or the operation of a The Maids® franchise.

If you qualify and accept financing from us, you must sign the Promissory Note and the Security Agreement attached as Exhibit G to this Disclosure Document. The Promissory Note will provide for an interest rate of 2.75% above the current national prime rate. As of September 30, 2021, the current national prime rate was 3.25% and consequently we charged an annual percentage rate of 6.00%. In no event will we charge an interest rate that exceeds the maximum allowed by law. The Promissory Note must be paid by electronic funds transfer in scheduled monthly installments of not more than 84 months if you are a new franchisee and not more than 60 months if you are an existing franchisee. If you are a new franchisee we will defer all payments and interest for 24 months from the date of your franchise agreement. The Promissory Note may be prepaid at any time without penalty. You and your spouse must personally guaranty the Promissory Note. We will retain a security interest in your The Maids® Business or other assets.

Under the Promissory Note, you waive: (1) the right to claim or enforce any right of offset, counterclaim, recoupment or breach in any action brought to enforce your obligations under the Note (Section 7); (2) demand, presentment for payment, notices of nonperformance or nonpayment, protest and notice of protest, notice of dishonor, diligence in bringing suit and notice of acceleration and nonpayment may be extended or Note renewed (Section 8); (3) questions of governing law, personal jurisdiction and convenience of forum and venue (Sections 14 and 16); (4) trial by jury (Section 15); and (5) all claims that you may have against us and any persons and entities related to us, other than our obligations under the Franchise Agreement accruing on and after the date of the Promissory Note. If any of the events of default described in Section 5 of the Note occur, the entire unpaid principal and accrued interest of the Note will become immediately due and payable without further notice. Under Section 9 of the Note, you agree to pay all of our expenses and costs of collection, including attorneys' fees and expenses, court costs, costs of sale and costs of maintenance and repair we incur in connection with the enforcement of the Note, collection of amounts due and sale or other disposition of any collateral.

Under the Security Agreement, you waive: (1) questions of governing law, personal jurisdiction and convenience of forum and venue (Sections 7.3 and 7.5); and (2) trial by jury (Section 7.4).

A default under the Franchise Agreement or any other agreement with us constitutes a default under the Promissory Note (Section 5) and the Security Agreement (Section 5). A default under the Promissory Note or the Security Agreement constitutes a default under the Franchise Agreement, which gives us the

right, among other remedies, to terminate the Franchise Agreement. We require you to sign a Personal Guaranty to the Franchise Agreement.

We may assign or discount any Promissory Note you sign.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

If you are located in an area with a Regional Franchisee, the Regional Franchisee may provide you with some or all of the assistance described below.

Assistance Before Opening

Before you open your business, we will:

1. Define your Designated Market Area. (Franchise Agreement-Article 1 and Exhibit A of Franchise Agreement).
2. Provide "SMART Start Set-Up" to introduce you to our Business System and familiarize you with operating a The Maids® Business. The SMART Start Set-Up is described more fully below (Franchise Agreement-Article 9.1).
3. Provide "SMART Start Training" to educate you about the methods and procedures of operating a The Maids® Business (Franchise Agreement-Article 9.2). The SMART Start Training is described more fully below.
4. Provide on-site "Power Training" to support you and your manager(s). Power Training is described more fully below.
5. Provide the SMART Start Package necessary to begin operating your The Maids® Business to start-up franchisees (Franchise Agreement-Article 5.5).
6. License you the required software that is needed to manage your The Maids® Business (Franchise Agreement-Article 5.5).
7. Provide a list of suppliers and sources we have approved (Franchise Agreement-Article 10.1).
8. Provide you with access to our Online Operations Manuals. The Table of Contents of the Online Operations Manuals is attached as Exhibit J to this Disclosure Document.
9. Provide advertising and marketing recommendations for your The Maids® Business (Franchise Agreement-Article 10.1).
10. Provide the standards and specifications for your employees' standard attire (Franchise Agreement-Article 11.19).

Assistance During the Operation of The Maids® Business

During the operation of your The Maids® Business, we will:

1. Review your The Maids® Business periodically and may provide you written reports (Franchise Agreement-Article 10.1).
2. Protect the Marks and Business System legally (Franchise Agreement-Article 4.5).
3. Provide you with access to the Online Operations Manuals (Franchise Agreement-Article 8.2).
4. Provide a list of suppliers and sources we have approved (Franchise Agreement-Article 10.1).
5. Provide recommendations to you regarding basic accounting and business practices (Franchise Agreement-Article 10.1).
6. Provide assistance in obtaining required insurance (Franchise Agreement-Article 10.1).
7. Conduct a National Convention for all franchisees (Franchise Agreement-Article 10.1).
8. Publish and distribute a periodic newsletter to franchisees (Franchise Agreement-Article 10.1).
9. Provide advisory services by telephone or in writing (Franchise Agreement-Article 10.1).
10. Provide on-site consulting services in your Designated Market Area upon your written request (Item 6 of the Disclosure Document; Franchise Agreement-Article 10.2).

Training

We provide the following training programs to you:

SMART Start Set-Up. We will provide a pre-opening program (“SMART Start Set-Up”) to teach you about The Maids® Business System and the operation of a The Maids® Business (See Article 9.1 of the Franchise Agreement) and coach you through the set-up of your business. This is a coaching program which our staff provides you either over the telephone and Internet or at its headquarters in Omaha, NE. Our SMART Start Set-Up will include topics such as the purchase of insurance, automobiles, office equipment and computer equipment. Other topics covered include: best practices in recruiting and hiring your employees, introduction to our cleaning system, and initial advertising. Prior to attending SMART Start Training, you must complete the SMART Start Set-Up to our satisfaction. You must complete the SMART Start Set-Up program within 120 days of signing your Franchise Agreement and before you open your The Maids® Business.

SMART Start Training. Once you have completed the SMART Start Set-Up, we will provide up to 6 days of training in Omaha, Nebraska for you to teach and familiarize you with the methods and procedures of operating a The Maids® Business (Franchise Agreement-Article 9.2). The same training staff as described in Note 2 above will participate in our SMART Start Training. Our training program

("SMART Start Training") is described below. You must attend and successfully complete our SMART Start Training to our satisfaction.

We expect the SMART Start Set-Up and SMART Start Training to take you approximately 5-7 weeks to complete depending on the amount of time you devote to training.

We generally hold SMART Start sessions every 8 to 12 weeks, or approximately 4 to 6 times a year, although dates may change and sessions may be added or rescheduled depending on the number of people enrolled.

SMART Start classes cover the topics described in the following chart. Topics covered during these classes include key success indicators, sales, advertising, employee and customer recruiting and retention best practices, pricing, software, safety, and our cleaning system:

SMART START SET-UP and SMART START Training⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|--------------------|------------------------------------|-------------------------------------|--|
| Managerial | 40 hours | | Via Telephone, Internet, and Omaha, NE |
| Marketing | 5 hours | | Via Telephone, Internet, and Omaha, NE |
| Operations | 15 hours | 12 hours | Via Telephone, Internet, and Omaha, NE |
| Software | 20 hours | | Via Telephone, Internet, and Omaha, NE |
| TOTAL HOURS | Minimum of 80 hours | Minimum of 12 hours | |

Notes:

1. Time and content are subject to change without notice.
2. Erin Murray, our Chief Learning Officer supports all aspects of our training program. Ms. Murray has been employed by us since 1999 in variety of training roles. In addition, Paul Andersen; Josh Minturn; Ken Doty; Troy Florance; Lisa Gilmore; Mindi McEwen; Ashley Williams; Jessica Samson; and Kyle McMIndes will also be involved with training. Mr. Anderson has been our Chief Financial Officer since February 2008. Mr. Minturn has been our Chief Development Officer since February 2020. Mr. Doty is our Chief Information Officer and has been employed by us since 2013. Mr. Florence is our Chief Operating Officer and has been employed by us since 2006. Ms. Gilmore is our Director of Franchise Solutions and has been employed by us since 2010. Ms. McEwen has been our Franchise Support Specialist and has been employed by us since 2014. . Ms. Williams has been our General Counsel since 2012.

Ms. Samson is our Director of National Marketing and been employed by us since 2016.
Mr. McMIndes has been our Franchise Development Consultant since 2019.

3. Instructional Materials include the Online Operations Manuals, training workbooks, job aids, e-learning programs, Webinars and other resource documents.
4. To complete the SMART Start Set-Up and SMART Start Training agendas, you will need to devote time to Webinars, telephone calls, the other self-paced resource materials provided to you. SMART Start Set-up takes place in the weeks prior to The Maids® SMART Start Training in Omaha, Nebraska.

You are responsible for all wages, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel costs, lodging, food, automobile rental and other expenses for all persons attending this training. You **must** complete the SMART Start program before you open your The Maids® Business.

We recommend you have at least two individuals, at all times, working in the Business who have successfully completed our SMART Start program. We recommend that at least one individual has successfully completed the program within the last five years.

Following SMART Start Training and prior to opening your The Maids® Business, we recommend you employ at least three team members. Team members perform in-home cleaning duties. You may choose to hire a general manager, which is typically only hired if the franchisee does not plan to be involved in the day-to-day operations. A general manager would be responsible for the day-to-day operations and manages all facets of the business, including business planning, customer retention, employee retention and adherence to all laws and policies.

You will have sole authority and control over the day-to-day operations of your The Maids® Business and its employees. You will be solely responsible for recruiting and hiring the person you employ to operate your The Maids® Business. You will also be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination for compliance with all workplace related laws. At no time will you or your employees be deemed employees of TMI or our affiliates.

This training program is provided to protect our brand and the Marks and not to control the day-to-day operation of your The Maids® Business.

Power Training. Within 90 days of opening your The Maids® Business, we will provide a training program ("Power Training") that consists of a minimum of one onsite visit by one of our staff members to provide on the job training for your manager.

On-Site Visit. We may also provide additional requested on-site training for you or your manager during the term of the Franchise Agreement (Franchise Agreement-Article 9.4). We reserve the right to impose a charge of up to \$250 per day plus trainer expenses for additional training depending upon the type, location and duration of the training provided. You pay the wages, fringe benefits, workers' compensation, and federal and state unemployment compensation for your employees who attend the optional additional training courses we offer.

Web-Based Training. At our discretion, online training may be provided for management staff via webinar at no charge. Optional fee-based courses may also be provided. In addition, numerous self-paced pay-per-use courses are available via the online catalog on our Learning Management System (LMS).

Performance Consulting. After you begin operating your The Maids® Business, our staff will provide support by telephone or other means of communication (Franchise Agreement-Article 9.3). During this phase of the SMART Start Set-Up Program, our staff will work with you to monitor the operation of your The Maids® Business and to assist in your understanding of The Maids® Business System.

National Convention. You must attend each of The Maids® National Conventions which we hold periodically but not more than once a year.

Computer System(s)

You will receive in your Smart Start package, computer hardware and software that meet our standards and specifications for the computer software, hardware (desktops or laptops) and internet connections as well as all modifications, upgrades and updates to these standards and specifications (Franchise Agreement-Article 11.26). Computer hardware standards and specifications are set to ensure the computer systems can run the required software programs utilized in The Maids® Business.

Technology

Technology Innovation Fund Fee. You will pay to us a Technology Innovation Fund Fee from .25% to 1% of your weekly Gross Revenues, with a cap of \$15,000 per franchisee. Other The Maids® franchisees may also pay a Technology Innovation Fund Fee in the amount specified in their Franchise Agreements, which may be different from the amounts you pay. We will rebate to you on a semi-annual calendar basis, or in any other frequency as we may determine in our discretion, the Technology Innovation Fund Fees that you pay to us for the first 12 months of your operation.

We will deposit the Technology Innovation Fund Fees collected from franchise owners into The Maids® National Technology Fund, which is kept separate from our other funds. The Technology Innovation Fund Fees that are not rebated to franchisees will be used by TMI to purchase and pay for the research, development and utilization of technologies, and franchisee incentives in order to give The Maids® franchises a competitive advantage in operational efficiency; information management; any and all other technology TMI deems beneficial for the System; and any administrative costs and expenses related to these technologies. For example, TMI may use the Technology Fund to create and maintain websites, intranets, software, and all other existing and future forms of electronic communications. We will prepare an annual statement of funds collected and costs incurred by The Maids® National Technology Fund and will furnish it to you upon written request for the previous year. The balance of monies retained by the Technology Fund is carried over to pay for future technology advancements. We have no fiduciary duty to you with respect to the collection or expenditure of Technology Innovation Fund Fees, and any Technology Fund will not be a trust or escrow account.

We reserve the right to increase the amount of the weekly Technology Innovation Fund Fee. In addition, we will give 90 days' written notice before assessing increased Technology Innovation Fund Fees. Any increase will not exceed the maximum of 1% of the Franchisee's weekly Gross Revenues and will be annually capped at \$15,000 per franchisee per year.

As of January 2022, the hardware, software and internet standards are as follows:

Hardware, Software and Internet

Minimum Computer Recommendations:

| | |
|------------------|--|
| Operating System | Microsoft Windows 10 or Apple iOS 11 |
| Performance | 8 GB RAM; 256 GB HDD (SDD preferred) |
| Monitor | 24" Wide LCD |
| Software | Office 2019 Home and Business (Office 365 preferred) |

Minimum Internet Bandwidth Recommendations:

| | |
|-----------------------|-----------------------------|
| Min Bandwidth-Down/Up | Preferred Bandwidth-Down/Up |
| 20/4 Mbps | 30/10 Mbps |

Additionally, it is required that you have high speed broadband Internet service to facilitate sending/receiving electronic correspondence, the required electronic submission of weekly reporting data and accessing the learning management system training resources.

It is your responsibility to maintain your hardware and software in good operating condition. We are not obligated to provide maintenance or general technical support for the computer systems, networking technologies or Internet services.

Licensing and use of the software is required. You must pay us the monthly Software and Support Fee of \$105-\$265 per month based on the prior calendar year's annual Gross Revenue (plus \$30 per month for each additional office). The Software License Agreement is attached as Exhibit E. We reserve the right to modify this support program and pricing with 30 days prior notice.

We may provide you with periodic upgrades and enhancements to the software and specific timeframes in which the software must be upgraded. Business software upgrades are included as part of your Software License Agreement. You must use the required software. The software will be used to assist in daily operational and sales functions, such as tracking, scheduling and reporting cleans, maintaining a database of prospects and clients, and reporting sales, labor expense, cleans and various other operational figures to us. You will have access to this data through software reports and other reports we compile. You must provide us online access to data maintained by you on the required software, which will grant us independent access to the information and generated and stored on your system. These online access rights will allow us to provide to you software maintenance and training and will allow the electronic transfer of data between you and us.

We have no obligation to update, upgrade or otherwise modify any software, including the required software.

Also, you must agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standard Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must pay any fees imposed by your credit card processor associated with PCI compliance. You must process all credit cards through designated credit card processing providers.

Time of Opening

Generally, you will open your The Maids® Business within 120 days of signing the Franchise Agreement. Factors which will affect your opening date include leasing your business office, financing,

completing SMART Start Set-Up, SMART Start Training and complying with local ordinances. You must open your The Maids® Business within 60 days after completing Smart Start Training.

Advertising

You will pay to us Advertising Fund Fees equal to 2% of Gross Revenues. We reserve the right to increase the amount of the weekly Advertising Fund Fee. We will review any proposed increase with the Advisory Council. In addition, we will give you 90 days' written notice before assessing increased Advertising Fund Fees. Any increase will not be more than 1/2 of 1% in a two-year period. We will rebate to you on a semi-annual calendar basis, or in any other frequency as we may determine in our discretion, the Advertising Fund Fees that you pay to us for the first 12 months of your operation. Other The Maids® franchisees also pay Advertising Fund Fees in the amounts specified in their Franchise Agreements, which may be different from the amounts described in this Item 11. In addition, each The Maids® Business that we operate will pay Advertising Fund Fees in the amounts above. The Maids® National Advertising Fund does not receive contributions from outside vendors or suppliers.

We deposit the Advertising Fund Fees collected from The Maids® franchisees into The Maids® National Advertising Fund, which is kept separate from our other funds (Franchise Agreement-Article 7.5). The Advertising Fund Fees are used for: research and development; market research; customer retention; incentive programs; sales development programs; media planning; telemarketing communication and education; creating and producing advertising materials; outside advertising agency fees for creating advertising programs; public relation activities; outside public relations agency fees; other programs from time to time that may be beneficial to The Maids® System; and reimbursing us the costs of administering and conducting the advertising program. During our last fiscal year ended September 30, 2021, a total of \$2,339,603 was spent by The Maids® National Advertising Fund. 35.61% was spent on consumer advertising, 10.95% was spent for advertising production, 23.75% was spent on social media, 11.54% was spent on marketing research, 6.75% was spent on sales training, 10.44% was reimbursed to us for administrative expenses and 0.96% was spent on an Advisory Council. We are not obligated to invest any amount of the Advertising Fund Fees on advertising in your Designated Market Area. No expenditures were made from The Maids® National Advertising Fund for soliciting prospective franchisees. We prepare an annual statement of funds collected and costs incurred by The Maids® National Advertising Fund and will furnish it to you upon written request. The balance of monies retained by the Advertising Fund is carried over to pay for advertising programs during our next fiscal year. We have no fiduciary duty to you with respect to the collection or expenditure of Advertising Fund Fees, and any advertising fund will not be a trust or escrow account. Except as described in this Item 11, we are not obligated to conduct any advertising programs for the franchise system.

We have established an Advisory Council comprised of nine domestic franchisees and one international franchisee. The council members are selected for three-year terms by a general vote of all The Maids® franchisees. Council members must have been franchisees for a minimum of twenty-four months and be in good standing with us. The Advisory Council is designed to provide us with a regular forum regarding advertising, technology, and other business developments, and to provide you with recognized leaders to whom you can turn to for advice. The Council reviews The Maids® National Advertising Fund's expenditures and provides advice on new advertising materials. The Council is not a policy making board but can recommend policy direction. We may modify or dissolve the Advisory Council at any time.

In addition to the Advertising Fund Fee you pay to us, you must invest a minimum of \$3,750 per month on local advertising of your The Maids® Business each year during the first twelve months of your Franchise Agreement. Except for the advertising materials which we provide to you, we must approve, in writing, all concepts, materials or media which you propose for any local advertising or marketing before you use it in your advertising.

We reserve the right to increase the amount of the weekly advertising fee. We will review any proposed increase with the Advisory Council. In addition, we will give 90 days' written notice before assessing increased advertising fees. Any increase will not be more than 1/2 of 1% in a two-year period.

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

You will have the absolute right to sell all products and services to your customers and clients at whatever prices and on whatever terms you deem appropriate. We may, but are not required, to assist you on establishing such prices upon your reasonable request.

Site Selection

We do not select the location that you will operate your The Maids® franchise from. Your business office does not have to be within your Designated Market Area.

Item 12

TERRITORY

We will work with you to customize your Designated Market Area. Your Designated Market Area will consist of one or more Franchise Territories. Designated Market Areas range in size from approximately 24,000 to 168,000 households. Your Designated Market Area will be defined by hard boundaries, such as streets, highways, rivers, or other identifiable physical boundaries. We will describe your Designated Market Area in writing in Exhibit "A" to the Franchise Agreement. Your Designated Market Area and the Franchise Territories within your Designated Market Area cannot be altered except by mutual written agreement during the term of your Franchise Agreement.

Your Designated Market Area is exclusive. A Franchise Territory is approximately 24,000 households. The number may be higher or lower based on the local demographic data of the Franchise Territory. As of the date of the Disclosure Document, we used data provided by GbBis and other demographic sources as needed.

So long as your Franchise Agreement is in effect, we may not open any other The Maids® Businesses, company-owned or franchised, within your Designated Market Area without your written permission. If, however, you fail to cure a breach of your Franchise Agreement after we give you written notice of the breach or if we terminate your Franchise Agreement, then we may, or we may grant others the right to, without your permission, offer The Maids® services within your Designated Market Area. The rights granted to you are not dependent upon achieving certain sales volume, market penetration or any other contingency.

You may locate your office outside your Designated Market Area. If you give us written notice, you may relocate your business office.

If you operate your The Maids® Business in the Designated Market Area of another franchisee, you will be in breach of your Franchise Agreement and subject to our default and termination rights. In addition to our default and termination rights, you will also owe compensation (up to 100% of the Gross Revenue earned) to the franchisee whose Designated Market Area you infringed upon. Other The Maids® Businesses are not authorized to solicit or serve customers in your Designated Market Area.

TMI currently offers a National Alliance Program that allows participating franchisees to receive customer leads located in zip codes outside of any existing Designated Market Area, as described in the

Online Operations Manual. Under this program, TMI will designate zip codes to each participating franchisee, which customer leads and sales from the National Alliance Programs will be sent when outside any existing Designated Market Area. The designation to service a zip code outside any owned Designated Market Area is a non-exclusive designation. If we award a franchise for a Designated Market Area that includes any zip codes in your National Alliance Program area, you must immediately stop servicing customers for those zip codes and transition all your customers in those zip codes over to the new franchisee without any compensation. We may alter or terminate this program at any time.

You may never solicit or serve customers in any other franchisee’s Designated Market Area, including using other channels of distribution, such as the Internet. You are not granted a right of first refusal or other right pursuant to the Franchise Agreement to purchase any additional The Maids® franchises.

Although we have not done so and have no current plans to do so, we or an affiliate may establish other franchises or company-owned businesses or another channel of distribution within your Designated Market Area which sell or lease similar products or services under the same or different trademarks, but are not directly competitive with the goods and services offered in The Maids® Business.


We reserve the right to directly or indirectly sell any proprietary products we develop through alternative methods of distribution, such as the Internet, without compensation to you.

Item 13

TRADEMARKS

You are licensed to operate your business under the name “The Maids®” together with the name “Mr. Clean.” You are also authorized to use the logo which appears on the cover page of this Disclosure Document and the Mr. Clean logo. You may only use our Marks in the manner we authorize in writing.

The following is a list of the trademark and service mark registrations of our primary Marks that we own on the Principal Register of the United States Patent and Trademark Office:

| Mark | | Registration No. | Registration Date | Type of Mark |
|---------------------------|---|---------------------------------|-------------------|--------------|
| THE MAIDS and Star Design |  | 4,197,823 Principal Register | August 28, 2012 | Service Mark |
| 22-STEP HEALTHY TOUCH | 22-Step Healthy Touch® Deep Cleaning System | 4,198,603 Principal Register | August 28, 2012 | Service Mark |
| REFERRED FOR A REASON | Referred for a reason.® | 3,993,901 Principal Register | July 12, 2011 | Service Mark |

In addition, you must use the Mr. Clean® trademark in the operation of your The Maids® Business. P&G and we have entered into a license agreement dated March 31, 2018, under which we have the right to use, and license you the right to use, the “Mr. Clean” trademark in connection with providing home cleaning services. P&G owns common law rights in and several trademark registrations for the Mr. Clean trademark, including Registration Number 2,493,607 registered on September 25, 2001 and Registration Number 3,094,001, registered on May 16, 2006. Under the terms of the license agreement, either party may terminate the license agreement for any reason before August 1, 2018. After August 1, 2018, P&G may terminate the license agreement if we or our franchisees fail to comply with terms of the license agreement, including failure to have our franchisees use the Mr. Clean trademark, failing to pay the license fee or improper use of the trademark. We may terminate the license agreement for convenience if

we pay a fee. The license agreement is renewable in 2-year periods. If the agreement between us and P&G terminates, you must cease using the Mr. Clean® trademark at your expense.

None of our trademarks and service marks have been registered in any state. We have filed all necessary affidavits and renewal applications for our use of trademarks and service marks with the United States Patent and Trademark Office.

There are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceeding, no pending material litigation involving the trademarks which have limited or restricted the use of our trademarks, trade names, service marks or commercial symbols in any state.

Except as described above, there are no agreements currently in effect which significantly limit our rights to use or license the use of such trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to you.

To our knowledge, there are no infringing uses which could materially affect your use of the licensed Marks or other related rights in any state. We will protect your right to use the Marks and other related rights and protect you against claims of infringement and unfair competition relating to the Marks. You must notify us immediately of any infringement or unauthorized use of the trademarks or service marks that you become aware of and cooperate with any action we undertake. We will control and conduct all litigation involving the trademarks and service marks. If anyone establishes to our satisfaction that its rights are, for any legal reason, superior to any of the Marks, then you must use such variances or other service marks, trademarks or trade names as we require, avoiding conflict with such superior rights and make such changes at your expense.

You may not use any Mark or portion of any Mark on any website or as part of any domain name without our prior written approval.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Copyrights

Although we have not applied for copyright registrations, we claim copyrights for our advertising materials, Online Operations Manuals, and other written materials. We will protect your right to use copyrighted materials.

In addition, under the license agreement with P&G, we have the right to use, and license you the right to certain copyrighted artwork. P&G has not applied for copyright registrations for those copyrights. Under the terms of the license agreement, either party may terminate the license agreement for any reason before August 1, 2018. After August 1, 2018, P&G may terminate the license agreement if we or our franchisees fail to comply with terms of the license agreement, including failure to have our franchisees use the Mr. Clean trademark, failing to pay the license fee or improper use of the trademark. We may terminate the license agreement for convenience if we pay a fee. The license agreement is renewable in 2-year periods.

There are no administrative or legal proceedings or determinations that are likely to adversely affect your use of copyrighted materials, and, except as described above, there are no agreements in effect limiting our right to use or license the use of copyrighted materials.

To our knowledge, there are no potentially infringing uses of copyrighted materials which could materially affect your use of these materials. You should promptly notify us if you learn of any unauthorized use of copyrighted or proprietary materials, and we will take the actions that we determine are appropriate. If anyone establishes that its rights to these materials are superior to ours, you must modify or discontinue your use of these materials as we require.

Confidential Information

You must keep confidential our Online Operations Manuals, any supplements and any other manuals or written materials (including those on computer disks) used in your The Maids® Business. You must also keep confidential online access, such as login identification and passwords for access to proprietary TMI systems, including but not limited to TMConnect.com, MaidShare.net, The Maids Training Online. The Online Operations Manuals contain information regarding the Business System. We consider this information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information. You must relinquish access to our Online Operations Manuals, any supplements and any other manuals or written materials (including those on computer disks) to us when new manuals are issued and/or when you are no longer a The Maids® franchise owner. Your employees must sign confidentiality agreements which will require them to keep confidential, both during and after employment, all information we designate as confidential and proprietary.

Patents

No patents are material to a The Maids® franchise and we have no pending patent applications that are material to a The Maids® franchise.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You do not have to participate in the operation of your The Maids® Business; however, your The Maids® Business must be managed by a person who has completed our training program. That person need not have an equity interest in your The Maids® Business. That person and all other employees who will have access to the Online Operations Manuals must sign a written confidentiality agreement and keep confidential, both during and after employment, all information we designate as confidential and proprietary.

If the franchisee is a corporation, limited liability company, limited partnership or other similar entity, then you and your spouse and all individuals with an equity stake in The Maids® Business must personally guarantee all the franchisee's obligations to us pursuant to the Franchise Agreement. You and your spouse and all individuals with an equity stake in The Maids® Business must also promise in writing that during the term of the Franchise Agreement, you will not participate in any business that is in any way competitive with a The Maids® Business and that, for 18 months after the expiration or termination of the Franchise Agreement, you and your spouse and all individuals with an equity stake in The Maids® Business will not participate in any competitive business located within your Designated Market Area or any other designated area granted by us or within 20 miles of any of the above described areas. As a result, you will not have the right to service any customers that you obtain during the term of the Franchise Agreement for a period of at least 18 months after expiration or termination of the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the products and services we specifically approve in writing. You must sell all products and services we authorize. We have the right, without any limitation, to change the authorized goods and services sold by The Maids® Businesses. You may not sell products or services outside of your Designated Market Area, except as described in Item 12. Other than as described, there are no limits on the goods or services that you may sell or limits on your access to customers.

We do not limit or restrict your solicitation of customers in your Designated Market Area, although we own all customer information and may use the customer information as we deem appropriate (subject to applicable law), including, without limitation, sharing it with our partners for cross-marketing, customer loyalty programs or other purposes.

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 Disclosure Document.

| | Provision | Article in Franchise Agreement | Summary |
|----|---|--|---|
| a. | Length of the Franchise Term | Article 3.1 of the Franchise Agreement | 10 years |
| b. | Renewal or extension of the term | Article 3.2 of the Franchise Agreement | Term of then-current standard Franchise Agreement. |
| c. | Requirements for you to renew or extend | Article 3.2 of the Franchise Agreement | You must give us at least 360 days' notice before your Franchise Agreement expires; you have complied with all material terms and conditions of the Franchise Agreement and material operating and quality standards and procedures; you have satisfied all monetary obligations owed to us; you have agreed to execute and comply with the then-current standard Franchise Agreement; and you have completed our retraining program. The then-current standard Franchise Agreement may contain materially different terms and conditions than your original Franchise Agreement. |
| d. | Termination by you | Article 17 of the Franchise Agreement | If we violate any material provision of the Franchise Agreement or fail to timely pay any uncontested obligation due to you. |

| | Provision | Article in Franchise Agreement | Summary |
|----|--|---|--|
| e. | Termination by TMI without cause | Not applicable in the Franchise Agreement | |
| f. | Termination by TMI with cause | Article 16 of the Franchise Agreement | If you breach the Franchise Agreement. |
| g. | “Cause” defined – curable defaults | Article 16.1 of the Franchise Agreement | You will have 30 days to cure: a failure to commence operations of your The Maids® Business within 30 days from the date you complete our SMART Start Training program; a violation of any material provision of the Franchise Agreement; your conviction of any law relating to your The Maids® Business or a felony; a failure to conform to the Business System; a failure to pay any uncontested fee to anyone; a determination that you are insolvent; an assignment made by you for the benefit of creditors; any check issued by you which is dishonored; a failure to pay for your vehicles, supplies and equipment before commencing business; abandonment of your The Maids® Business; any conduct which materially impairs the Marks or Business System; or a failure to pay federal, state or other income or sales tax when due; or you commit three violations of material terms of the Franchise Agreement. You have 15 days to cure a failure to pay any amount due to us. |
| h. | “Cause” defined – non-curable defaults | Article 16.5 of the Franchise Agreement | You are convicted of any violation of law relating to your The Maids® Business or a felony; you are deemed insolvent; you make an assignment for the benefit of creditors; you abandon your The Maids® Business; you fail to provide us with your financial records or fail to allow us to audit your The Maids® Business; you fail to allow us electronic access to your data; or your conduct materially impairs the Marks or Business System and you fail to correct your breach within 24 hours. |

| | Provision | Article in Franchise Agreement | Summary |
|----|--|---|--|
| i. | Your obligations on termination/nonrenewal | Article 18 of the Franchise Agreement | You must cease to be a The Maids® franchisee and cease to operate under the Business System; pay all sums and fees you owe us; return to us and relinquish access to the Online Operations Manuals and all trade secrets and confidential materials, equipment and other property (including copies or backups); inform your suppliers that you are no longer a The Maids® franchisee; cease to use in advertising, or in any manner whatsoever, the name The Maids®, the Marks, any methods, procedures or techniques associated with the Business System or the Marks and remove all trade dress and other indications of operation under the Business System from your vehicles; transfer all rights to telephone numbers and directory listings to us; assist us or our designee in the transition of customers' cleaning services; refund outstanding gift certificates; return to customers all keys; and refrain from contacting customers. |
| j. | Assignment of the contract by TMI | Article 15.1 of the Franchise Agreement | No restriction on our right to assign. |
| k. | "Transfer" by you – defined | Articles 15.2, 15.3 and 15.4 of the Franchise Agreement | Assignment to owned or controlled corporation/business entity or assignment in the event of your death or disability; assignment of the Franchise Agreement or ownership in the franchisee. |
| l. | TMI's approval of transfer by you | Article 15.4 of the Franchise Agreement | We have the right to approve any transfer made by you but will not unreasonably withhold our consent. |
| m. | Conditions for TMI's approval of transfer | Article 15.4 of the Franchise Agreement | You must comply with our right of first refusal; pay all money owed to us; complete a written agreement between you and us agreeing to observe all post-term obligations; transferee does not and will not participate in any business that is competitive with a The Maids® Business; transferee meets our standards; transferee signs our current Franchise Agreement; transferee and transferee's manager and technical supervisor (at least two employees) complete SMART Start Training program; and you pay the transfer fee. |

| | Provision | Article in Franchise Agreement | Summary |
|----|---|--|--|
| n. | TMI's right of first refusal to acquire your business | Article 14.1 of the Franchise Agreement | You must first offer the sale of your The Maids® Business or Business Assets to us before selling to anyone else. After you present an offer to sell or a third party's offer to purchase your The Maids® Business or Business Assets to us, we must respond within 15 days of receiving your offer. If we begin negotiations to purchase your The Maids® Business or Business Assets, you must continue negotiations until we have agreed in writing that negotiations have terminated. |
| o. | TMI's option to purchase your business | Article 14.5 of the Franchise Agreement | If your Franchise Agreement is terminated or expires, we may purchase your The Maids® Business or Franchise Assets. |
| p. | Your death or disability | Article 15.3 of the Franchise Agreement | If you are an individual, your Franchise Agreement may be transferred to your beneficiary without first being offered to us or paying us a transfer fee. |
| q. | Noncompetition covenants during the term of the franchise | Article 19.2 of the Franchise Agreement | You may not participate in any business that is in any way competitive with a The Maids® Business. |
| r. | Noncompetition covenants after the franchise is terminated or expires | Article 19.3 of the Franchise Agreement | You may not participate in any competitive business located within the Designated Market Area, within the territory of any other The Maids® Business, within any designated area granted by us, within 20 miles of any of the areas above for 18 months. |
| s. | Modification of the agreement | Article 24.9 of the Franchise Agreement | Only by written agreement. |
| t. | Integration/merger clauses | Article 24.10 of the Franchise Agreement | Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and franchise agreement may not be enforceable. |
| u. | Dispute resolution by arbitration or mediation | Not Applicable | |
| v. | Choice of forum | Article 24.7 of the Franchise Agreement | Litigation must be in Douglas County, Nebraska (subject to state law). |
| w. | Choice of law | Article 25.1 of the Franchise Agreement | Governing law will be the law of the state in which your The Maids® Business is located (subject to state law). |

Item 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise. No public figure is involved in our management.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Below is certain historic financial information regarding The Maids® businesses operated by franchisees ("Franchisees") or our company-owned stores ("Company Stores") that operated within in the United States and Canada from October 1, 2020 through September 30, 2021. Canadian Franchisees submitted information in Canadian dollars and we convert that information to U.S. Dollars using the exchange rate in place at the time the information was submitted. The average of the exchange rate that we used was \$1.26 Canadian Dollar to \$1.00 US Dollars. The highest exchange rate that we used was \$1.30 Canadian Dollar to \$1.00 US Dollars, and the lowest exchange rate that we used was \$1.21 Canadian Dollars to \$1.00 US Dollars. Canadian Franchisees' The Maids® businesses are substantially similar to U.S. Franchisees' The Maids® businesses.

We have not presented any information for Franchisees which were not in operation for the full period.

As of September 30, 2021, there were a total of 1,583 franchised and company-owned Territories. A total of 122 franchisees licensed and operated 1,423 of the 1,583 Territories. We operated the remaining 160 Territories. A The Maids® territory generally consists of approximately 24,000 households, although some Territories may be larger. The information presented in this report does not distinguish between Franchisees that purchased a large number of Territories and those who did not purchase a large number of Territories.

The basis for the Franchisee information presented is weekly reports submitted to us by our Franchisees and Company Stores operating throughout the periods represented that form the basis for royalty payments. We calculated the averages and percentages presented in this Item 19 using exclusively the actual results reported to us by Franchisees and Company Stores. Of the 5,798 total weekly reports required from Franchisees, 6.1% or 355 were not received in time for the preparation of this statement and, therefore, could not be included in calculating the information presented. If we had received in time the missing weekly reports, the information presented in this statement may have increased or decreased depending on the information contained in the missing reports. We have assumed that the Franchisee's information submitted by Franchisees (and which forms in substantial part the basis for the information presented in this document) is accurate, complete and contains no material misrepresentations or omissions. The information presented is, so far as we know, based on actual experience. We have not audited or verified these reports.

The basis for the information from our Company Stores is our internal books and records. This information has not been audited and is available to you upon request.

I. STATEMENT OF AVERAGE REVENUE PER CLEAN, AVERAGE REVENUE PER CUSTOMERS AND, PERCENTAGE OF CLEAN BY SERVICE BY FRANCHISEE AND TERRITORY

The following statements are based on information reported by Franchisees that were in operation for the full 12-month period from October 1, 2020 until September 30, 2021. As of September 30, 2021 there were a total of 122 Franchisees licensed in 1,423 territories. We included information from 95 Franchisees licensed in 1,260 Territories that were in operation for the entire 12-month period ended September 30, 2021 and that submitted complete reports to us (“Reporting Franchisees”). We did not include information for 17 Franchisees in 110 territories that were not in operation for the entire 12-month period ending September 30, 2021 (because 11 Franchisees in 89 territories opened during that period, 1 Franchisee in 10 territories acquired territories from Company Stores, and 5 Franchisees in 11 territories acquired territories from franchisees and temporality ceased operating). We also did not include information for 10 Franchisees operating in 53 territories who did not submit complete reports. The statement includes the average revenue per clean, the average annual revenue per customer and, the percentage of total cleans by service for regular maid service or special projects.

| | Average Revenue Per Clean ⁽¹⁾ | Average Annual Revenue per Recurring Customer ⁽²⁾ | Average Percentage of Cleans by Type of Service ⁽³⁾ |
|---|---|---|---|
| Regular Maid Service | \$196.30 | \$4,494.17 | 87.9% |
| Total Number of Franchisees/Territories included | 95 Franchisees/ 1,260 Territories | 95 Franchisees/ 1,260 Territories | 95 Franchisees/ 1,260 Territories |
| Number of Franchisees/Territories Who Met or Exceeded Averages | 42 Franchisees/ 641 Territories | 43 Franchisees/ 645 Territories | 51 Franchisees/ 672 Territories |
| Percentage (%) of Franchisees/Territories Who Met or Exceeded Average | 44.2% of Franchisees/ 50.9% of Territories | 45.3% of Franchisees/ 51.2% of Territories | 53.7% of Franchisees/ 53.3% of Territories |
| Median | \$191.15 | \$4,445.33 | 88.6% |
| Special Project ⁽⁴⁾ | \$322.27 | \$322.27 | 12.1% |
| Total Number of Franchisees/Territories included | 95 Franchisees/ 1,260 Territories | 95 Franchisees/ 1,260 Territories | 95 Franchisees/ 1,260 Territories |
| Number of Franchisees/Territories Who Met or Exceeded Averages | 36 Franchisees/ 583 Territories | 36 Franchisees/ 583 Territories | 44 Franchisees/ 588 Territories |
| Percentage (%) of Franchisees/Territories Who Met or Exceeded Average | 37.9% of Franchisees/ 46.3% of Territories | 37.9% of Franchisees/ 46.3% of Territories | 46.3% of Franchisees/ 46.6% of Territories |
| Median | \$295.30 | \$295.30 | 11.%3 |

1. “Average Revenue per Clean” means the average revenue received from a customer from one

cleaning project (a “Clean”). It is calculated by dividing the total reported revenue by the total reported number of Cleans.

2. “Average Annual Revenue per Recurring Customer” means the total reported recurring revenue generated in one year from customers that had a service plan for more than one clean or a recurring customer. (The total amount of recurring revenue is divided by the total number of customers identified as a recurring customer.)
3. “Percentage of Cleans by Type of Service” means the percentage of total reported number of cleans derived from regular customers and Special Project customers. It is calculated by dividing the total reported number of cleans for each category by total reported number of cleans and multiplying by 100%.
4. “Special Projects” are one-time projects and are not regularly scheduled cleanings.

II. STATEMENT OF HIGH REVENUE, LOW REVENUE, AVERAGE and MEDIAN REVENUE

The following statements are based on information reported by Reporting Franchisees that were in operation for the 12-month period from October 1, 2020, until September 30, 2021. The statement includes the high revenue, low revenue, average and median revenue for the 12-month period from October 1, 2020, until September 30, 2021 for Reporting Franchisees and territories.

| | High Revenue | Low Revenue | Average Revenue (Including percentage and number of franchisees that met or exceeded the average) | Median Revenue | Average Number of Regular Maid Service Customers ⁽¹⁾ |
|---|--------------|-------------|--|-------------------|---|
| Entire The Maids® System (Out of 95 Franchisees/1,260 Territories) | \$6,327,831 | \$93,698 | \$1,044,647 34.7% of Franchisees/60.0% of Territories (33 Franchisees/ 756 Territories) | \$752,744 | 204.55 |

1. For the 12-month period from October 1, 2020, until September 30, 2021, the average revenue per territory for the 1,260 territories was \$78,763.10.
2. “Average Number of Regular Maid Service Customers” it is calculated by taking the average revenue times 88.0% (the average percentage of cleans by regular maid service as shown in Section I above), and then dividing it by \$4,494.17 (the average regular maid service customer revenue as shown in Section 1).

III. STATEMENT OF REVENUE AND EXPENSE INFORMATION FOR COMPANY STORES

The following statements are based on information reported by Company Stores in 160 territories in 8 states that were in operation for the full 12-month period from October 1, 2020, until September 30, 2021. Company Stores operate under franchise agreements with us, pay us the same ongoing fees, have the same local advertising requirements as other Franchisees, and have the same size territories as Franchisees. However, Company Stores may pay a lower percentage of Gross Revenue as a Continuing Fee than you because Company Stores’ weekly Gross Revenues allow Company Stores to pay a lower percentage of Gross Revenue as a Continuing Fee based on the Continuing Fee scale described in Item 6.

| | Total Company Store Results | Average Company Store Results | Average Percentage of Revenue | Median Revenue and Net Income |
|---|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| TOTAL REVENUE | \$ 9,464,858 | \$ 1,183,107 | 100.0% | \$ 911,478 |
| SERVICE EXPENSES: | | | | |
| SERVICE LABOR / BENEFITS / PAYROLL TAXES | 4,522,695 | 565,337 | 47.8% | |
| INSURANCE - W/C & PDBI | 405,102 | 50,638 | 4.3% | |
| CLEANING SUPPLIES | 143,980 | 17,998 | 1.5% | |
| CUSTOMER RELATIONS | 17,026 | 2,128 | 0.2% | |
| TOTAL SERVICE EXPENSES | 5,088,803 | 636,100 | 53.9% | |
| OPERATING MARGIN | | | | |
| | \$ 4,376,055 | \$ 547,007 | 46.1% | |
| ADMINISTRATIVE EXPENSES: | | | | |
| LOCAL ADVERTISING | 498,542 | 62,318 | 5.3% | |
| NATIONAL ADVERTISING FUND FEE (3) | 189,614 | 23,702 | 2.0% | |
| EMPLOYEE RECRUITING | 78,730 | 9,841 | 0.8% | |
| MNGMT SALARIES / BENEFITS / PAYROLL TAXES | 785,700 | 98,213 | 8.3% | |
| SALES CENTER SERVICES | 58,679 | 7,335 | 0.6% | |
| PROFESSIONAL SERVICES | 86,669 | 10,834 | 0.9% | |
| CREDIT CARD FEES / BANK SERVICES | 196,950 | 24,619 | 2.1% | |
| RENT & UTILITIES | 460,247 | 57,531 | 4.9% | |
| AUTOMOBILE / EQUIPMENT EXPENSE | 312,449 | 39,056 | 3.3% | |
| TELEPHONE | 62,489 | 7,811 | 0.7% | |
| NATIONAL TECHNOLOGY FUND FEE (4) | 23,501 | 2,938 | 0.2% | |
| OFFICE SUPPLIES | 20,018 | 2,502 | 0.2% | |
| CONTINUING LICENSING FEE | 501,698 | 62,712 | 5.3% | |
| DEPRECIATION & AMORTIZATION EXPENSE | 140,120 | 17,515 | 1.5% | |
| INTEREST EXPENSE | - | - | 0.0% | |
| OTHER EXPENSE | 83,425 | 10,428 | 0.9% | |
| TOTAL ADMINISTRATIVE EXPENSES | \$ 3,498,831 | \$ 437,354 | 37.0% | |
| NET INCOME | \$ 877,224 | \$ 109,653 | 9.3% | \$ 119,782 |

1. The highest annual revenue for Company Stores is \$2,597,157 and the lowest annual revenue for Company Stores is \$688,875.
2. 3 of the 10 (30%) Company Stores met or exceed the average annual revenue.
3. Company Stores may incur higher management salaries and related benefits than a Franchisee who is an owner-operator.

Prospective Franchisees should, before making any investment decision, research the need in their proposed area of operation for, and the ability of potential customers to pay for, services of the type offered by The Maids® Franchisees, including actual and potential competition and the socioeconomic

and demographic background of their area. We strongly encourage you to research your area and speak with existing The Maids® Franchisees.

You should consult with appropriate financial, business and legal advisors in evaluating the information in this document and the accompanying charts and notes.

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

We will be glad to provide you with written substantiation of the data used to prepare the information presented in this document on reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 Franchise Development, The Maids International, LLC, 9394 West Dodge Road, Suite 140, Omaha, NE 68114, (402) 558-5555, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
System wide Outlet Summary for years 2019 to 2021 ⁽¹⁾**

| Outlet Type | Years ended Sept. 30 | Outlets at the Start of the Year | Outlets at the end of the year | Net Change |
|----------------------|-----------------------------|---|---------------------------------------|-------------------|
| Franchised | 2019 | 1255 | 1299 | +44 |
| | 2020 | 1299 | 1364 | +65 |
| | 2021 | 1364 | 1423 | +59 |
| Company-Owned | 2019 | 142 | 174 | +32 |
| | 2020 | 174 | 174 | 0 |
| | 2021 | 174 | 160 | -14 |
| Total Outlets | 2019 | 1397 | 1473 | +76 |
| | 2020 | 1473 | 1538 | +65 |
| | 2021 | 1538 | 1583 | +45 |

Table No. 2
Transfers of Franchised Outlets from Franchisees to New Owners (other than the franchisor)
Years 2019 to 2021

| State | Years ended Sept. 30 | Number of Transfers |
|------------------|----------------------|---------------------|
| AL | 2019 | 20 |
| | 2020 | 0 |
| | 2021 | 0 |
| CA | 2019 | 5 |
| | 2020 | 0 |
| | 2021 | 0 |
| CO | 2019 | 0 |
| | 2020 | 9 |
| | 2021 | 0 |
| FL | 2019 | 13 |
| | 2020 | 6 |
| | 2021 | 5 |
| IL | 2019 | 4 |
| | 2020 | 4 |
| | 2021 | 0 |
| MA | 2019 | 8 |
| | 2020 | 0 |
| | 2021 | 7 |
| MD | 2019 | 12 |
| | 2020 | 0 |
| | 2021 | 0 |
| TX | 2019 | 0 |
| | 2020 | 16 |
| | 2021 | 9 |
| VA | 2019 | 0 |
| | 2020 | 0 |
| | 2021 | 10 |
| WI | 2019 | 2 |
| | 2020 | 0 |
| | 2021 | 0 |
| US TOTALS | 2019 | 64 |
| | 2020 | 35 |
| | 2021 | 31 |
| CANADA | 2019 | 0 |
| | 2020 | 2 |
| | 2021 | 0 |
| TOTALS | 2019 | 64 |
| | 2020 | 37 |
| | 2021 | 31 |

Table No. 3
Status of Franchise Outlets for Years 2019 to 2021

| State | Years ended Sept. 30 | Outlets at Start of Year | Outlets Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of Year |
|-------|----------------------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|------------------------|
| AL | 2019 | 20 | 6 | 0 | 0 | 0 | 0 | 26 |
| | 2020 | 26 | 0 | 0 | 0 | 0 | 0 | 26 |
| | 2021 | 26 | 0 | 0 | 0 | 0 | 0 | 26 |
| AZ | 2019 | 29 | 0 | 0 | 0 | 0 | 0 | 29 |
| | 2020 | 29 | 8 | 0 | 0 | 0 | 0 | 37 |
| | 2021 | 37 | 11 | 0 | 0 | 0 | 0 | 48 |
| CA | 2019 | 130 | 4 | 0 | 0 | 0 | 0 | 134 |
| | 2020 | 134 | 0 | 0 | 0 | 0 | 0 | 134 |
| | 2021 | 134 | 15 | 0 | 0 | 0 | 0 | 149 |
| CO | 2019 | 42 | 1 | 0 | 0 | 0 | 0 | 43 |
| | 2020 | 43 | 11 | 0 | 0 | 0 | 6 | 48 |
| | 2021 | 48 | 0 | 0 | 0 | 0 | 0 | 48 |
| CT | 2019 | 30 | 0 | 0 | 0 | 0 | 0 | 30 |
| | 2020 | 30 | 0 | 0 | 0 | 0 | 0 | 30 |
| | 2021 | 30 | 0 | 0 | 0 | 0 | 0 | 30 |
| DC | 2019 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| FL | 2019 | 83 | 10 | 0 | 0 | 0 | 0 | 93 |
| | 2020 | 93 | 18 | 4 | 0 | 0 | 0 | 107 |
| | 2021 | 107 | 20 | 7 | 0 | 0 | 0 | 120 |
| GA | 2019 | 34 | 0 | 0 | 0 | 0 | 0 | 34 |
| | 2020 | 34 | 0 | 0 | 0 | 0 | 0 | 34 |
| | 2021 | 34 | 13 | 0 | 0 | 0 | 0 | 47 |
| HI | 2019 | 13 | 0 | 0 | 0 | 0 | 0 | 13 |
| | 2020 | 13 | 0 | 0 | 0 | 0 | 0 | 13 |
| | 2021 | 13 | 0 | 0 | 0 | 0 | 0 | 13 |
| ID | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 5 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IL | 2019 | 30 | 4 | 0 | 0 | 0 | 0 | 34 |
| | 2020 | 34 | 3 | 0 | 0 | 0 | 0 | 37 |
| | 2021 | 37 | 0 | 0 | 0 | 0 | 0 | 37 |
| IN | 2019 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| | 2020 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| | 2021 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| IA | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 2 | 0 | 0 | 3 |
| KS | 2019 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| | 2020 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| | 2021 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |

| State | Years ended Sept. 30 | Outlets at Start of Year | Outlets Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of Year |
|-------|----------------------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|------------------------|
| KY | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 5 | 0 | 0 | 0 | 0 | 10 |
| LA | 2019 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 2020 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 2021 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| ME | 2019 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 6 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| MD | 2019 | 61 | 2 | 0 | 0 | 0 | 0 | 63 |
| | 2020 | 63 | 0 | 0 | 0 | 0 | 0 | 63 |
| | 2021 | 63 | 3 | 0 | 0 | 0 | 0 | 66 |
| MA | 2019 | 80 | 4 | 0 | 0 | 0 | 0 | 84 |
| | 2020 | 84 | 0 | 0 | 0 | 0 | 0 | 84 |
| | 2021 | 84 | 12 | 0 | 0 | 0 | 0 | 96 |
| MI | 2019 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 10 | 0 | 0 | 0 | 0 | 13 |
| MN | 2019 | 26 | 0 | 0 | 0 | 0 | 0 | 26 |
| | 2020 | 26 | 0 | 0 | 0 | 0 | 0 | 26 |
| | 2021 | 26 | 0 | 0 | 0 | 0 | 0 | 26 |
| MS | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| MO | 2019 | 22 | 0 | 0 | 0 | 0 | 0 | 22 |
| | 2020 | 22 | 8 | 0 | 0 | 0 | 0 | 30 |
| | 2021 | 30 | 0 | 4 | 0 | 0 | 0 | 18 |
| NE | 2019 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2020 | 12 | 5 | 0 | 0 | 0 | 0 | 17 |
| | 2021 | 17 | 0 | 0 | 0 | 0 | 0 | 17 |
| NV | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| NH | 2019 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| | 2020 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| | 2021 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| NJ | 2019 | 94 | 0 | 0 | 0 | 0 | 0 | 94 |
| | 2020 | 94 | 0 | 0 | 0 | 0 | 0 | 94 |
| | 2021 | 94 | 0 | 0 | 0 | 0 | 0 | 94 |
| NY | 2019 | 33 | 0 | 0 | 0 | 0 | 0 | 33 |
| | 2020 | 33 | 12 | 0 | 0 | 0 | 0 | 45 |
| | 2021 | 45 | 0 | 0 | 0 | 0 | 0 | 45 |
| NC | 2019 | 40 | 5 | 0 | 0 | 0 | 0 | 45 |
| | 2020 | 45 | 0 | 0 | 0 | 0 | 0 | 45 |
| | 2021 | 45 | 0 | 5 | 0 | 0 | 0 | 40 |

| State | Years ended Sept. 30 | Outlets at Start of Year | Outlets Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of Year |
|------------------|----------------------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|------------------------|
| OH | 2019 | 50 | 0 | 0 | 0 | 0 | 0 | 50 |
| | 2020 | 50 | 0 | 0 | 0 | 0 | 0 | 50 |
| | 2021 | 50 | 7 | 0 | 0 | 0 | 0 | 57 |
| OK | 2019 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2020 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2021 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| OR | 2019 | 17 | 3 | 0 | 0 | 0 | 0 | 20 |
| | 2020 | 20 | 0 | 0 | 0 | 0 | 0 | 20 |
| | 2021 | 20 | 0 | 0 | 0 | 0 | 0 | 20 |
| PA | 2019 | 26 | 0 | 0 | 0 | 0 | 0 | 26 |
| | 2020 | 26 | 7 | 0 | 0 | 0 | 7 | 26 |
| | 2021 | 26 | 0 | 4 | 0 | 0 | 2 | 20 |
| RI | 2019 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2020 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2021 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| SC | 2019 | 6 | 0 | 0 | 0 | 0 | 6 | 0 |
| | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TN | 2019 | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| | 2020 | 25 | 6 | 0 | 0 | 0 | 7 | 24 |
| | 2021 | 25 | 0 | 0 | 0 | 0 | 0 | 24 |
| TX | 2019 | 103 | 0 | 0 | 0 | 0 | 0 | 103 |
| | 2020 | 103 | 19 | 0 | 0 | 0 | 0 | 122 |
| | 2021 | 122 | 3 | 10 | 0 | 0 | 0 | 115 |
| VT | 2019 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| VA | 2019 | 40 | 0 | 0 | 0 | 0 | 0 | 40 |
| | 2020 | 40 | 0 | 0 | 0 | 0 | 0 | 40 |
| | 2021 | 40 | 0 | 0 | 0 | 0 | 0 | 40 |
| WA | 2019 | 18 | 1 | 0 | 0 | 0 | 0 | 19 |
| | 2020 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| | 2021 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| WI | 2019 | 16 | 9 | 0 | 0 | 0 | 0 | 25 |
| | 2020 | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| | 2021 | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| US TOTALS | 2019 | 1203 | 49 | 0 | 0 | 0 | 6 | 1246 |
| | 2020 | 1246 | 97 | 4 | 0 | 0 | 31 | 1308 |
| | 2021 | 1308 | 99 | 30 | 2 | 0 | 2 | 13731423 |
| CANADA | 2019 | 52 | 1 | 0 | 0 | 0 | 0 | 53 |
| | 2020 | 53 | 3 | 0 | 0 | 0 | 0 | 56 |
| | 2021 | 56 | 0 | 0 | 0 | 0 | 6 | 50 |
| TOTALS | 2019 | 1255 | 50 | 0 | 0 | 0 | 6 | 1299 |
| | 2020 | 1299 | 100 | 4 | 0 | 0 | 31 | 1364 |
| | 2021 | 1364 | 99 | 30 | 2 | 0 | 8 | 1423 |

Table No. 4
Status of Company-Owned Outlets for Years 2019 to 2021

| State | Years ended Sept. 30 | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisees | Outlets Closed | Outlets Sold to Franchisees | Outlets at End of Year |
|---------------|-----------------------------|---------------------------------|-----------------------|--|-----------------------|------------------------------------|-------------------------------|
| CT | 2019 | 10 | 0 | 0 | 0 | 0 | 10 |
| | 2020 | 10 | 0 | 0 | 0 | 0 | 10 |
| | 2021 | 10 | 0 | 0 | 0 | 0 | 10 |
| DE | 2019 | 7 | 2 | 0 | 0 | 0 | 9 |
| | 2020 | 9 | 0 | 0 | 0 | 0 | 9 |
| | 2021 | 9 | 0 | 0 | 0 | 0 | 9 |
| FL | 2019 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2020 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2021 | 13 | 8 | 0 | 0 | 0 | 21 |
| IL | 2019 | 24 | 30 | 0 | 0 | 0 | 54 |
| | 2020 | 54 | 0 | 0 | 0 | 0 | 54 |
| | 2021 | 54 | 0 | 0 | 0 | 0 | 54 |
| IN | 2019 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2020 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 4 | 0 | 0 |
| MI | 2019 | 18 | 0 | 0 | 0 | 0 | 18 |
| | 2020 | 18 | 0 | 0 | 0 | 0 | 18 |
| | 2021 | 18 | 0 | 0 | 8 | 10 | 0 |
| NM | 2019 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2020 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 5 |
| NY | 2019 | 23 | 0 | 0 | 0 | 0 | 23 |
| | 2020 | 23 | 0 | 0 | 0 | 0 | 23 |
| | 2021 | 23 | 0 | 0 | 0 | 0 | 23 |
| PA | 2019 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2020 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 7 |
| TX | 2019 | 16 | 0 | 0 | 0 | 0 | 16 |
| | 2020 | 16 | 0 | 0 | 0 | 0 | 16 |
| | 2021 | 16 | 0 | 0 | 0 | 0 | 16 |
| VA | 2019 | 15 | 0 | 0 | 0 | 0 | 15 |
| | 2020 | 15 | 0 | 0 | 0 | 0 | 15 |
| | 2021 | 15 | 0 | 0 | 0 | 0 | 15 |
| TOTALS | 2019 | 142 | 32 | 0 | 0 | 0 | 174 |
| | 2020 | 174 | 0 | 0 | 0 | 0 | 174 |
| | 2021 | 174 | 8 | 0 | 12 | 10 | 160 |

Table No. 5
Projected New Franchised Outlets as of September 30, 2021

| 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 |
|---------------|---|--|--|
| CA | 0 | 6 | 0 |
| FL | 0 | 3 | 0 |
| NJ | 0 | 6 | 0 |
| NY | 0 | 5 | 0 |
| OH | 0 | 4 | 0 |
| OK | 0 | 3 | 0 |
| SC | 0 | 4 | 0 |
| TX | 0 | 4 | 0 |
| TOTALS | 0 | 35 | 0 |

Notes:

- The numbers shown in the above tables reflect the number of Franchise Territories in operation. We define a Franchise Territory to be an outlet. The size of the Franchise Territories of our company-owned The Maids® Businesses is based on the same criteria as are used to determine the size of Territories established for franchised The Maids® Businesses. As of September 30, 2021, a total of 122 franchisees licensed and operated 1,423 of the 1,583 Franchise Territories, or outlets. We operated the remaining 160 Franchise Territories, or outlets.

A list of the names, addresses and telephone numbers of the operational and not yet operational The Maids® franchises as of September 30, 2021, is attached as Exhibit B.

A list of the name, city and state and current business telephone number (or, if unknown, the last known home number) of every The Maids® franchisees who has had their franchises terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business during our most recent fiscal year or have failed to communicate with us during the ten-week period preceding the date of this Disclosure Document is attached as Exhibit C. If you buy a The Maids® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, franchisees have signed confidentiality clauses with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As discussed in Item 11, we have established an Advisory Council that gives us advice and counsel from the field, offers guidance on advertising development and general publicity and to provide you with recognized leaders to whom you can turn for advice. We have not established any trademark-specific franchisee organizations.

No independent franchisee organizations have asked to be included in this Disclosure Document.

Item 21

FINANCIAL STATEMENTS

Attached at Exhibit A are the 2021 audited financial statements. Also included in Exhibit A are the 2020 audited Financial Statements for the period March 4, 2020, through September 30, 2020 and the unaudited financial statements for the period from October 1, 2019, to March 3, 2020. As described in Item 1, our ownership interests were sold to a new ownership group effective March 4, 2020. Accounting rules require this transaction to be accounted for as a separate successor entity on the date the ownership changed. Accordingly, the 2020 audited Financial Statements for the period March 4, 2020, through September 30, 2020 represent the period in which the Company operated under the new ownership group. Finally, the audited financial statements for the normal fiscal year ended 2019 are included in Exhibit A.

Item 22

CONTRACTS

The following Agreements are attached:

1. Franchise Agreement - Exhibit D
2. Software License Agreement - Exhibit E
3. National Alliance Participation Agreement – Exhibit F
4. Promissory Note and Security Agreement - Exhibit G
5. Franchise Questionnaire; Telephone Listing Agreement; Authorization Agreement for Pre-Arranged Payments; Manual Sign Off Agreement; Confidentiality/Nondisclosure Agreement - Exhibit H
6. Sample General Release – Exhibit M

Item 23

RECEIPTS

Two copies of a Receipt of this Disclosure Document are attached as Exhibit N. Please return one to us and keep the other for your records.

EXHIBIT A

FINANCIAL STATEMENTS

**THE MAIDS INTERNATIONAL, LLC
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021
(WITH INDEPENDENT AUDITOR'S REPORT)



FrankelZacharia^{LLC}

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Maids International, LLC and Subsidiary

We have audited the accompanying consolidated financial statements of The Maids International, LLC and Subsidiary, which comprise the consolidated balance sheet as of September 30, 2021, and the related consolidated statement of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Maids International, LLC and Subsidiary as of September 30, 2021, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

FRANKEL ZACHARIA LLC

January 18, 2022

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 2021

ASSETS

Current assets

| | | |
|-------------------------------------|----|------------------|
| Cash | \$ | 5,035,715 |
| Trade and other receivables, net | | 484,872 |
| Prepaid expenses | | 59,319 |
| Current portion of notes receivable | | 121,334 |
| Total current assets | | 5,701,240 |

Property and equipment

| | | |
|-----------------------------------|--|----------------|
| Computer software | | 399,207 |
| Leasehold improvements | | 200,124 |
| Furniture and equipment | | 111,370 |
| Vehicles | | 607,234 |
| Total cost | | 1,317,935 |
| Less accumulated depreciation | | 472,003 |
| Net property and equipment | | 845,932 |

Other assets

| | | |
|---|--|-------------------|
| Notes receivable, net, less current portion | | 1,030,076 |
| Goodwill, net | | 30,318,685 |
| Other long-term assets | | 254,674 |
| Total other assets | | 31,603,435 |

TOTAL ASSETS **\$ 38,150,607**

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET - CONTINUED

SEPTEMBER 30, 2021

LIABILITIES AND MEMBER'S EQUITY

Current liabilities

| | | |
|----------------------------------|----|------------------|
| Accounts payable | \$ | 688,267 |
| Accrued expenses | | 931,236 |
| Deferred revenue, current | | 234,555 |
| Total current liabilities | | 1,854,058 |

Long-term liabilities

| | | |
|--|--|-------------------|
| Deferred revenue, less current portion | | 2,180,194 |
| Long-term debt, net | | 28,288,349 |
| PPP2 loans under CARES Act | | 1,899,454 |
| Total long-term liabilities | | 32,367,997 |

| | | |
|------------------------|--|------------------|
| Member's equity | | 3,928,552 |
|------------------------|--|------------------|

| | | |
|--|-----------|-------------------|
| TOTAL LIABILITIES AND MEMBER'S EQUITY | \$ | 38,150,607 |
|--|-----------|-------------------|

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED SEPTEMBER 30, 2021

REVENUES

| | | |
|---|----|-------------------|
| Initial and continuing license fees and other revenue | \$ | 6,879,472 |
| Company owned cleaning revenue | | 9,708,539 |
| Total revenues | | 16,588,011 |

COST OF REVENUES

| | | |
|------------------------------------|--|------------------|
| Continuing license and other costs | | 637,105 |
| Company owned cleaning costs | | 7,076,678 |
| Total cost of revenues | | 7,713,783 |

GROSS PROFIT **8,874,228**

| | | |
|-------------------------------------|--|------------------|
| General and administrative expenses | | 9,568,408 |
| Loss from operations | | (694,180) |

Other income (expense)

| | | |
|---|--|----------------|
| Interest income | | 21,399 |
| Interest expense | | (3,555,377) |
| Gain on sale of property and equipment | | 37,252 |
| Gain on sale of company operated unit | | 67,049 |
| Forgiveness of PPP1 loans under CARES Act (Note 4) | | 1,887,147 |
| Employee retention credits under CARES Act (Note 8) | | 1,533,514 |
| Total other income (expense) | | (9,016) |

NET LOSS **\$ (703,196)**

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENT OF MEMBER'S EQUITY (DEFICIT)

YEAR ENDED SEPTEMBER 30, 2021

| | Member's Capital | Accumulated Deficit | Total Member's Equity |
|--|---------------------|------------------------|-----------------------------|
| Balances at September 30, 2020 as previously reported | \$ 8,440,000 | (3,569,020) | 4,870,980 |
| Implementation of ASC 606 (Note 1) | -- | (239,232) | (239,232) |
| Balances at September 30, 2020 as adjusted | 8,440,000 | (3,808,252) | 4,631,748 |
| Net loss | -- | (703,196) | (703,196) |
| Balances at September 30, 2021 | \$ 8,440,000 | (4,511,448) | 3,928,552 |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2021

Cash flows from operating activities

Net loss \$ (703,196)

Adjustments to reconcile net loss to net cash provided by operating activities

Depreciation and amortization 3,996,920

Gain on sale of property and equipment (37,252)

Gain on sale of company operated unit (67,049)

Deferred lease liability expense (92,626)

Forgiveness of PPP1 loans under CARES Act (1,887,147)

Change in operating assets and liabilities:

(Increases) decreases in operating assets:

Trade and other receivables 53,793

Prepaid expenses (14,921)

Notes receivable (406,714)

Other long-term assets 437

Increases in operating liabilities:

Accounts payable 258,649

Accrued expenses 379,249

Deferred revenue 137,416

Net cash provided by operating activities 1,617,559

Cash flows from investing activities

Proceeds from sale of property and equipment 61,862

Proceeds from sale of company operated unit 25,000

Purchase of property and equipment (107,576)

Net cash used by investing activities (20,714)

Cash flows from financing activities

Proceeds from PPP2 loans under CARES Act 1,899,454

Net cash provided by financing activities 1,899,454

NET INCREASE IN CASH

3,496,299

Cash at beginning of period

1,539,416

Cash at end of period

\$ 5,035,715

Supplement cash flow disclosures:

Cash paid for interest \$ 3,475,870

Non-cash financing of sale of company operated unit 50,000

See accompanying notes to consolidated financial statements.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

1. Summary of Significant Accounting and Reporting Policies

Organization and Principles of Consolidation – The accompanying consolidated financial statements include The Maids International, LLC and its wholly-owned subsidiary TMI Company Store Holding, LLC (collectively, the Company). All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. The Maids International, LLC is a wholly owned subsidiary of Maids Holdings, Inc. (parent company).

Initial and continuing license fees and other revenues are primarily comprised of fees received from new and existing franchisees. Company owned cleaning revenues relate to sales of cleaning services to the general public by Company operated units.

The following is a summary of markets operated by the Company and its franchisees as of September 30, 2021:

| | Company | | |
|----------------------------|----------|------------|-------|
| | Operated | Franchises | Total |
| Open September 30, 2020 | 174 | 1,364 | 1,538 |
| Openings | 8 | 50 | 58 |
| Net (transfers) expansions | (18) | 53 | 35 |
| Closings | (4) | (44) | (48) |
| Open September 30, 2021 | 160 | 1,423 | 1,583 |

Trade Receivables – Trade accounts receivable are recorded at the invoice amount and do not bear interest. The allowance for doubtful accounts is the best estimate of the amount of probable losses in trade receivables and is based on historical experience. Accounts are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received.

Notes Receivable – Notes receivable are recorded for franchisees that choose to pay for the initial franchise territory and expansion sales in installments over the agreed upon term. The allowance for doubtful notes receivable is the best estimate of the amount of probable losses in notes receivables and is based on historical franchise success rates. Notes are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received.

Property, Plant and Equipment – Property and equipment is stated at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed, and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal. Depreciation expense for the year ended September 30, 2021 was \$302,331 and is computed using straight-line method over the following useful lives:

| | Years |
|-------------------------|-------|
| Computer Software | 3-10 |
| Leasehold Improvements | 3-10 |
| Furniture and Equipment | 3-10 |
| Vehicles | 5 |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

1. Summary of Significant Accounting and Reporting Policies - Continued

Goodwill – Goodwill is amortized on a straight-line basis over 10 years. During 2021, the Company adopted Accounting Standards Update (ASU) 2021-03 *Intangibles - Goodwill and Other*, which requires evaluation of goodwill for possible impairment as of the end of each reporting period if events or circumstances indicate a possible impairment may exist. Accordingly, the Company tests goodwill for impairment as of the end of each reporting period only if events or circumstances indicate a possible impairment may exist. No impairments were recorded during the year ending September 30, 2021.

Goodwill consists of the following:

| | Amortization Period | September 30, 2021 |
|--|------------------------|-----------------------|
| Gross goodwill in the amount of \$36,022,200, net of accumulated amortization of \$5,703,515. | 10 Years | \$ 30,318,685 |

Amortization expense for the year ended September 30, 2021 totaled \$3,602,220.

Advertising Costs – Costs related to marketing the Company’s services are charged to operations as incurred. Advertising costs for the year ended September 30, 2021 were approximately \$521,000.

Revenue Recognition –

Franchise Operations

The Company adopted ASU 2014-09, Revenue from Contracts with Customers (ASC 606) and subsequent amendments for the year ended September 30, 2021. ASC 606 outlines a single, comprehensive model on accounting for revenue. The Company chose to apply the standard using a fully retrospective transition approach to all contracts with the cumulative effect recognized at October 1, 2020 summarized as follows:

| | As Previously Reported | Adjustments | As Adjusted |
|-------------------------------|---------------------------|-------------|-------------|
| Goodwill, net of amortization | \$ 31,939,239 | 1,981,666 | 33,920,905 |
| Deferred revenue | 56,436 | 2,220,897 | 2,277,333 |
| Member's equity | 4,870,980 | (239,232) | 4,631,748 |

As part of the agreement with franchisees, the Company receives initial franchise license, territory license and continuing sales-based licensing fees. Revenue is recognized at both a point in time, and over time upon completion of certain performance obligations.

The Company identified certain pre-opening services for which it has elected the practical expedient to account for such as distinct from the franchise license. In addition, the Company made the accounting policy election to recognize pre-opening services as a single performance obligation. Such pre-opening services include various training, set up, and designation of market area. Revenues related to pre-opening services are recognized on the date the franchise opens. Remaining territory license fees are recognized over time based on the term of the agreement, which is generally ten or twenty years.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

1. Summary of Significant Accounting and Reporting Policies - Continued

Revenue Recognition - Continued

Franchise Operations – Continued

Sales-based license fees are determined as a percentage of franchise weekly gross revenues. Related revenues are recognized based on the timing of the underlying services which generated those continuing license fees. Sales-based license fees are generally due within eight days after the end of each week. Economic conditions can extend the timing of collections.

Initial and continuing license fees and other revenue for the year ended September 30, 2021 consist of the following:

| | |
|-------------------------------|--------------|
| Recognized at a point in time | \$ 6,679,255 |
| Recognized over time | 200,217 |

The beginning and ending contract balances were as follows as of September 30:

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Sales-based license fees receivable (included in trade receivables, net) | \$ 311,363 | 312,761 |
| Notes receivable, net | 1,151,410 | 702,647 |
| Deferred revenue | 2,414,749 | 2,277,333 |

Revenue recognized for the year ended September 30, 2021 that was included in deferred revenue at the beginning of the year was \$505,150.

Company Unit Operations

The adoption of ASC 606 had no significant effect on revenue recognition related to Company Unit Operations. Revenues for Company operated units are recognized at the point in time cleaning services are complete. Payment is generally due upon completion of cleaning services. However various economic factors affect the timing of cash receipts. The Company does not require collateral for related receivables because they are generally collected within their normal terms.

Revenue recognized at a point in time for the year ending September 30, 2021 totaled \$9,708,539. The beginning and ending contract balances were as follows as of September 30:

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Accounts receivable, net (included in trade receivables, net) | \$ 50,115 | 100,047 |

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

1. Summary of Significant Accounting and Reporting Policies - Continued

Income Taxes – The Company is considered a pass-through entity for income tax purposes. The corporate owner of a pass-through entity is required to report income (loss) and deductions on their corporate income tax returns. Therefore, no provision for income taxes is included in these financial statements.

The accounting standard commonly known as *Accounting for Uncertainty in Income Taxes* requires disclosure and recognition in financial statements of positions taken in a tax return about the treatment of transactions and events that more likely than not would not be sustained upon examination by tax authorities. The Company believes it complies with all relevant tax laws and regulations and has no significant uncertain tax positions. Therefore, no liability for uncertain taxes has been recorded in the financial statements.

Estimates and Assumptions - Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Estimates and assumptions affect the reported amount of assets, liabilities, revenues, expenses, and related disclosures. Because of the inherent uncertainties in this process, it is likely that actual results will vary from the estimates.

Subsequent Events – Management evaluated transactions and events occurring subsequent to September 30, 2021 through January 18, 2022, the date the financial statements were available to be issued to determine whether any events should be recognized or disclosed in these consolidated financial statements. There were no material transactions or events in the subsequent period requiring disclosure or recognition in the statements.

2. Trade and Other Receivables

Trade and other accounts receivable as of September 30, 2021 consists of the following:

| | |
|--|--------------------------|
| Trade receivables | \$ 504,696 |
| Less allowance for doubtful accounts | (50,044) |
| Net trade receivables | 454,652 |
| Other receivables | 30,220 |
| <u>Total trade and other receivables, net</u> | <u>\$ 484,872</u> |

3. Notes Receivable

Notes receivable as of September 30, 2021 consists of the following:

Notes receivable due in weekly installments of \$700, including interest at 5.00%, with final balloon payment due in November 2022. This note is collateralized by a franchise. \$ 144,904

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

3. Notes Receivable - Continued

| | |
|--|--------|
| Notes receivable due in weekly installments of \$1,078 beginning in August 2023, including interest at 6.00%, through July 2030. This note is collateralized by a franchise. | 73,782 |
| Notes receivable due in weekly installments of \$455 beginning in January 2023, including interest at 6.00%, through December 2029. This note is collateralized by a franchise. | 31,161 |
| Note receivable, due in monthly installments of \$798 beginning in July 2022, including interest at 7.75%, through June 2029. This note is collateralized by a franchise. | 51,611 |
| Note receivable due in monthly installments of \$589 beginning in January 2022, including interest at 8.00%, through December 2031. This note is collateralized by a franchise. | 48,521 |
| Note receivable due in monthly installments of \$771 beginning in January 2022, including interest at 8.00%, through December 2031. This note is collateralized by a franchise. | 63,583 |
| Note receivable due in monthly installments of \$843 beginning in October 2022, including interest at 7.75%, through September 2029. This note is collateralized by a franchise. | 54,513 |
| Note receivable due in monthly installments of \$722 beginning in October 2022, including interest at 7.75%, through September 2029. This note is collateralized by a franchise. | 46,695 |
| Notes receivable due in weekly installments of \$794 beginning in October 2023, including interest at 6.00%, through September 2023. This note is collateralized by a franchise. | 54,371 |
| Notes receivable due in weekly installments of \$656, including interest at 6.00%, through April 2026. This note is collateralized by a franchise. | 31,482 |
| Note receivable due in monthly installments of \$526 beginning in January 2022, including interest at 8.00%, through December 2031. This note is collateralized by a franchise. | 43,318 |
| Note receivable due in monthly installments of \$685 beginning in November 2021, including interest at 8.00%, through October 2031. This note is collateralized by a franchise. | 56,478 |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

3. Notes Receivable - Continued

| | |
|--|----------------------------|
| Notes receivable due in weekly installments of \$593 beginning in March 2023, including interest at 6.00%, through February 2030. This note is collateralized by a franchise. | 40,585 |
| Notes receivable due in weekly installments of \$812 beginning in June 2023, including interest at 6.00%, through May 2030. This note is collateralized by a franchise. | 55,576 |
| Notes receivable due in weekly installments of \$959 beginning in July 2023, including interest at 6.00%, through June 2030. This note is collateralized by a franchise. | 65,643 |
| Note receivable due in monthly installments of \$900 beginning in October 2022, including interest at 7.75%, through September 2029. This note is collateralized by a franchise. | 58,185 |
| Notes receivable due in weekly installments of \$393 beginning July 2023, including interest at 6.00%, through June 2030. This note is collateralized by a franchise. | 26,924 |
| Notes receivable due in weekly installments of \$994, including interest at 6.00%, through December 2025. This note is collateralized by a franchise. | 44,640 |
| Notes receivable due in weekly installments of \$996, including interest at 6.00%, through October 2026. This note is collateralized by a franchise. | 50,000 |
| Note receivable due in monthly installments of \$867, including interest at 8.00%, through December 2024. This note is collateralized by a franchise. | 31,658 |
| <u>Other notes receivable less than \$25,000</u> | <u>147,780</u> |
| | 1,221,410 |
| Less: allowance for doubtful notes receivable | (70,000) |
| <u>Less: current portion of notes receivable</u> | <u>(121,334)</u> |
| <u>Notes receivable, net, less current portion</u> | <u>\$ 1,030,076</u> |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

3. Notes Receivable - Continued

Gross maturities of notes receivable are as follows:

| <u>Year ending September 30,</u> | <u>Total</u> |
|----------------------------------|---------------------|
| 2022 | \$ 121,334 |
| 2023 | 246,474 |
| 2024 | 134,102 |
| 2025 | 133,778 |
| 2026 | 121,525 |
| Thereafter | 464,197 |
| | <u>\$ 1,221,410</u> |

4. Long-term Debt

Long-term debt consists of the following at September 30, 2021:

Note payable to a stockholder of the Company's parent company, due in monthly interest-only installments of the LIBOR Rate plus 10.50%, with a floor of 12.00%. Effective interest rate at September 30, 2021 is 12.00%. The principal balance matures on March 4, 2025. collateralized by substantially all assets of the Company. \$ 28,560,000

Less: unamortized debt issuance costs 271,651
Long-term debt, net \$ 28,288,349

Note payable to a bank under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program (PPP2 loan). The PPP2 loan can be forgiven in whole, or partially, if the Company meets certain requirements. Unforgiven amount accrues interest at 1.00% and matures in February 2026. \$ 1,283,808

Note payable to a bank under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program (PPP2 loan). The PPP2 loan can be forgiven in whole, or partially, if the Company meets certain requirements. Unforgiven amount accrues interest at 1.00% and matures in February 2026 at 1.00% and matures in February 2026. 615,646
Long-term debt under PPP2 Loans \$ 1,899,454

The note payable to a stockholder of the parent company contains various financial covenants of which the Company was in compliance with, except for a minimum EBITDA requirement as of September 30, 2021. The Company was granted a waiver for this violation.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

4. Long-term Debt - Continued

Long-term debt matures as follows:

| <u>Years ending September 30,</u> | |
|-----------------------------------|----------------------|
| 2022 | \$ 316,576 |
| 2023 | 379,891 |
| 2024 | 379,891 |
| 2025 | 28,939,891 |
| 2026 | 443,205 |
| | <u>\$ 30,459,454</u> |

Current maturities above have not been presented as current liabilities on the consolidated balance sheet as it pertains to the PPP2 loans due to the uncertainty as to whether the loans will be forgiven.

In April 2021, the Company applied for and received forgiveness in full of Paycheck Protection Program (PPP1 loans) loan proceeds which was received in 2020. Pursuant to the Company's policy, PPP1 loans were included on the balance sheet as long-term debt until formal release as obligor. Accordingly, the forgiveness of the PPP1 loans during 2021 resulted in income of \$1,887,147 recognized as other income on the consolidated statement of operations for the year ending September 30, 2021.

5. Commitments and Contingencies

Lease Obligations – The Company has entered into operating leases for certain office space and equipment which expire on various dates through September 2026.

The future minimum lease payments under these operating leases are as follows:

| <u>Years ending September 30,</u> | |
|-----------------------------------|---------------------|
| 2022 | \$ 528,463 |
| 2023 | 416,768 |
| 2024 | 329,916 |
| 2025 | 335,834 |
| 2026 | 317,910 |
| | <u>\$ 1,928,891</u> |

Total lease expense was approximately \$699,000 for the year ended September 30, 2021.

Legal Proceedings – The Company is party to legal proceedings arising in the normal course of business. In the opinion of management and its legal counsel, disposition of these matters will not materially affect the Company's financial position or results of operations.

Exit Fee - The Company has a contingent exit fee payable to a stockholder of the parent company. The exit fee due and payable upon a change in control event, as defined in the debt agreement, is approximately \$898,000 as of September 30, 2021. Since a change in control date cannot be reasonably estimated, no amount has been accrued in the accompanying consolidated balance sheet.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2021

6. Related Party Transactions

Interest expense – For the year ended September 30, 2021, the Company paid interest expense of \$3,475,870 to a stockholder of its parent company.

Management fees – The Company is required to pay management fees to a stockholder of its parent company in the amount of \$62,500 per quarter. For the year ended September 30, 2021, such fees totaled \$250,000.

7. Retirement Plan

The Company sponsors a 401(k) retirement plan available for all eligible employees. Employees become eligible after completing six-months of service and attaining 21 years of age. The Company makes safe harbor matching contributions corresponding to 100% of the first 3% of employee salary deferrals, plus 50% of the next 2% of employee salary deferrals. Company contributions totaled approximately \$104,000 for the year ended September 30, 2021.

8. Risks, Uncertainties, and Concentration

As a result of the continued spread of the COVID-19 coronavirus, operating uncertainties are present, which may negatively impact the Company. Such financial impact cannot be reasonably estimated.

As part of the Company's efforts to mitigate the effects of the pandemic, Employee Retention Credits permitted by the CARES Act were utilized during the year ending September 30, 2021. The credits were accounted for under ASC 958-605 as a contingent contribution. As all conditions have been met, \$1,533,514 is recognized in other income on the consolidated statement of operations for the year ending September 30, 2021.

The Company regularly maintains cash balances in excess of FDIC federally insured limits. In addition, trade receivables and notes receivable also subject the Company to credit risk.

9. Recently Issued Accounting Standards

The FASB issued ASU 2016-02 Leases (Topic 842). Under this standard, operating and finance leases with a lease term of more than 12 months will be recorded in the balance sheet as right-of-use assets with offsetting lease liabilities based on the present value of future lease payments. The standard also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. This standard is effective for the Company's fiscal year ending September 30, 2023. Management is evaluating the impact of this standard.

**THE MAIDS INTERNATIONAL, LLC
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE PERIOD FROM MARCH 4, 2020
TO SEPTEMBER 30, 2020**
(WITH INDEPENDENT AUDITOR'S REPORT)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Maids International, LLC and Subsidiary

We have audited the accompanying consolidated financial statements of The Maids International, LLC and Subsidiary, which comprise the consolidated balance sheet as of September 30, 2020, and the related consolidated statements of income (loss), member's equity, and cash flows for the period from March 4, 2020 (date of inception) to September 30, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Maids International, LLC and Subsidiary as of September 30, 2020, and the results of their operations and their cash flows for the period from March 4, 2020 to September 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

FRANKEL ZACHARIA LLC

December 14, 2020

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 2020

ASSETS

Current assets

| | | |
|-------------------------------------|----|------------------|
| Cash | \$ | 1,539,416 |
| Trade and other receivables, net | | 538,665 |
| Prepaid expenses | | 44,398 |
| Current portion of notes receivable | | 57,906 |
| Total current assets | | 2,180,385 |

Property and equipment

| | | |
|-----------------------------------|--|------------------|
| Computer software | | 254,744 |
| Leasehold improvements | | 200,124 |
| Furniture and equipment | | 108,408 |
| Vehicles | | 628,876 |
| Projects in progress | | 50,399 |
| Total cost | | 1,242,551 |
| Less accumulated depreciation | | 177,253 |
| Net property and equipment | | 1,065,298 |

Other assets

| | | |
|---|--|-------------------|
| Notes receivable, net, less current portion | | 644,741 |
| Goodwill, net | | 31,939,239 |
| Other long-term assets | | 267,974 |
| Total other assets | | 32,851,954 |

TOTAL ASSETS **\$ 36,097,637**

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET - CONTINUED

SEPTEMBER 30, 2020

LIABILITIES AND MEMBER'S EQUITY

Current liabilities

| | | |
|----------------------------------|----|------------------|
| Accounts payable | \$ | 429,619 |
| Accrued expenses | | 551,987 |
| Deferred revenue | | 56,436 |
| Total current liabilities | | 1,038,042 |

Long-term liabilities

| | | |
|------------------------------------|--|-------------------|
| Long-term debt, net | | 28,208,842 |
| Long-term debt under CARES Act | | 1,887,147 |
| Deferred lease liability | | 92,626 |
| Total long-term liabilities | | 30,188,615 |

| | | |
|------------------------|--|------------------|
| Member's equity | | 4,870,980 |
|------------------------|--|------------------|

| | | |
|--|-----------|-------------------|
| TOTAL LIABILITIES AND MEMBER'S EQUITY | \$ | 36,097,637 |
|--|-----------|-------------------|

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME (LOSS)

FOR THE PERIOD FROM MARCH 4, 2020 TO SEPTEMBER 30, 2020

REVENUES

| | | |
|---|----|------------------|
| Continuing license fees and other revenue | \$ | 3,397,521 |
| Company owned cleaning revenue | | 5,082,937 |
| Total revenues | | 8,480,458 |

COST OF REVENUES

| | | |
|------------------------------------|--|------------------|
| Continuing license and other costs | | 373,137 |
| Company owned cleaning costs | | 3,632,555 |
| Total cost of revenues | | 4,005,692 |

GROSS PROFIT **4,474,766**

| | | |
|-------------------------------------|--|--------------------|
| General and administrative expenses | | 6,335,945 |
| Loss from operations | | (1,861,179) |

Other income (expense)

| | | |
|--|--|--------------------|
| Interest income | | 7,435 |
| Interest expense | | (1,696,143) |
| Loss on sale of property and equipment | | (4,848) |
| Other income | | 11,939 |
| Loss on foreign currency transactions | | (26,224) |
| Total other income (expense) | | (1,707,841) |

NET LOSS **(3,569,020)**

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENT OF MEMBER'S EQUITY (DEFICIT)

FOR THE PERIOD FROM MARCH 4, 2020 TO SEPTEMBER 30, 2020

| | | Member's Capital | Accumulated Deficit | Total Member's Equity |
|---------------------------------------|----|---------------------|------------------------|-----------------------------|
| Balances at March 4, 2020 | \$ | 8,440,000 | -- | 8,440,000 |
| Net loss | | -- | (3,569,020) | (3,569,020) |
| Balances at September 30, 2020 | \$ | 8,440,000 | (3,569,020) | 4,870,980 |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM MARCH 4, 2020 TO SEPTEMBER 30, 2020

| | |
|---|---------------------|
| Cash flows from operating activities | |
| Net loss | \$ (3,569,020) |
| Adjustments to reconcile net loss to net cash provided by operating activities | |
| Depreciation and amortization | 2,208,517 |
| Loss on sale of property and equipment | 4,848 |
| Deferred lease liability expense | (60,052) |
| Change in operating assets and liabilities: | |
| (Increases) decreases in operating assets: | |
| Trade and other receivables | 93,941 |
| Prepaid expenses | 84,418 |
| Notes receivable | (22,203) |
| Other long-term assets | (176,288) |
| Increases (decreases) in operating liabilities: | |
| Accounts payable | (213,960) |
| Accrued expenses | 59,671 |
| Deferred revenue | 30,552 |
| Net cash used by operating activities | (1,559,576) |
| Cash flows from investing activities | |
| Proceeds from sale of property and equipment | 21,245 |
| Purchase of property and equipment | (7,836) |
| Net cash used by investing activities | 13,409 |
| Cash flows from financing activities | |
| Net repayments on line of credit | (700,000) |
| Proceeds from issuance of long-term debt | 1,887,147 |
| Net cash provided by financing activities | 1,187,147 |
| NET DECREASE IN CASH | (359,020) |
| Cash at beginning of period | 1,898,436 |
| Cash at end of period | \$ 1,539,416 |
| Supplement cash flow disclosure: | |
| Cash paid for interest | \$ 1,649,763 |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting and Reporting Policies

Organization and Principles of Consolidation – The accompanying consolidated financial statements include The Maids International, LLC and its wholly-owned subsidiary TMI Company Store Holding, LLC (collectively, the Company). All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. The Company's activity from inception on March 4, 2020 through September 30, 2020 is included in the accompanying consolidated financial statements.

The Company's predecessor entity was acquired by The Maids Holdings, Inc. (the "acquirer" or the "parent company") effective March 4, 2020. The parent company's results of operations and balance sheet are not included in these financial statements.

Continuing license fees and other revenues are primarily comprised of fees received from new and existing franchisees. Company owned cleaning revenues relate to sales of cleaning services to the general public by Company operated units.

The following is a summary of markets operated by the Company and its franchisees as of September 30, 2020 and for the period from inception to September 30, 2020:

| | <u>Company Operated</u> | <u>Franchises</u> | <u>Total</u> |
|-------------------------|-----------------------------|-------------------|--------------|
| Open March 4, 2020 | 174 | 1,356 | 1,530 |
| Openings | -- | 35 | 35 |
| Net transfers | -- | 8 | 8 |
| Closings | -- | (35) | (35) |
| Open September 30, 2020 | <u>174</u> | <u>1,364</u> | <u>1,538</u> |

Trade Receivables – Trade accounts receivable are recorded at the invoice amount and do not bear interest. The allowance for doubtful accounts is the best estimate of the amount of probable losses in trade receivables and is based on historical experience. Accounts are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received.

Notes Receivable – Notes receivable are recorded at the agreed upon amount for franchise territory expansion sales, franchise operation sales, and initial franchise territory sales. The allowance for doubtful notes receivable is the best estimate of the amount of probable losses in notes receivables and is based on historical franchise success rates. Notes are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

1. Summary of Significant Accounting and Reporting Policies - Continued

Property, Plant and Equipment – Property and equipment is stated at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed, and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Depreciation is computed using straight-line method over the following useful lives:

| | <u>Years</u> |
|-------------------------|--------------|
| Computer Software | 3-10 |
| Leasehold Improvements | 3-10 |
| Furniture and Equipment | 3-10 |
| Vehicles | 5 |

Depreciation for the period ended September 30, 2020 was \$174,579.

Goodwill – The Company’s goodwill relates to the acquisition of its predecessor entity by the parent company. The acquisition goodwill was pushed down to the Company in accordance with FASB ASC 805-50 and is amortized on a straight-line basis over 10 years. The Company tests goodwill for impairment when events or circumstances indicate a possible impairment exists. No goodwill impairments were recorded in the period from inception to September 30, 2020.

Advertising Costs – Costs related to marketing the Company’s services are charged to operations as incurred. Advertising costs for the period ended September 30, 2020 were approximately \$446,000.

Revenue Recognition – Initial franchise fees revenue is recognized when the Company has performed its service requirements, normally concurrent with the opening of a franchise.

Continuing franchise fees are determined as a percentage of franchise sales. These fees are recognized as revenue in the period sales are earned by the franchisee. The Company does not require collateral for related receivables because they are generally collected within their normal terms.

Company owned stores sales are recognized as revenue in the period cleaning services are provided to customers. The Company does not require collateral for related receivables because they are generally collected within their normal terms.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

1. Summary of Significant Accounting and Reporting Policies - Continued

Income Taxes – The Company is considered a pass-through entity for income tax purposes. Owners of pass-through entities are required to report income (loss) and deductions on their corporate or personal income tax returns. Therefore, no provision for income taxes is included in these financial statements.

The accounting standard commonly known as *Accounting for Uncertainty in Income Taxes* requires disclosure and recognition in financial statements of positions taken in a tax return about the treatment of transactions and events that more likely than not would not be sustained upon examination by tax authorities. The Company believes it complies with all relevant tax laws and regulations and has no significant uncertain tax positions. Therefore, no liability for uncertain taxes has been recorded in the financial statements.

Estimates and Assumptions - Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Estimates and assumptions affect the reported amount of assets, liabilities, revenues, expenses, and related disclosures. Because of the inherent uncertainties in this process, it is likely that actual results will vary from the estimates.

Subsequent Events and Contingencies – Management evaluated transactions and events occurring subsequent to September 30, 2020 through December 14, 2020, the date the financial statements were available to be issued to determine whether any events should be recognized or disclosed in these consolidated financial statements. As a result of the continued spread of the COVID-19 coronavirus, operating uncertainties are present, which may negatively impact the Company. Such financial impact cannot be reasonably estimated at this time. There were no material transactions or events in the subsequent period requiring disclosure or recognition in the statements.

2. Trade and Other Receivables

Trade and other accounts receivable as of September 30, 2020 consists of the following:

| | |
|--|--------------------------|
| Trade receivables | \$ 548,893 |
| Less allowance for doubtful accounts | (48,681) |
| Net trade receivables | 500,212 |
| Other receivables | 38,453 |
| <u>Total trade and other receivables, net</u> | <u>\$ 538,665</u> |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

3. Notes Receivable

Notes receivable as of September 30, 2020 consists of the following:

| | |
|---|-----------|
| Notes receivable from an individual, due in weekly installments of \$235, including interest at 6.00%, through June 2023. This note is collateralized by a franchise. | \$ 32,632 |
| Notes receivable from an individual, due in weekly installments of \$700, including interest at 5.00%, through November 2022 with final balloon payment in September 2021 at which time all remaining principal is due. This note is collateralized by a franchise. | 157,827 |
| Note receivable from an individual, due in monthly installments of \$798 beginning in July 2022, including interest at 7.75%, through June 2029. This note is collateralized by a franchise. | 51,611 |
| Note receivable from an individual, due in monthly installments of \$589 beginning in January 2022, including interest at 8.00%, through December 2031. This note is collateralized by a franchise. | 48,521 |
| Note receivable from an individual, due in monthly installments of \$771 beginning in January 2022, including interest at 8.00%, through December 2031. This note is collateralized by a franchise. | 63,583 |
| Note receivable from an individual, due in monthly installments of \$867, including interest at 8.00%, through December 2024. This note is collateralized by a franchise. | 39,195 |
| Note receivable from an individual, due in monthly installments of \$843 beginning in October 2022, including interest at 7.75%, through September 2029. This note is collateralized by a franchise. | 54,513 |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

3. Notes Receivable - Continued

| | |
|--|-------------------|
| Note receivable from an individual, due in monthly installments of \$722 beginning in October 2022, including interest at 7.75%, through September 2029. This note is collateralized by a franchise. | 46,695 |
| Note receivable from an individual, due in monthly installments of \$526 beginning in January 2022, including interest at 8.00%, through December 2021. This note is collateralized by a franchise. | 43,318 |
| Note receivable from an individual, due in monthly installments of \$685 beginning in November 2021, including interest at 8.00%, through October 2031. This note is collateralized by a franchise. | 56,478 |
| Note receivable from an individual, due in monthly installments of \$900 beginning in October 2022, including interest at 7.75%, through September 2029. This note is collateralized by a franchise. | 58,185 |
| Note receivable from an individual, due in monthly installments of \$309 beginning in May 2021, including interest at 8.00%, through April 2031. This note is collateralized by a franchise. | 25,472 |
| Note receivable from an individual, due in monthly installments of \$1,142, including interest at 5.50%, through June 2023 at which time all remaining principal is due. This note is collateralized by a franchise. | 36,838 |
| <u>Other notes receivable</u> | <u>57,779</u> |
| | 772,647 |
| Less: allowance for doubtful notes receivable | (70,000) |
| <u>Less: current portion of notes receivable</u> | <u>(57,906)</u> |
| <u>Notes receivable, net, less current portion</u> | <u>\$ 644,741</u> |

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

3. Notes Receivable - Continued

Gross maturities of notes receivable are as follows:

| <u>Year ending September 30,</u> | <u>Total</u> |
|----------------------------------|--------------------------|
| 2021 | \$ 57,906 |
| 2022 | 85,567 |
| 2023 | 197,645 |
| 2024 | 62,885 |
| 2025 | 58,196 |
| Thereafter | 310,448 |
| | <u><u>\$ 772,647</u></u> |

4. Goodwill

Goodwill consisted of the following:

| | <u>Amortization</u> | <u>September 30,</u> |
|---|---------------------|----------------------|
| | <u>Period</u> | <u>2020</u> |
| Goodwill, net of accumulated amortization of \$1,978,537 for the period ended September 30, 2020. | 10 Years | \$ 31,939,239 |

5. Revolving Line of Credit

The Company maintains a revolving line of credit (the revolver) for borrowings up to \$1,000,000 with a stockholder of its parent company, which matures on March 4, 2021. The revolver is collateralized by substantially all assets of the Company and bears interest at a variable rate equal to the LIBOR Rate plus 7.50% with a floor of 9.50% (9.50% as of September 30, 2020). There was no outstanding balance on the revolver as of September 30, 2020. The revolver is subject to various financial covenants of which the Company was in violation of the fixed charge coverage ratio and minimum EBITDA requirements as of September 30, 2020. The debt holder granted a waiver for these violations.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

6. Long-term Debt

Long-term debt as of September 30, 2020 consists of the following:

Note payable to a stockholder of parent company due in monthly, interest only, installments and collateralized by substantially all assets of the Company. Interest accrues on the unpaid principal balance at an annual rate equal to the LIBOR Rate plus 10.50%, with a floor of 12.00%. The effective interest rate on September 30, 2020 was 12.00%. The principal balance matures on March 4, 2025. \$ 28,560,000

Less: unamortized debt issuance costs 351,158
Long-term debt, net \$ 28,208,842

Note payable to a bank under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program. The loan can be forgiven in whole, or partially, if the Company meets certain requirements. Any unforgiven portion accrues interest at 1.00% and matures in April 2022. 1,285,567

Note payable to a bank under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program. The loan can be forgiven in whole, or partially, if the Company meets certain requirements. Any unforgiven portion accrues interest at 1.00% and matures in April 2022. 601,580

Long-term debt under CARES Act 1,887,147

Certain long-term debt contains various financial covenants with which the Company was in violation of the fixed charge coverage ratio and minimum EBITDA requirements as of September 30, 2020. The debt holder granted a waiver for these violations.

Long-term debt matures as follows:

| <u>Years ending September 30,</u> | |
|-----------------------------------|----------------------|
| 2022 | \$ 1,887,147 |
| 2025 | 28,560,000 |
| | <u>\$ 30,447,147</u> |

7. Commitments

Lease Obligations – The Company has entered into various operating leases for certain office space and equipment which expire on various dates through September 2024.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

7. Commitments - Continued

The future minimum lease payments under these operating leases are as follows:

| <u>Years ending September 30,</u> | |
|-----------------------------------|-------------------|
| 2021 | \$ 710,471 |
| 2022 | 202,464 |
| 2023 | 84,113 |
| 2024 | 1,799 |
| | <u>\$ 998,847</u> |

Total lease expense was approximately \$693,000 for the period ended September 30, 2020.

Legal Proceedings – The Company is party to legal proceedings arising in the normal course of business. In the opinion of management and its legal counsel, disposition of these matters will not materially affect the Company’s financial position or results of operations.

8. Related Party Transactions

Interest expense – For the period ended September 30, 2020, the Company paid interest expense of \$1,649,763 to a stockholder of its parent company.

Management fees – The Company is required to pay management fees to a stockholder of its parent company in the amount of \$62,500 per quarter. For the period ended September 30, 2020, such fees totaled \$125,000.

9. Retirement Plan

The Company sponsors a 401(k) retirement plan available for all eligible employees. Employees become eligible after completing six months of service and attaining 21 years of age. The Company contributes a dollar for dollar matching safe harbor contribution up to 3% of its employee’s salary deferrals, plus 50% of the next 2% of employee salary deferrals. The Company made contributions of approximately \$54,000 for the period ended September 30, 2020.

10. Concentration of Credit Risk

The Company regularly maintains cash balances in excess of insured limits. In addition, trade receivables and notes receivable also subject the Company to credit risk.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2020

11. Business Combination

On March 4, 2020, the Company's parent company acquired the Company's predecessor entity for \$37,700,000 of total purchase funding, including buyer transaction costs. The purchase resulted in goodwill of \$33,917,776 as the purchase price exceeded the net fair value of the assets acquired and liabilities assumed. The following table summarizes the fair value of the assets acquired and (liabilities) assumed at the acquisition date.

| | |
|--------------------------------------|---------------------|
| Cash | \$ 1,898,436 |
| Trade and other receivables | 632,606 |
| Property, plant, and equipment | 1,258,133 |
| Notes receivable | 680,444 |
| Other assets | 229,524 |
| Accounts payable | (643,579) |
| Accrued expenses | (492,316) |
| Other liabilities | (178,562) |
| Total identifiable net assets | \$ 3,384,686 |

Goodwill is presented on the Company's balance sheet, net of accumulated amortization, and is fully deductible for tax purposes over a fifteen-year period. The debt issuance costs of \$397,538 are presented net of the acquisition debt on the Company's balance sheet within long-term debt. Debt issuance costs will be amortized over five years, which is the term of the acquisition debt.

12. Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) 2014 09 *Revenue from Contracts with Customers (Topic 606)*. This standard is a comprehensive new revenue recognition model requiring the Company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. The standard requires additional disclosures related to the timing of transfer of goods or services and information about performance obligations. This standard is effective for the Company's fiscal year ending September 30, 2021. Management is evaluating the impact of this standard, as it prepares to adopt it in 2021.

The FASB also issued ASU 2016-02 *Leases (Topic 842)*. Under this standard, operating and finance leases with a lease term of more than 12 months will be recorded in the balance sheet as right-of-use assets with offsetting lease liabilities based on the present value of future lease payments. The standard also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. This standard is effective for the Company's fiscal year ending September 30, 2023. Management is evaluating the impact of this standard.

Unaudited Consolidated Income Statement
for the period from October 1, 2019 to March 3, 2020

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

THE MAIDS INTERNATIONAL, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME (LOSS) (Unaudited)

(Unaudited)
For the period from
October 1, 2019 to March 3, 2020

REVENUES

| | |
|---|------------------|
| Continuing license fees and other revenue | \$ 4,210,363 |
| Company owned cleaning revenue | 5,121,146 |
| Total revenues | 9,331,509 |

COST OF REVENUES

| | |
|------------------------------------|------------------|
| Continuing license and other costs | 1,175,053 |
| Company owned cleaning costs | 4,172,042 |
| Total cost of revenues | 5,347,095 |

GROSS PROFIT

3,984,414

General and administrative expenses

3,822,161

Income from operations

162,253

Other income (expense)

| | |
|--|------------------|
| Interest income | 9,252 |
| Interest expense | (147,231) |
| Loss on sale of property and equipment | 1,509 |
| Other Income | - |
| Loss on foreign currency transactions | (25,785) |
| Total other income (expense) | (162,255) |

NET LOSS

\$ (2)

**THE MAIDS INTERNATIONAL, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

**SEPTEMBER 30, 2019 AND 2018
(WITH INDEPENDENT AUDITOR'S REPORT)**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
The Maids International, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of The Maids International, Inc. and Subsidiary, which comprise the consolidated balance sheet as of September 30, 2019, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2019 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Maids International, Inc. and Subsidiary as of September 30, 2019, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of The Maids International, Inc. and Subsidiary as of September 30, 2018 were audited by other auditors whose report dated November 8, 2018, expressed an unmodified opinion on those statements.

Franbel Zacharia, LLC

December 4, 2019

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

| SEPTEMBER 30 | 2019 | 2018 |
|--|---------------------|------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 779,889 | 661,584 |
| Trade and other receivables, net | 527,266 | 620,945 |
| Prepaid expenses | 116,674 | 153,844 |
| Current portion of receivable from stockholders | 450,218 | 231,069 |
| Current portion of notes receivable | 115,087 | 82,683 |
| Total current assets | 1,989,134 | 1,750,125 |
| Property and equipment | | |
| Computer software | 3,043,081 | 3,009,196 |
| Leasehold improvements | 1,176,133 | 1,176,133 |
| Furniture and equipment | 1,524,134 | 1,524,134 |
| Vehicles | 1,861,097 | 1,594,539 |
| Projects in progress | 161,151 | 9,100 |
| Total cost | 7,765,596 | 7,313,102 |
| Less accumulated depreciation | 6,207,561 | 5,736,681 |
| Net property and equipment | 1,558,035 | 1,576,421 |
| Other assets | | |
| Receivable from stockholders, less current portion | -- | 303,360 |
| Notes receivable, net, less current portion | 336,844 | 302,656 |
| Goodwill | 4,013,513 | 4,013,513 |
| Income tax deposit | 32,984 | 50,505 |
| Other assets | 36,402 | 40,849 |
| Intangible assets, net | 44,567 | 83,967 |
| Total other assets | 4,464,310 | 4,794,850 |
| TOTAL ASSETS | \$ 8,011,479 | 8,121,396 |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS - CONTINUED

| SEPTEMBER 30 | 2019 | 2018 |
|---|---------------------|------------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 954,455 | 851,124 |
| Accounts payable | 397,080 | 323,591 |
| Accrued expenses | 473,123 | 495,562 |
| Deferred revenue | 11,885 | 13,200 |
| Total current liabilities | 1,836,543 | 1,683,477 |
| Long-term liabilities | | |
| Long-term debt, less current maturities | 1,896,842 | 2,494,192 |
| Deferred lease liability | 193,673 | 285,235 |
| Total long-term liabilities | 2,090,515 | 2,779,427 |
| Stockholders' equity | | |
| Voting common stock of \$0.01 par value, authorized 300,000 shares, issued and outstanding 60,827 shares | 608 | 608 |
| Non-voting common stock of \$0.01 par value, authorized 2,700,000 shares, issued and outstanding 647,444 shares | 6,475 | 6,475 |
| Paid-in capital | 951,893 | 951,893 |
| Retained earnings | 3,125,445 | 2,699,516 |
| Total stockholders' equity | 4,084,421 | 3,658,492 |
| TOTAL LIABILITIES AND EQUITY | \$ 8,011,479 | 8,121,396 |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

| YEARS ENDED SEPTEMBER 30 | 2019 | 2018 |
|---|---------------------|-------------------|
| REVENUES | | |
| Continuing license fees and other revenue | \$ 8,014,700 | 8,058,499 |
| Company owned cleaning revenue | 12,278,014 | 12,547,743 |
| Total revenues | 20,292,714 | 20,606,242 |
| COST OF REVENUES | | |
| Continuing license and other costs | 1,594,014 | 1,574,351 |
| Company owned cleaning costs | 8,673,348 | 8,801,487 |
| Total cost of revenues | 10,267,362 | 10,375,838 |
| GROSS PROFIT | 10,025,352 | 10,230,404 |
| General and administrative expenses | 7,928,260 | 9,202,298 |
| Income from operations | 2,097,092 | 1,028,106 |
| Other income (expense) | | |
| Interest income | 21,370 | 23,224 |
| Interest expense | (154,844) | (141,794) |
| Gain on sale of property and equipment | 10,151 | 20,874 |
| Other income | -- | 36,707 |
| Loss on foreign currency transactions | (66,764) | (56,432) |
| Total other income (expense) | (190,087) | (117,421) |
| NET INCOME | \$ 1,907,005 | 910,685 |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2019 AND 2018

| | Common Stock | | Paid-in Capital | Retained Earnings | Total |
|--------------------------------------|---------------|--------------|--------------------|----------------------|--------------------|
| | Voting | Non-voting | | | |
| Balance at September 30, 2017 | \$ 608 | 6,475 | 951,893 | 2,028,391 | 2,987,367 |
| Net income | -- | -- | -- | 910,685 | 910,685 |
| Stockholders distributions | -- | -- | -- | (239,560) | (239,560) |
| Balance at September 30, 2018 | 608 | 6,475 | 951,893 | 2,699,516 | 3,658,492 |
| Net income | -- | -- | -- | 1,907,005 | 1,907,005 |
| Stockholders distributions | -- | -- | -- | (1,481,076) | (1,481,076) |
| Balance at September 30, 2019 | \$ 608 | 6,475 | 951,893 | 3,125,445 | 4,084,421 |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

| YEARS ENDED SEPTEMBER 30 | 2019 | 2018 |
|---|--------------------|------------------|
| Cash flows from operating activities | | |
| Net income | \$ 1,907,005 | 910,685 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 646,780 | 603,759 |
| Gain on sale of property and equipment | (10,151) | (20,874) |
| Deferred lease liability expense | (91,562) | (92,312) |
| Change in operating assets and liabilities: | | |
| (Increases) decreases in operating assets: | | |
| Trade and other receivables | 93,679 | (174,456) |
| Prepaid expenses | 37,170 | 101,504 |
| Notes receivable | (66,592) | (35,890) |
| Increases (decreases) in operating liabilities: | | |
| Accounts payable | 73,489 | 38,658 |
| Accrued expenses | (22,439) | 43,239 |
| Deferred revenue | (1,315) | 7,201 |
| Net cash provided by operating activities | 2,566,064 | 1,381,514 |
| Cash flows from investing activities | | |
| Proceeds from sale of property and equipment | 7,765 | 25,184 |
| Payments received on notes receivable for franchise operations sales | -- | 10,154 |
| Purchase of property and equipment | (189,415) | (127,241) |
| Decrease income tax deposit | 17,521 | 2,420 |
| (Increase) decrease in other assets | 4,447 | (2,360) |
| Acquisition of franchisee operations | -- | (268,586) |
| (Increase) decrease in receivable from stockholders | 84,211 | (223,487) |
| Net cash used by investing activities | (75,471) | (583,916) |
| Cash flows from financing activities | | |
| Repayments of long-term debt | (891,212) | (1,060,912) |
| Proceeds from issuance of long-term debt | -- | 450,000 |
| Distributions to stockholders | (1,481,076) | (239,560) |
| Net cash used by financing activities | (2,372,288) | (850,472) |
| NET INCREASE (DECREASE) IN CASH | 118,305 | (52,874) |
| Cash at beginning of year | 661,584 | 714,458 |
| Cash at end of year | \$ 779,889 | 661,584 |

See accompanying notes to consolidated financial statements.

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

| YEARS ENDED SEPTEMBER 30 | 2019 | 2018 |
|--|-------------|------------------|
| Supplement cash flow disclosures: | | |
| Cash paid for interest | \$ 154,844 | 141,794 |
| Noncash investing and financing activities | | |
| Long-term debt incurred to purchase property and equipment | \$ 397,193 | 149,210 |
| Acquisition of franchise operations | | |
| Property and equipment | \$ -- | (179,789) |
| Goodwill | -- | (415,026) |
| Prepaid expenses | -- | (8,900) |
| Intangible assets | -- | (28,000) |
| Trade accounts receivable | -- | 4,914 |
| Long-term debt incurred to acquire franchise operations | -- | 358,215 |
| Cash paid for acquisition of franchise operations | \$ -- | (268,586) |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2019 AND 2018

1. Summary of Significant Accounting and Reporting Policies

Organization and Principles of Consolidation – The accompanying consolidated financial statements include The Maids International, Inc. and its wholly-owned subsidiary TMI Company Store Holding Corp. (collectively, the Company). All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Franchisee and other revenues are primarily comprised of fees received from new and existing franchisees. Franchisor owned revenues relate to sales of cleaning services to the general public by Company operated units.

The following is a summary of markets operated by the Company and its franchisees as of September 30, 2019 and 2018:

| | <u>Company Operated</u> | <u>Franchises</u> | <u>Total</u> |
|-------------------------|-----------------------------|-------------------|--------------|
| Open September 30, 2017 | 111 | 1,240 | 1,351 |
| Openings | 37 | 25 | 62 |
| Net transfers | -- | 3 | 3 |
| Closings | (6) | (13) | (19) |
| Open September 30, 2018 | 142 | 1,255 | 1,397 |
| | | | |
| Openings | 32 | 32 | 64 |
| Net transfers | -- | 18 | 18 |
| Closings | -- | (6) | (6) |
| Open September 30, 2019 | <u>174</u> | <u>1,299</u> | <u>1,473</u> |

Trade Receivables – Trade accounts receivable are recorded at the invoice amount and do not bear interest. The allowance for doubtful accounts is the best estimate of the amount of probable losses in trade receivables and is based on historical experience. Accounts are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received.

Notes Receivable – Notes receivable are recorded at the agreed upon amount for franchise territory expansion sales, franchise operation sales, and initial franchise territory sales. The allowance for doubtful notes receivable is the best estimate of the amount of probable losses in notes receivables and is based on historical franchise success rates. Notes are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received.

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

1. Summary of Significant Accounting and Reporting Policies - Continued

Property, Plant and Equipment – Property and equipment is stated at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed, and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Depreciation is computed using both straight-line and accelerated methods over the following useful lives:

| | <u>Years</u> |
|-------------------------|--------------|
| Computer Software | 3-10 |
| Leasehold Improvements | 3-10 |
| Furniture and Equipment | 3-10 |
| Vehicles | 3-5 |

Depreciation for the years ended September 30, 2019 and 2018 was \$607,380 and \$562,293, respectively.

Goodwill – The Company’s goodwill relates to the acquisition of certain franchises. Goodwill is not amortized and is reviewed for possible impairment at least annually or more frequently upon occurrence of an event or when circumstances indicate that the fair value of the specific reporting units drop below the carrying amount. No impairment loss was recorded during 2019 and 2018.

Intangible Assets – The Company has entered into various non-compete agreements with former franchisees in relation to the purchase of franchisee operations. These non-compete agreements are amortized using the straight-line method over the term of the agreements. Amortization expense related to the non-compete agreements for the years ended September 30, 2019 and 2018 was \$39,400 and \$41,466, respectively. Estimated amortization expense for the years ending after September 30, 2019 is as follows:

| Year Ending September 30, | |
|---------------------------|--------------|
| 2020 | \$ 22,267 |
| 2021 | 11,600 |
| 2022 | 9,100 |
| 2023 | <u>1,600</u> |
| | \$ 44,567 |

Advertising Costs – Costs related to marketing the Company’s services are charged to operations as incurred. Advertising costs were approximately \$817,000 and \$795,000 for the years ended September 30, 2019 and 2018, respectively.

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

1. Summary of Significant Accounting and Reporting Policies - Continued

Revenue Recognition – Initial franchise fees revenue is recognized when the Company has performed its service requirements, normally concurrent with the opening of a franchise.

Continuing franchise fees are determined as a percentage of franchise sales. These fees are recognized as revenue in the period sales are earned by the franchisee. The Company does not require collateral for related receivables because they are generally collected within their normal terms.

Company owned stores sales are recognized as revenue in the period cleaning services are provided to customers. The Company does not require collateral for related receivables because they are generally collected within their normal terms.

Income Taxes – The Company is an S corporation and considered a pass-through entity for income tax purposes. Owners of pass-through entities are required to report income (loss) and deductions on their personal income tax returns. Therefore, no provision for income taxes is included in the financial statements.

S Corporations with year-ends other than December 31 are required to make cash deposits with the Internal Revenue Service. Such deposits are commonly known as enhanced estimated tax deposits and are based on taxable income. Deposits for the years ended September 30, 2019 and 2018 were \$32,984 and \$50,505, respectively.

The accounting standard commonly known as *Accounting for Uncertainty in Income Taxes* requires disclosure and recognition in financial statements of positions taken in a tax return about the treatment of transactions and events that more likely than not would not be sustained upon examination by tax authorities. The Company believes it complies with all relevant tax laws and regulations and has no significant uncertain tax positions. Therefore, no liability for uncertain taxes has been recorded in the financial statements.

Estimates and Assumptions - Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Estimates and assumptions affect the reported amount of assets, liabilities, revenues, expenses, and related disclosures. Because of the inherent uncertainties in this process, it is likely that actual results will vary from the estimates.

Subsequent Events – Management evaluated transactions and events occurring subsequent to September 30, 2019 through December 4, 2019, the date the financial statements were available to be issued to determine whether any events should be recognized or disclosed in these statements.

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

2. Accounts Receivable

| | <u>2019</u> | <u>2018</u> |
|--------------------------------------|-------------------|----------------|
| Trade receivables | \$ 518,502 | 535,947 |
| Less allowance for doubtful accounts | (25,054) | (12,288) |
| Net trade receivables | 493,448 | 523,659 |
| Other receivables | 33,818 | 97,286 |
| Total receivables | \$ 527,266 | 620,945 |

3. Notes Receivable

| | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|
| Notes receivable from an individual, due in weekly installments of \$235, including interest at 6.00%, through June 2023. This note is collateralized by a franchise. | \$ 40,914 | 50,396 |
| Notes receivable from an individual, due in weekly installments of \$500, including interest at 6.00%, through September 2020 with final balloon payment in September 2021. This note is collateralized by a franchise. | 171,458 | 186,700 |
| Notes receivable from an individual, due in weekly installments of \$1,931, including interest at 6.00%. This note was paid in full during 2019. | -- | 7,627 |
| Notes receivable from an individual, due in weekly installments of \$1,076, including interest at 6.00%. This note was paid in full during 2019. | -- | 7,387 |
| Note receivable from an individual, due in monthly installments of \$1,605, including interest at 7.00%, through September 2020. This note is collateralized by a franchise. | 24,453 | 41,356 |
| Note receivable from an individual, due in monthly installments of \$500, including interest at 7.00%, through September 2020. This note is collateralized by a franchise. | 5,784 | 11,178 |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

3. Notes Receivable - Continued

| | | |
|--|-------------------|----------------|
| Note receivable from an individual, due in monthly installments of \$975, including interest at 7.00%, through October 2020. This note is collateralized by a franchise. | \$ 12,183 | 21,797 |
| Note receivable from an individual, due in monthly installments of \$478, including interest at 5.50%, through April 2024. This note is collateralized by a franchise. | 23,179 | -- |
| Note receivable from an individual, due in monthly installments of \$191, including interest at 8.00%, through May 2031. This note is collateralized by a franchise. | 15,781 | -- |
| Note receivable from an individual, due in monthly installments of \$1,268, including interest at 8.00%, through September 2031. This note is collateralized by a franchise. | 104,536 | -- |
| Note receivable from an individual, due in monthly installments of \$1,142, including interest at 5.50%, through August 2020 at which time all remaining principal is due. This note is collateralized by a franchise. | 48,170 | 58,898 |
| Note receivable from an individual, due in monthly installments of \$309, including interest at 8.00%, through April 2031. This note is collateralized by a franchise. | 25,473 | -- |
| | <hr/> | <hr/> |
| | 471,931 | 385,339 |
| Less: allowance for doubtful notes receivable | 20,000 | -- |
| Less: current portion | 115,087 | 82,683 |
| | <hr/> | <hr/> |
| <u>Notes receivable, net, less current portion</u> | <u>\$ 336,844</u> | <u>302,656</u> |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

3. Notes Receivable - Continued

Gross maturities of notes receivable are as follows:

| <u>Year ending September 30,</u> | <u>Total</u> |
|----------------------------------|--------------------------|
| 2020 | \$ 115,087 |
| 2021 | 22,903 |
| 2022 | 181,737 |
| 2023 | 25,034 |
| 2024 | 15,023 |
| 2025-2029 | 75,033 |
| <u>2030-2031</u> | <u>37,114</u> |
| | <u>\$ 471,931</u> |

4. Revolving Line of Credit

The Company maintains a revolving line of credit for borrowings up to \$200,000 with a local bank, which matures on February 28, 2020. The line of credit is collateralized by substantially all assets of the Company and bears interest at the bank's national base rate (5.00% as of September 30, 2019) not to be lower than 4.50%. There was no outstanding balance as of September 30, 2019 and 2018. The line of credit contains various restrictive covenants with which the Company was in compliance or had obtained a waiver as of September 30, 2019 and 2018.

5. Long-term Debt

| | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| Long-term debt as of September 30 consists of the following: | | |
| Note payable to a bank, due in monthly installments of \$27,500 through February 2019 with payments increasing to \$43,747 beginning March 2019 through November 2020, including interest at 4.50%, collateralized by substantially all assets of the Company and the personal guarantee of one of the Company's stockholders. | \$ 595,394 | 1,000,788 |
| Uncollateralized, note payable to a limited partnership, due in monthly installments of \$20,000, including imputed interest at 5.00%. This note was paid in full during 2019. | -- | 39,751 |
| Various notes payable to a bank, due in monthly installments ranging from \$866 to \$1,699 through May 2020, including interest at 4.60%, collateralized by certain vehicles. | 27,082 | 66,212 |

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

6. Long-term Debt - Continued

| | | |
|---|---------------------|------------------|
| Note payable to a corporation, due in monthly installments of \$12,500 through May 2027, including imputed interest at 3.00%. Note is collateralized by the assets of a purchased franchise. | 1,026,168 | 1,143,468 |
| Uncollateralized note payable to a corporation, due in monthly installments of \$1,887 through August 2020, including interest at 5.00%. | 20,249 | 41,307 |
| Uncollateralized note payable to a corporation, due in monthly installments of \$4,243 through January 2025, including interest at 5.00%. | 237,906 | 275,886 |
| Uncollateralized, non-interest-bearing note payable to a corporation, due in monthly installments of \$1,000. This note was paid in full during 2019. | -- | 9,000 |
| Notes payable to a financing company, due in various installments through September 2024, including interest ranging from 0.00% to 9.00%, collateralized by substantially all assets of the Company. | 526,916 | 239,960 |
| Notes payable to a bank, due in monthly installments of \$8,679 through March 2023, including interest at 5.80%, collateralized by substantially all assets of the Company. | 328,698 | 410,863 |
| Note payable to a corporation, due in monthly installments of \$1,627 through February 2023, including interest at 5.00%, collateralized by assets of the franchise operations purchased during 2018. | 60,684 | 76,397 |
| Note payable to a bank, due in monthly installments of \$1,301 through August 2021, including interest at 5.90%, collateralized by a certain vehicle. | 28,200 | 41,684 |
| | <u>2,851,297</u> | <u>3,345,316</u> |
| <u>Less: current portion</u> | <u>954,455</u> | <u>851,124</u> |
| <u>Long-term debt, less current portion</u> | <u>\$ 1,896,842</u> | <u>2,494,192</u> |

Certain long-term debt has various restrictive covenants with which the Company was in compliance or had obtained a waiver as of September 30, 2019 and 2018.

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

6. Long-term Debt - Continued

Long-term debt matures as follows:

| <u>Year ending September 30,</u> | <u>Total</u> |
|----------------------------------|---------------------|
| 2020 | \$ 954,455 |
| 2021 | 481,840 |
| 2022 | 396,550 |
| 2023 | 366,042 |
| 2024 | 252,211 |
| Thereafter | 400,199 |
| | <u>\$ 2,851,297</u> |

7. Commitments

Lease Obligations – The Company has entered into various operating leases for certain office space, furniture and equipment which expire on various dates through September 2024.

The future minimum lease payments under these operating leases are as follows:

| <u>Year ending September 30,</u> | <u>Total</u> |
|----------------------------------|---------------------|
| 2020 | \$ 735,429 |
| 2021 | 604,096 |
| 2022 | 135,718 |
| 2023 | 44,310 |
| 2024 | 1,799 |
| | <u>\$ 1,521,352</u> |

Total lease expense was approximately \$719,000 and \$778,000 for the years ending September 30, 2019 and 2018, respectively.

Legal Proceedings – The Company is party to legal proceedings arising in the normal course of business. In the opinion of management and its legal counsel, disposition of these matters will not materially affect the Company’s financial position or results of operations.

Stockholder Agreements – The Company and its stockholders have entered into an agreement which restricts the sale of shares to any entity other than the Company or remaining stockholders unless approved by the Company and its stockholders. The Company and remaining stockholders have the first and second option, respectively, to purchase the shares.

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

8. Related Party Transactions

Regional Fees – Certain stockholders of the Company serve as regional managers for various markets in the United States. In this role, the stockholders are entitled to 60% of all franchise fees collected from their region. For the years ended September 30, 2019 and 2018, the Company paid a total of \$513,596 and \$511,525 to those stockholders. In addition, the Company had \$18,083 and \$19,246 included in accounts payable related to these fees as of September 30, 2019 and 2018, respectively.

Receivable from Stockholders – As of September 30, 2019 and 2018, the Company had outstanding receivable amounts from certain stockholders in the amount of \$450,218 and \$534,429, respectively. The receivable amounts from stockholders are non-interest bearing. The current portion of the receivable from stockholders is based on the expected payment schedule from these stockholders. Repayments on the receivable exceeded new additions in 2019 by \$84,211, while new additions exceeded repayments in 2018 by \$223,487.

9. Retirement Plan

The Company maintains a 401(k) plan available for all eligible employees. Employees become eligible after completing six months of service and attaining 21 years of age. The Company's contributions to the plan consist of employer safe harbor contributions applied 100% up to 3% of salary deferrals, plus 50% of the next 2% of salary deferrals. The Company made contributions of approximately \$137,000 for each of the years ending September 30, 2019 and 2018.

10. Acquisitions of Franchise Operations

There was no franchise acquisition activity in 2019. In 2018, the Company purchased certain assets and assumed liabilities of four franchises. The assets purchased consisted of property and equipment of \$179,789, intangible assets of \$28,000, and prepaid expenses of \$8,900. The purchase price of the acquisitions exceeded the fair value of the net assets acquired by \$415,026, which was recorded in the accompanying consolidated balance sheets as goodwill. The Company incurred long-term debt of \$270,173 to purchase the franchises, plus long-term debt assumed of \$88,042. The Company offset \$4,914 of the purchase price of one of the acquisitions with outstanding accounts receivable from the seller. The cash paid to acquire franchise operations was \$268,586.

11. Concentration of Credit Risk

The Company regularly maintains cash balances in excess of insured limits. In addition, trade receivables and notes receivable also subject the Company to credit risk.

THE MAIDS INTERNATIONAL, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

SEPTEMBER 30, 2019 AND 2018

12. Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)*. This standard is a comprehensive new revenue recognition model requiring the Company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. The standard requires additional disclosures related to the timing of transfer of goods or services and information about performance obligations. This standard is effective for the Company's fiscal year ending September 30, 2020. Management is evaluating the impact of this standard, as it prepares to adopt it in 2020.

The FASB also issued ASU 2016-02 *Leases (Topic 842)*. Under this standard, operating and finance leases with a lease term of more than 12 months will be recorded in the balance sheet as right-of-use assets with offsetting lease liabilities based on the present value of future lease payments. The standard also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. This standard is effective for the Company's fiscal year ending September 30, 2023. Management is evaluating the impact of this standard.

EXHIBIT B

FRANCHISEE LIST

The Maids International Offices

The following offices were operational as of September 30, 2021

UNITED STATES ALABAMA

| | | | |
|---|-----|-------|------------------------|
| Dean & Charlotte Blanchard 1601 12th Avenue South Birmingham, AL | USA | 35205 | Office: (205) 871-9338 |
| Dean & Charlotte Blanchard (14 territories) 2803 Greystone Commerical Blvd. #10 Birmingham, AL | USA | 35242 | Office: (205) 871-9338 |
| Dean & Charlotte Blanchard (5 territories) 2905 Bob Wallace Ave SW Suite L Huntsville, AL | USA | 35805 | Office: (256) 534-1100 |
| Dean & Charlotte Blanchard (7 territories) 4321 Boulevard Park South Mobile, AL | USA | 36609 | Office: (251) 344-6626 |
| Dean & Charlotte Blanchard 685 N. Eastern Blvd. Montgomery, AL | USA | 36117 | Office: (334) 277-7749 |

ARIZONA

| | | | |
|---|-----|-------|------------------------|
| Alex Britt (8 territories) 5115 N. 59th Ave. Glendale, AZ | USA | 85301 | Office: (916) 812-7220 |
| Charles & Genevieve Rodriquez (3 territories) 20215 N. John Wayne Parkway Unit 1060 Maricopa, AZ | USA | 85139 | Office: (480) 394-0039 |
| Dan Tull (6 territories) 2050 W Guadalupe Road, Suite 8 Mesa, AZ | USA | 85202 | Office: (480) 394-0039 |
| David and Lynn Jacobson (6 territories) 2320 W Peoria Ave, Suite C124 Phoenix, AZ | USA | 85029 | Office: (602) 544-2340 |
| Matt Jackson (13 territories) 2521 East Bell Road Phoenix, AZ | USA | 85032 | Office: (602) 923-4000 |
| Teresa Loy (12 territories) 4425 E. Broadway Tucson, AZ | USA | 85711 | Office: (520) 795-7977 |

CALIFORNIA

| | | | |
|--|-----|-------|------------------------|
| David and Virginia Alsup (6 territories) 2441 Sprig Court, Suite E Concord, CA | USA | 94520 | Office: (925) 798-6243 |
| Rick and Becky Kraemer (4 territories) 6611 Folsom-Auburn Rd. Ste. M Folsom, CA | USA | 95630 | Office: (916) 294-5700 |

| | | | |
|--|-----|-------|------------------------|
| Foroozan Shakeri 3365 Edison Way Fremont, CA 94538 | USA | 94538 | Office: (510) 656-8100 |
| James & Vickie Moser 255 S. Orange Ave. Ste. 1A Goleta, CA | USA | 93117 | Office: (805) 685-4528 |
| Ana Puga (5 territories) 1587 W. Buckingham Drive Hanford, CA | USA | 93230 | Office: (559) 380-9917 |
| Jennie Lim (5 territories) 8703 Venice Blvd. Los Angeles, CA | USA | 90034 | Office: (310) 280-0300 |
| Manny & Preeti Kooner (4 territories) 1655 S. Main Str. Milipitas, CA | USA | 95035 | Office: (408) 934-9375 |
| Nicole Avis (3 territories) 1430 Carpenter Lane, Suite A Modesto, CA | USA | 95351 | Office: (209) 579-9290 |
| GoStar International Group (10 territories) 41775 Elm Street Ste. 401 Murrieta, CA | USA | 92562 | Office: (951) 600-7561 |
| Cheyenne Hanson (10 territories) Oceanside, CA | | | |
| Mary Fales (6 territories) 4015 Fabian Way Palo Alto, CA | USA | 94303 | Office: (650) 319-0290 |
| Amada Gonzales (5 territories) 593 Woodside Rd. Suite D Redwood City, CA | USA | 94061 | Office: (650) 364-8444 |
| Cristina Vega-Bustamante (11 territories) 10855 Sorrento Valley Rd. Ste 103 San Diego, CA | USA | 92121 | Office: (858) 578-6243 |
| Benjamin Sadowski (3 territories) 8930 Activity Rd., Ste. E San Diego, CA | USA | 92126 | Office: (858) 679-7792 |
| Susan Marie Weaver (4 territories) 353 Bel Marin Keys Blvd. Novato, CA | USA | 94949 | Office: (415) 479-1040 |
| Michael and June Ramirez (9 territories) 2110 Omega Rd. Ste. A San Ramon, CA | USA | 94583 | Office: (925) 837-8828 |
| Foroozan Shakeri (14 territories) 462 Martin Ave. Santa Clara, CA | USA | 95050 | Office: (408) 919-2800 |
| James & Vickie Moser (7 territories) 2015 Preisker Lane Ste. D Santa Maria, CA | USA | 93454 | Office: (805) 474-9711 |
| Jennie Lim (11 territories) | USA | 93065 | Office: (805) 579-9136 |

2235 First Street Suite 101
Simi Valley, CA

Morris Yadidi (10 territories)

18750 Oxnard St. Ste 407
Tarzana, CA

USA 91356 Office: (818) 344-4500

Morris Yadidi (8 territories)

3551 Voyager Street, Suite 101
Torrance, CA

USA 90503 Office: (310) 542-9002

Jerry Dino (14 territories)

14712 Franklin Ave., Suite E
Tustin, CA

USA 92780 Office: (714) 838-2278

COLORADO

Vickie & Dale Iburg (14 territories)

2600 South Parker Road Bldg 7 Suite 7-173
Aurora, CO

USA 80014 Office: (303) 755-2027

Michael Streeter (12 territories)

4820 Rusina Rd.
Colorado Springs, CO

USA 80907 Office: (713) 634-1030

Joe & Christina Quadhamer (11 territories)

2046 Federal Blvd.
Denver, CO

USA 80211 Office: (303) 282-0133

David Ryan (11 territories)

350 E 7th Street Ste. 7
Loveland, CO

USA 80537 Office: (970) 685-4113

CONNECTICUT

Chris & Susan Rudolph (12 territories)

72 Gray Bridge Road Box 2
Brookfield, CT

USA 06804 Office: (203) 740-0066

Robert Goodliffe (6 territories)

100 Fort Hill Road
Groton, CT

USA 06340 Office: (508) 533-4101

Chris & Susan Rudolph (12 territories)

55 Middletown Ave. Ste. 3
North Haven, CT

USA 06473-3936 Office: (203) 288-6243

TMI Company Store - Stamford (10 territories)

390 Fairfield Ave
Stamford, CT

USA 06902 Office: (203) 961-0399

DELAWARE

TMI Company Store - Wilmington (7 territories)

508 First State Blvd.
Wilmington, DE

USA 19804 Office: (302) 992-0220

FLORIDA

Almohannad Hafiz (5 territories)

22748 SW 55th Way
Boca Raton, FL

USA 33433 Office: (561) 774-8762

Kevin & Connie Bounds (16 territories)

11235 St. Johns Industrial Pkwy North Ste. 3
Jacksonville, FL

USA 32246 Office: (904) 928-0195

| | | | |
|---|-----|-------|------------------------|
| Alejandro Benito & Alejandra Vergara (10 territories) 8359 NW 68th Street Miami, FL | USA | 33166 | Office: (305) 640-8547 |
| Oscar & Gaby Aldrey (5 territories) 10000 SW 56th Street Miami, FL | USA | 33165 | Office: (350) 603-8529 |
| Philip & Brenda Camacho (7 territories) 1987 Harbor City Blvd Melbourne, FL | USA | 32935 | Office: (321) 255-5422 |
| Maria Parra & Franklin Brito (8 territories) 2060 N. Forsyth Rd. Orlando, FL | USA | 32807 | Office: (407) 543-8182 |
| Natalie Guzman & Hector Rosario (5 territories) 3443 13th Street Saint Cloud, FL | USA | 34769 | Office: (407) 520-6534 |
| Mark and Helena Gilbert (8 territories) 6222 Tower Lane, Suite B6 Sarasota, FL | USA | 34240 | Office: (941) 377-6770 |
| Al Madore (15 territories) 8467 West Oakland Park Blvd. Sunrise, FL | USA | 33351 | Office: (954) 796-7600 |
| Shelby & Anthony Bellomio (3 territories) 2441 Monticello Drive Tallahassee, FL | USA | 32303 | Office: (850) 325-2015 |
| TMI Company Store Tampa (21 territories) 3910 N. US Highway 301 Ste. 105 Tampa, FL | USA | 33619 | Office: (813) 871-9700 |
| Glynda Russell & Sandra Guvetis (5 territories) 6917 Vista Parkway North #12 West Palm Beach, FL | USA | 33411 | Office: (561) 478-1815 |
| Thomas & Lynn Ronan (13 territories) 630 South Dillard Street Suite B Winter Garden, FL | USA | 34787 | Office: (407) 614-1824 |
| Charles Nobes (6 territories) 3115 Mercury Drive Columbus, GA | USA | 31906 | Office: (706) 225-0015 |
| Vernon Mask (7 territories) 2752 Watts Drive, Suite A Kennesaw, GA | USA | 30144 | Office: (773) 726-1689 |
| Kevin Bounds (24 territories) 408 South Atlanta St. Ste 140 Roswell, GA | USA | 30075 | Office: (404) 252-3571 |
| Brett Chandler (10 territories) 4485 Tench Rd Unit 2420 Suwanee, GA | USA | 30024 | Office: (678) 546-0997 |

GEORGIA

HAWAII

Arun Savara (5 territories)

931 University Ave. Ste 301
Honolulu, HI

USA 96826 Office: (808) 942-8080

Joseph & Lorraine Marquez (8 territories)

767 Kailua Road Suite 211
Kailua, HI

USA 96734 Office: (808) 263-8080

ILLINOIS

Daniel Larios (7 territories)

745 Morton Ave.
Aurora, IL

USA 60506 Office: (630) 264-6633

Allen and Pat Evans (1 territories)

3705 Utica Ridge Road
Bettendorf, IA

USA 52722 Office: (563) 355-3111

TMI Company Store - Evanston (40 territories)

1625 Payne Ave. Unit F
Evanston, IL

USA 60201 Office: (847) 328-0037

David Levin (7 territories)

1037 N. Corporate Circle
Grayslake, IL

USA 60030 Office: (847) 548-4402

Glen & Ellen Burek (9 territories)

5530 West 110 Street Suite C
Oak Lawn, IL

USA 60453 Office: (708) 422-2176

Tom and Lisa Rowley (3 territories)

23855 W. Andrew Road Suite #1
Plainfield, IL

USA 60585 Office: (815) 230-5567

TMI Company Store - Schaumburg (14 territories)

1063 N. Salem Rd.
Schaumburg, IL

USA 60194 Office: (847) 368-1252

Al and Vanessa Evans (10 territories)

825 N. Cass Avenue, Suite 301
Westmont, IL

USA 60559 Office: (630) 654-0995

INDIANA

Pat Kelley and Tasha Kelley (4 territories)

3197 S. US HWY 2331
Greencastle, IN

USA 46135 Office: (877) 505.8906

Nicole Lehman (4 territories)

1917 N. Merrifield Ave.
Mishawaka, IN

USA 46545 Office: (574) 257-8574

Carolyn Graf (7 territories)

15501 Stoney Creek Way
Noblesville, IN

USA 46060 Office: (317) 770-1320

IOWA

Allen and Pat Evans (3 territories)

3705 Utica Ridge Road
Bettendorf, IA

USA 52722 Office: (563) 355-3111

KANSAS

Mark Ramsey (9 territories)

8220 Robinson Street

Overland Park, KS

USA 66204 Office: (913) 648-7331

Ron & Joni Garcia (6 territories)

1525 W. 29th Street North

Wichita, KS

USA 67204 Office: (316) 832-9058

KENTUCKY

Ozell Robertson (5 territories)

3411 Bardstown Rd. Suite 10

Louisville, KY

USA 40218 Office: (270) 317-8045

Dan Spalding (5 territories)

3928 Bardstown Rd Bldg 1 Unit 2

Louisville, KY

USA 40218 Office: (502) 491-6243

LOUISIANA

Charlotte and Dean Blanchard (3 territories)

5421 Superior Drive

Baton Rouge, LA

USA 70816 Office: (225) 755-8383

Charlotte and Dean Blanchard (3 territories)

4031 Hwy 90E

Broussard, LA

USA 70518 Office: (337) 839-2000

Charlotte and Dean Blanchard (5 territories)

4631 W. Napoleon Ave. Ste. 1E

Metairie, LA

USA 70001 Office: (504) 883-5000

MAINE

Matt Donnelly (1 territory)

62 Lafayette Rd.

North Hampton, NH

USA 03862 Office: (603) 964-1633

MARYLAND

Remo Molino (9 territories)

10 West College Terrace Suite 130

Frederick, MD

USA 21701 Office: (301) 694-3600

Sumeet Goel (39 territories)

7170 E. Furnance Branch Road

Glen Burnie, MD

USA 21060 Office: (410) 761-7300

John Daus (12 territories)

713 Sligo Ave.

Silver Spring, MD

USA 20910 Office: (301) 562-8900

Sumeet Goel (6 territories)

1055 Taylor Ave. Ste 101

Towson, MD

USA 21286 Office: (410) 847-9145

MASSACHUSETTS

Kevin Marshall (4 territories)

835 Centre Street

Brockton, MA

USA 02302 Office: (508) 559-8062

| | | | |
|--|-----|-------|------------------------|
| Matt Donnelly (5 territories) 45 Plant Road, Unit 105 Hyannis, MA | USA | 02601 | Office: (508) 778-8768 |
| Patricia Acevedo (8 territories) 179 Boylston St. Building P4 Floor Jamaica Plain, MA | USA | 02130 | Office: (617) 524-0300 |
| James Segal (12 territories) 200 East Main St. Ste. 11 Malborough, MA | USA | 01752 | Office: (508) 460-1551 |
| Robert Goodliffe (11 territories) 149 Main St. Medway, MA | USA | 02053 | Office: (508) 533-4101 |
| Matt Donnelly 1 Coffin Avenue New Bedford, MA | USA | 02740 | Office: (508) 984-0013 |
| Matt Donnelly (39 territories) 225 Riverview Ave. Newton, MA | USA | 02466 | Office: (978) 276-1276 |
| Matt Donnelly (12 territories) 60 Ashland Street, Suite A North Andover, MA | USA | 01845 | Office: (978) 683-3883 |
| Matt Donnelly 607 North Ave. Building 11, 2nd Fl. Wakefield, MA | USA | 01880 | Office: (978) 276-1276 |
| Robert Goodliffe 1460 Fall River Drive Seekonk, MA | USA | 02771 | Office: (401) 392-0767 |
| Steven Kuhrtz (7 territories) 290 Tosca Drive Stoughton, MA | USA | 02072 | Office: (781) 341-4444 |
| Matt Donnelly (1 territory) 62 Lafayette Rd. North Hampton, NH | USA | 03862 | Office: (603) 964-1633 |

MICHIGAN

| | | | |
|---|-----|-------|------------------------|
| Claude Shelton (3 territories) 713 W. Ellsworth Rd. Ste. C Ann Arbor, MI | USA | 48108 | Office: (734) 369-8076 |
| Ryan Mrdeza (10 territories) 725 S. Adams Road Suite 189 Birmingham, MI | USA | 48009 | Office: (248) 577-0035 |

MINNESOTA

| | | | |
|---|-----|-------|------------------------|
| Jeanne, Kate and Mark Oster (7 territories) 14450 South Robert Trail, Ste. 205 Rosemount, MN | USA | 55068 | Office: (651) 322-2217 |
| Daniel Reese (13 territories) 7855 Wayzata Blvd. St. Louis Park, MN | USA | 55426 | Office: (952) 929-6243 |

Daniel Reese (6 territories)475 Etna St, Suite 20
St. Paul, MN

USA 55106 Office: (651) 571-2500

MISSISSIPPI**Kevin Bounds (5 territories)**517 Liberty Road, Building 2A
Flowood, MS

USA 39232 Office: (904) 928-0195

MISSOURI**John & Deanna Hanson (8 territories)**1015 Gentry Street
North Kansas City, MO

USA 64116 Office: (816) 471-3771

Ryand & Andrea Crislip (5 territories)250 Fort Zumwalt Square
O'Fallon, MO

USA 63366 Office: (636) 385-3011

Luis Cabral (7 territories)2267 S. 1st Captiol Drive
St. Charles, MO

USA 63301 Office: (636) 757-3476

David & Lynn Jacobson (6 territories)7714 Big Bend Blvd.
St. Louis, MO

USA 63119 Office: (314) 645-4015

NEBRASKA**Jeff Johnson, Ryan and Kelli Worley (5 territories)**5930 S. 58th St. Suite K
Lincoln, NE

USA 68516 Office: (531) 500-1707

John & Kris Dostal (2 territory)3802 N. 108th Street
Omaha, NE

USA 68164 Office: (402) 493-5887

Ryan Bishop (10 territories)4814 Dodge Street
Omaha, NE

USA 68132 Office: (402) 558-8600

NEVADA**David & Kate Perez (5 territories)**716 S. Jones Blvd.
Las Vegas, NV

USA 89107 Office: (702) 870-3360

NEW HAMPSHIRE**Matt Donnelly**460 Route 101
Bedford, NH

USA 03110 Office: (603) 964-1633

Matt Donnelly (4 territories)60 Ashland Street, Suite A
North Andover, MA

USA 01845 Office: (978) 683-3883

Matt Donnelly (15 territories)62 Lafayette Rd.
North Hampton, NH

USA 03862 Office: (603) 964-1633

NEW JERSEY**Warren and Eric Uzialko (14 territories)**12 Minneakoning Road, Suite 106
Flemington, NJ

USA 08822 Office: (908) 237-0050

Warren and Eric Uzialko (6 territories)109 E. Plane Street
Hackettstown, NJ

USA 07840 Office: (973) 448-1888

Stephen & Patricia Williams (14 territories)306 Belmont Avenue
Haldon, NJ

USA 07508 Office: (973) 790-6800

Kevin and Geraldine Elwood (9 territories)220 N. Centre St.
Merchantville, NJ

USA 08109 Office: (856) 662-6243

Kevin & Geraldine Elwood (11 territories)157 Maple Avenue
Red Bank, NJ

USA 07701 Office: (732) 224-1105

Warren Uzialko (10 territories)2558 Plainfield Avenue
Scotch Plains, NJ

USA 07076 Office: (908) 233-9990

Vivian George (1 territory)523 Delsea Drive
Sewell, NJ

USA 08080 Office: (856) 218-8886

Stephen & Patricia Williams (29 territories)1417 Stuyvesant Ave.
Union, NJ

USA 07083 Office: (908) 851-2210

NEW MEXICO**TMI Company Store -- Albuquerque (5 territories)**12999 Cochiti Road SE Suite A
Albuquerque, NM

USA 87123 Office: (505) 292-8344

NEW YORK**Jim Harris Jr. (37 territories)**1988 Central Ave.
Albany, NY

USA 12205 Office: (518) 583-1700

TMI Company Store - Long Island (13 territories)68 Cain Drive
Brentwood, NY

USA 11717 Office: (631) 435-1560

Gale St. John (7 territories)666 Eastern Pkwy
Brooklyn, NY

USA 11213 Office: (718) 221-6766

Kevin & Geraldine Elwood (1 territory)7 Winkler Place
Chester, NY

USA 10918 Office: (845) 469-5247

Jim Harris Jr.7143 Henry Clay Blvd.
Liverpool, NY

USA 13088 Office: (315) 453-2061

Jim Harris Jr.1848 Lyell Ave.
Rochester, NY

USA 14606 Office: (585) 225-1745

TMI Company Store -Stamford (10 territories)390 Fairfield Ave
Stamford, CT

USA 06902 Office: (203) 961-0399

NORTH CAROLINA

| | | | | |
|--|-----|-------|---------|----------------|
| Lloyd and Katie Somers (3 territories) 278 Highway 16 N. Ste. D Denver, NC | USA | 28037 | Office: | (704) 966-1706 |
| Wes & Melinda Dunn (13 territories) 3622 Lyckan Pkwy Ste 6002 Durham, NC | USA | 27707 | Office: | (919) 493-0818 |
| Henry Williamson (11 territories) 315 South Westgate Drive Suite H Greensboro, NC | USA | 27407 | Office: | (336) 292-7800 |
| Wes & Melinda Dunn (7 territories) 5121 Hollyridge Drive Ste. 104 Raleigh, NC | USA | 27612 | Office: | (919) 782-2050 |
| RueAnn Ormand (6 territories) 108 North kerr Ave. Building K Ste. 1B Wilmington, NC | USA | 28405 | Office: | (910) 859-8449 |

OHIO

| | | | | |
|---|-----|-------|---------|----------------|
| Peter & Dolores Manhoff (32 territories) 23480 Aurora Road Suite 1 Bedford Heights, OH | USA | 44146 | Office: | (440) 735-6243 |
| Terry Sanderson (11 territories) 1830 Sherman Ave. Cincinnati, OH | USA | 45212 | Office: | (513) 396-6900 |
| Dan Dorman (2 territory) 2045 E Dorothy Lane Kettering, OH | USA | 45420 | Office: | (937) 252-0600 |
| Michael & Cindy King (4 territories) 25601 Ft. Meigs Rd. Ste. F Perrysburg, OH | USA | 43551 | Office: | (419) 873-7000 |
| Jeff Markland (8 territories) 7216 Towne Centre Drive West Chester, OH | USA | 45069 | Office: | (513) 858-3700 |
| Peter & Mike Manhoff 720 E. Lakeview Plz. Blvd. Ste. E Worthington, OH | USA | 43085 | Office: | (614) 468-9802 |

OKLAHOMA

| | | | | |
|--|-----|-------|---------|----------------|
| Donald and Jennifer Lee (9 territories) 2710 S. Walker Ave. Oklahoma City, OK | USA | 73109 | Office: | (405) 400-0600 |
|--|-----|-------|---------|----------------|

OREGON

| | | | | |
|---|-----|-------|---------|----------------|
| Jon Pippert 2286 Pacific Blvd. SE Albany, OR | USA | 97322 | Office: | (541) 926-9277 |
| Jon Pippert (17 territories) 8325 Southwest Cirrus Drive Beaverton, OR | USA | 97008 | Office: | (503) 626-1716 |

Chris & Paula Luz (3 territories)118 South Main Street
Phoenix, OR

USA 97535 Office: (541) 241-8009

PENNSYLVANIA**Robert Goodliffe (4 territories)**1135 Stefko Boulevard
Bethlehem, PA

USA 18017 Office: (610) 439-6242

Joe Lagore (4 territories)937 West Lancaster Ave.
Downingtown, PA

USA 19335 Office: (610) 269-6400

Ross Attix (10 territories)1601 Republic Road Unit G
Huntingdon Valley, PA

USA 19006 Office: (215) 396-8470

Warren Uzialko (2 territories)7002 Beaver Dam Rd. Unit D
Levittown, PA

USA 19057 Office: (215) 547-9281

TMI Wilmington (9 territories)508 First State Blvd.
Wilmington, DE

USA 19804 Office: (302) 992-0126

RHODE ISLAND**Robert Goodliffe (10 territories)**1460 Fall River Ave.
Seekonk, MA

USA 02771 Office: (401) 392-0767

TENNESSEE**Ken & Heidi Neel (18 territories)**907 Rivergate Pkwy Ste B6
Goodlettsville, TN

USA 37072 Office: (951) 304-6243

Matt Perrigo (6 territories)2159 A-1 Thompson Lane
Murfreesboro, TN

USA 37129 Office: (629) 201-5880

TEXAS**TMI Company Store Austin (16 territories)**1601 Rautherford Lane A -150
Austin, TX

USA 78754 Office: (512) 419-0021

Bob White (24 territories)11034 Shady Trail Suite 116
Dallas, TX

USA 75229 Office: (972) 437-6253

Jona Boney & Jennifer Wadsworth (10 territories)550 N. Main Street
Duncanville, TX

USA 75116 Office: (972) 850-9299

Josh & Megan Fuller (15 territories)8901 W. Freeway Suite 109
Ft. Worth, TX

USA 76116 Office: (817) 244-6243

Glen Goody (14 territories)6300 Samuell Blvd. #111
Dallas, TX

USA 75228 Office: (972) 278-6000

Troy & Julaine Blanchard (12 territories)5263 Barker Cypress Road, Ste. 400
Houston, TX

USA 77084 Office: (832) 593-7500

Rick & Michele Orlando (6 territories)5750 N. Sam Houston Pkwy. East Suite 112
Houston, TX

USA 77032 Office: (281) 219-0022

Michael Udayan (6 territories)12000 Wilcrest Drive
Houston, TX

USA 77031 Office: (281) 920-1200

Bob White (9 territories)555 Republic Drive, Ste. 283
Plano, TX

USA 75074 Office: (972) 330-4107

Derk Wallace (19 territories)1018 Clydeville Rd.
San Antonio, TX

USA 78216 Office: (210) 822-2526

VERMONT**Ronald Herath (5 territories)**7 Ambrose Place
Burlington, VT

USA 05401 Office: (802) 652-2403

VIRGINIA**Elizabeth Reynolds (17 territories including 4 D.C.)**4604 Pinecrest Office Park Drive Suite E
Alexandria, VA

USA 22312 Office: (703) 212-0100

TMI Company Store - Fairfax (15 territories)9518 Lee Highway
Fairfax, VA

USA 22031 Office: (703) 691-7999

Elizabeth Reynolds2239 D Tacketts Mill Drive
Lake Ridge, VA

USA 22192 Office: (703)212-0100

Elizabeth Reynolds (10 territories)9173 Key Commons Ct.
Manassas, VA

USA 20110 Office: (917) 922-2563

Thomas and Lynn Ronan (8 territories)7858 Forest Hill Avenue
Richmond, VA

USA 23225 Office: (804) 323-9007

Mark & Helena Gilbert (9 territories)506 Shaw Road Bay 314
Sterling, VA

USA 20166 Office: (571) 203-0001

WASHINGTON**Michael & Dianne Bjorn (19 territories)**12811 8th Avenue W Suite C-201
Everett, WA

USA 98204 Office: (425) 353-8618

WISCONSIN**Lori Wirts (11 territories)**319 W. Beltline Highway, Suite 107
Madison, WI

USA 53713 Office: (608) 273-4499

CANADA
BRITISH COLUMBIA

Paul Grant (14 territories)
9613 W Lincoln Ave.
West Allis, WI

USA 53227 Office: (414) 727-2992

Bruce Biles (24 territory)
106 3993 Henning Drive
Banbury, BC

CANADA V5C 6P7 Office: (604) 987-8181

Michael Tinant and Michael Tansowny (5 territories)
19985 68th Avenue
Langley, BC

CANADA V2Y 2W5 Office: (604) 278-6243

ONTARIO

Charles Yee (5 territories)
464 McNicoll Avenue
North York, ON

CANADA M2H 2E1 Office: (416) 492-4609

Patricia Chioua (11 territories)
1108 Cannon St. E
Hamilton, ON

CANADA L8L 2J6 Office: (905) 845-4995

Lynn Mulroy (5 territories)
97 McMaster Ave.
Ajax, ON

CANADA L1S 2E6 Office: (905) 427-1773

The following franchisees are not operational as of September 30, 2021

FLORIDA

Amy & Ken Yalden (6 territories)
South Jacksonville, FL

Tim & Andrea Cheatwood (7 territories)
Apopka, FL

Rose Fabiola Jadue Cassis & Jorge Campos Parra (7 territories)
Naples, FL

EXHIBIT C

FRANCHISEES THAT HAVE LEFT THE SYSTEM

Franchisees that have left the system as of September 30, 2021

Transfers:

Jerome & Nellie Garcia
South Miami, FL
(605) 603-8529
5 Territories

White
Dallas, TX
(972) 437-6253
9 Territories
Remains in system

Zlatan Slavoff
Manassas, VA
(617) 992-2563
10 Territories

John Caiati
North Andover, MA
(678) 683-3883
7 Territories

Closed:

Jerry Satterlee (death)
Allentown, PA
(610) 366-8569
(2 Territories)

Duc Dao and Hanh Pham
Bridgeport, PA
(610) 492-2805
4 Territories

Kelly Jacobs
Pinellas, FL
(813) 818-4777
7 Territories

Michael & Clare Grieves (death)
Datmouth, NS, CANADA
(902) 422-6243
6 Territories

John and Anne King
Charlotte, NC
(704) 752-9476
5 Territories

Mark & Stacey Eichholz
St. Louis County, MO
(314) 270-9555
6 Territories

Ted Coleman and Chris Sisemore
South Austin, TX
(512) 549-9664
10 Territories

Dennis Newel (non-renewal)
Des Moines, IA
(515) 401-6243

If you buy a The Maids® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT D

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

BETWEEN

THE MAIDS INTERNATIONAL, LLC

*9394 West Dodge Road, Suite 140
Omaha, NE 68114
(402) 558-5555
FAX: (402) 558-4112*

AND

Name(s) of Franchisee

INITIAL BUSINESS ADDRESS:

Street

City

State

Zip Code

() _____

Telephone

DATE OF FRANCHISE AGREEMENT

THE MAIDS INTERNATIONAL, LLC
FRANCHISE AGREEMENT

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THE MAIDS INTERNATIONAL, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Agreement”) is made and entered into to be effective as of this _____ day of _____, 20__ by and between The Maids International, LLC, a Nebraska limited liability company (“TMI”) and _____, a _____ (“Franchisee”);

RECITALS:

WHEREAS, TMI has expended considerable time, effort, skill and financial resources in developing a business concept for operating businesses of a distinctive character and quality offering household maintenance and cleaning under the name “The Maids®” (the “System”) and has publicized the name The Maids® to the public and other businesses as an organization of businesses operating under the System;

WHEREAS, TMI represents that it has the right and the authority to license the use of the name The Maids®, Mr. Clean® and certain other trademarks, trade names, service marks, slogans, logos and commercial symbols (the “Marks”) for use in connection with the businesses operated in conformity with the System to selected persons, businesses or entities who will comply with TMI’s uniformity requirements and quality standards;

WHEREAS, The Franchisee desires to operate a business using the name The Maids® and the other Marks (a “The Maids® Business”) within the Designated Market Area set forth in Exhibit “A” in conformity with the System and TMI’s uniformity requirements and quality standards as established and promulgated from time to time by TMI;

WHEREAS, The Franchisee has had a full and adequate opportunity to read and review this Agreement and to be thoroughly advised of the terms and conditions of this Agreement by an attorney or other personal advisor, and has had sufficient time to evaluate and investigate the System, the financial requirements and the economic and business risks associated with the System;

WHEREAS, TMI is willing to provide the Franchisee with marketing, advertising, operational and other business information and “know-how” regarding the operation of a The Maids® Business that has been developed by TMI over time and at a significant cost and investment to TMI;

WHEREAS, The Franchisee acknowledges that it would take substantial capital and human resources to develop a business similar to the Franchised The Maids® Business and as a result, desires to acquire from TMI the right to use the Marks and the System and to operate a The Maids® Business subject to and under the terms and conditions set forth in this Agreement; and

WHEREAS, The Franchisee acknowledges that TMI would not grant the Franchise to the Franchisee or provide the Franchisee with any business information or operational know-how about the Franchised Business and the System unless the Franchisee agreed to comply in all respects with the terms and conditions of this Agreement and to pay the Initial Territory Fee, the SMART START Package Fee, the

Continuing License Fees, all as defined below and the other fees and payments specified in this Agreement and any other agreements executed in connection with this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement and for other good and valuable consideration, the parties hereby contract as follows:

ARTICLE 1 GRANT OF FRANCHISE

1.1 GRANT. TMI grants to the Franchisee, subject to the terms and conditions of this Agreement, the personal right and license to:

- (A) establish and operate one The Maids® Business (the “Franchised Business”) within the specific geographic area described on Exhibit A to this Agreement that has been authorized by TMI (the “Designated Market Area”);
- (B) use the Marks under the terms and conditions of this Agreement to identify and promote the Franchised Business and the goods and services offered hereunder; and
- (C) use TMI’s proprietary business methods, know-how, standards and requirements for the System as set forth periodically in TMI’s Manuals, online media, video and audio tapes, compact discs, other manuals, training programs, The Maids® internet site or other communications to the Franchisee.

1.2 PROTECTED AREA. So long as this Agreement is in full force and effect and Franchisee is not in default under any of the terms hereof, TMI will not operate, or grant to any other The Maids® franchisee the right to operate, a The Maids® Business within the Designated Market Area without the prior consent of the Franchisee. TMI will have the absolute and unconditional right to grant other franchisees the right to use the name “The Maids®,” the other Marks and the System outside of the boundaries of the Designated Market Area. During the term of this Agreement and thereafter, TMI has the right to directly or indirectly sell any proprietary products that have been or may be developed by TMI to other persons, businesses or entities that are not The Maids® franchises through other methods of distribution (including, without limitation, the Internet) anywhere in the world, including the Designated Market Area. TMI reserves all rights not specifically granted to Franchisee.

1.3 TMI’S RIGHT TO ENTER PROTECTED AREA. Notwithstanding the provisions of Article 1.2 above, TMI may operate, or grant others the right to operate, a The Maids® Business within the Designated Market Area without the Franchisee’s written permission, if:

- (A) the Franchisee fails to cure a breach of this Agreement after TMI gives the Franchisee written notice of the breach in accordance with Article 16 of this Agreement; or
- (B) TMI terminates this Agreement in accordance with Article 16 of this Agreement.

1.4 DESIGNATED MARKET AREA/MULTIPLE FRANCHISE TERRITORIES. The Franchisee’s Designated Market Area will be made up of one or more Franchise Territories. A Franchise Territory consists of approximately 24,000 Households (“Households”). The Designated Market described on Exhibit “A” of this Agreement consists of _____ Franchise Territories.

ARTICLE 2
ACCEPTANCE BY FRANCHISEE

2.1 **ACCEPTANCE.** Franchisee accepts this Agreement and the license granted herein, and undertakes the obligation to operate the Franchised Business in accordance with the System within the Designated Market Area using the Marks in strict compliance with the terms and conditions of this Agreement for the entire term of this Agreement. The rights and privileges granted to the Franchisee by TMI under this Agreement are applicable only in the Designated Market Area, are personal in nature, and may not be used elsewhere or at any other location or within any other Designated Market Area within the United States or any other country by the Franchisee without the prior written permission of TMI. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IF THE FRANCHISEE PERFORMS SERVICES, SELLS PRODUCTS OR OTHERWISE CONDUCTS BUSINESS OF THE TYPE COVERED BY THIS AGREEMENT INSIDE THE DESIGNATED MARKET AREA OF ANOTHER THE MAIDS FRANCHISEE, THEN THE FRANCHISEE WILL BE IN MATERIAL BREACH OF THIS AGREEMENT AND TMI WILL HAVE THE RIGHT TO TERMINATE THIS AGREEMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF ARTICLE 16 BELOW; IN ADDITION, WITH RESPECT TO THE GROSS REVENUES RECEIVED FOR SUCH BUSINESS CONDUCTED INSIDE OF THE DESIGNATED MARKET AREA, THE FRANCHISEE WILL ALSO OWE COMPENSATION (UP TO 100% OF GROSS REVENUES EARNED) TO THE FRANCHISEE WHOSE DESIGNATED MARKET AREA WAS INFRINGED UPON. THE DEMAND FOR AND THE COLLECTION AND ACCEPTANCE OF THE RESTITUTION COMPENSATION UNDER THIS ARTICLE 2.1 WITH RESPECT TO BUSINESS CONDUCTED BY THE FRANCHISEE INSIDE OTHER FRANCHISEE'S DESIGNATED MARKET AREA SHALL NOT, UNDER ANY CIRCUMSTANCES, BE A WAIVER BY TMI OF THE FRANCHISEE'S OBLIGATION TO CONDUCT ITS BUSINESS ONLY WITHIN THE FRANCHISEE'S DESIGNATED MARKET AREA OR A WAIVER BY TMI OF ANY BREACH OF SUCH OBLIGATION. FRANCHISEE MAY NEVER SOLICIT OR SERVE CUSTOMERS IN ANY OTHER FRANCHISEE'S DESIGNATED MARKET AREA.

2.2 **PERSONAL LICENSE.** Franchisee will not have the right to franchise, sub-franchise, license or sublicense its rights under this Agreement. Franchisee will not have the right to assign or transfer this Agreement or its rights under this Agreement, except as specifically provided in this Agreement.

ARTICLE 3
TERM OF AGREEMENT; FRANCHISEE'S RIGHT OF RENEWAL

3.1 **TERM.** The term of this Agreement will be for 10 years, and will commence on the date set forth on Page I of this Agreement. This Agreement will not be enforceable until it has been signed by both the Franchisee and TMI, and until the signed Agreement has been delivered to the Franchisee.

3.2 **CONDITIONS TO RENEWAL.** At the end of the term of this Agreement, the Franchisee will have a right of first refusal to reacquire the Franchise for the Designated Market Area, if Franchisee has agreed to and has complied in all respects with the following conditions:

- (A) The Franchisee has given TMI written notice of its intent to reacquire the Franchise for the Designated Market Area at least 360 days, but no more than 540 days prior to the end of the term of this Agreement;

- (B) The Franchisee has complied with all of the terms and conditions of this Agreement and has complied with TMI's operating and quality standards and procedures. In the event a business review hasn't been completed by TMI in the preceding 36 months of receiving notice, TMI will conduct a business review within 120 days of the end of the term of this Agreement and will allow Franchisee 90 days to remedy any deficiencies found during such business review;
- (C) All monetary obligations owed by the Franchisee to TMI have been remitted or satisfied prior to the end of the term of this Agreement and have been timely met throughout the term of this Agreement;
- (D) The Franchisee agrees to execute and comply with the then-current standard The Maids® franchise agreement then being offered to new franchisees by TMI, subject further to the provisions of Article 3.3 of this Agreement, and executes such agreement at least 180 days prior to the expiration of this Agreement;
- (E) The Franchisee or the Franchisee's Manager agrees to complete and does successfully complete to TMI's reasonable satisfaction, prior to commencement of the renewal term, any retraining program TMI may prescribe, attendance at such retraining program to be at the sole expense of the Franchisee including, but not limited to, all expenses of transportation and lodging.

3.3 TERMS OF RENEWAL. The Franchisee will have a right of first refusal to reacquire the Franchise for the Designated Market Area under the same terms and conditions then being offered to other franchisees by TMI under TMI's then-current standard The Maids® franchise agreement. The Franchisee will, however, be required to remit the Continuing License Fees and all other fees at the rates specified in the then-current standard The Maids® franchise agreement, and to remit any additional fees not specified or provided in this Agreement but which are required to be remitted to TMI or others by the terms of the then-current standard The Maids® franchise agreement. TMI will not offer to sell the Franchise for the Designated Market Area at the end of the term of this Agreement to any other person or entity on more favorable terms or conditions than those being offered to the Franchisee. The Franchisee acknowledges that the terms, conditions, capital requirements, equipment costs and economics of subsequent The Maids® franchise agreements and the then-current standard The Maids® franchise agreement of TMI may, at that time, vary in substance and form from the terms, conditions and economics of this Agreement.

3.4 EXTENSION OF TERM. If Franchisee does not renew pursuant to the terms of this Article 3 at the expiration of the term and continues to accept the benefits of this Agreement after the expiration of the term, then at TMI's option, this Agreement may be treated as: (i) expired as of the date of the expiration with Franchisee then operating the Franchised Business without a license to do so in violation of TMI's rights; or (ii) continued on a month-to-month basis until TMI provides Franchisee with notice of TMI's intent to terminate the month-to-month term. In the latter case, all of Franchisee's obligations shall remain in full force and effect as if this Agreement had not expired, and all obligations and restrictions imposed upon Franchisee upon the expiration of this Agreement shall be deemed to take effect upon the termination of the month-to-month term.

**ARTICLE 4
LICENSING OF MARKS AND
SYSTEM TO FRANCHISEE**

4.1 TMI'S RIGHT TO LICENSE MARKS. TMI warrants that it has the right to grant the Franchisee and, except as provided herein, to license the Marks and the System to the Franchisee. Any and all improvements made by the Franchisee relating to the Marks or the System will be the sole and absolute property of TMI who will have the exclusive right to register and protect all such improvements in its name in accordance with applicable law. The Franchisee's right to use and identify with the Marks and the System will exist concurrently with the term of this Agreement and such use by the Franchisee will inure exclusively to the benefit of TMI.

4.2 CONDITIONS TO LICENSE OF MARKS. TMI hereby grants to the Franchisee the nonexclusive personal right to use the Marks and the System in accordance with the provisions of this Agreement. The Franchisee's nonexclusive personal right to use the name "The Maids®" as the name of the Franchised Business and its right to use the Marks and the System applies only to the Franchised Business within the Designated Market Area and such rights will exist only so long as the Franchisee fully performs and complies with all of the conditions, terms and covenants of this Agreement. The Franchisee will not have or acquire any rights in any of the Marks or the System other than the right of use as provided herein. The Franchisee will have the right to use the Marks and the System only in the manner prescribed, directed and approved by TMI in writing. If, in the judgment of TMI, the acts of the Franchisee infringe upon or demean the goodwill, uniformity, quality or business standing associated with the Marks or the System, then the Franchisee will, upon written notice from TMI, immediately modify its use of the Marks or the System in the manner prescribed by TMI in writing. Any and all goodwill associated with the Marks and the System will inure exclusively to TMI's benefit and upon the expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with the Franchisee's use of the Marks and the System. The Franchisee will at no time take any action whatsoever to contest the validity or the ownership of TMI's Marks and System and the goodwill associated therewith.

4.3 INTERNET AND WEBSITE USAGE. Franchisee may market, advertise and promote its Franchised Business using social and professional networking sites, on-line listings, and on-line advertisements to promote the Franchisee's Franchised Business, only with TMI's prior written approval and in accordance with TMI's current social media and/or internet-related policies (if any). However, TMI reserves the right to create, operate, maintain, modify, or discontinue the use of websites, social and professional networking sites, on-line listings and on-line advertisements that utilize the Marks. Franchisee will not, without TMI's prior written approval: (1) link or frame TMI's website; (2) create or register any internet domain name with any connection with Franchisee's Franchised Business; or (3) use any e-mail address which TMI has not authorized for use in operating the Franchised Business. Franchisee will not register, as internet domain names, any of the Marks now or hereafter owned by TMI or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar.

4.4 ADVERSE CLAIMS TO MARKS. If there are any claims by any third party that its rights to any or all of the Marks are superior to those of TMI and if TMI's attorneys are of the opinion that such claim by a third party is legally meritorious, or if there is an adjudication by a court of competent jurisdiction that any party's rights to the Marks are superior to those of TMI, then upon written notice from TMI, the Franchisee will, at its sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by TMI in writing. In that event, the Franchisee will immediately cease using the Marks specified by TMI, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by TMI in writing in connection with all advertising, marketing and promotion of the Franchised Business. The Franchisee will not make any changes or amendments whatsoever to the Marks or the System unless specified or approved in advance by TMI in writing.

4.5 DEFENSE OR ENFORCEMENT OF RIGHTS TO MARKS OR SYSTEM. The Franchisee will have no right to and will not defend or enforce any rights associated with the Marks or the System in any court or other proceedings for or against imitation, infringement, prior use or for any other claim or allegation. The Franchisee will give TMI prompt and immediate written notice of any and all claims or complaints made against or associated with the Marks and the System and will, without compensation for its time and at its expense, cooperate in all respects with TMI in any lawsuits or other proceedings involving the Marks and the System. TMI will have the sole and absolute right to determine whether it will commence any action or defend any litigation involving the Marks and/or the System, and the cost and expense of all litigation incurred by TMI, including attorneys' fees, specifically relating to the Marks or the System will be paid by TMI.

4.6 TENDER OF DEFENSE. If the Franchisee is named as a defendant or party in any action involving the Marks or the System and if the Franchisee is named as a defendant or party solely because the plaintiff or claimant is alleging that the Franchisee does not have the right to use the Marks or the System licensed by TMI to the Franchisee within the Designated Market Area pursuant to this Agreement, then the Franchisee shall tender the defense of the action to TMI and TMI will, at its expense, defend the Franchisee in the action providing that the Franchisee has tendered the action to TMI within ten days after receiving service of the summons and complaint involving the action. TMI will indemnify and hold the Franchisee harmless from any damages assessed against the Franchisee in any actions resulting solely from the Franchisee's use of the Marks and the System within the Designated Market Area if the Franchisee has tendered the defense of the action to TMI.

4.7 FRANCHISEE'S RIGHT TO PARTICIPATE IN LITIGATION. The Franchisee may, at its expense, retain an attorney to represent it individually in all litigation and court proceedings involving the Marks or the System, and may do so with respect to matters involving only the Franchisee (i.e. not involving TMI or its interests); however, TMI and its attorneys will control and conduct all litigation involving the Marks or the System. Except as provided for herein, TMI will have no liability to the Franchisee for any costs that the Franchisee may incur in any litigation involving the Marks or the System, and the Franchisee will pay for all costs, including attorneys' fees, that it may incur in any litigation or proceeding arising as a result of matters referred to under this Article 4, unless it tenders the defense to TMI in a timely manner as provided for herein.

4.8 MR. CLEAN MARK. As of the date of this Agreement, the Marks include (among others) the "Mr. Clean®" trademark. TMI has the right to use, and license its franchisees to use, the Mr. Clean® trademark pursuant to a license agreement with The Proctor and Gamble Company ("P&G"). The Franchisee must feature the Mr. Clean® trademark prominently in conjunction with the The Maids® trademark and other Marks in the operation of the Franchisee's Franchised Business. The Franchisee must abide by P&G's and TMI's brand standards and obligations related to the use of the Mr. Clean® trademark, as described in the Manuals. If the agreement between TMI and P&G terminates, the Franchisee acknowledges that it must, at the Franchisee's expense, cease using the Mr. Clean® trademark in the operation of its Franchised Business upon written notice from TMI or P&G.

ARTICLE 5 INITIAL TERRITORY FEE; APPROVAL OF FRANCHISEE; SMART START PACKAGE

5.1 INITIAL TERRITORY FEE. The "Initial Territory Fee" is due and payable on the date this Agreement is executed by the Franchisee. The Initial Territory Fee is described in Exhibit A. If additional Franchise Territories are purchased, the Franchisee will be required to remit an Initial Territory Fee of \$0.50 per Household in any additional Franchised Territories purchased. In order to purchase additional Franchise Territories, the Franchisee must not be in breach or default of any agreement with

TMI and Franchisee must meet TMI's then-current criteria for expansion. Any additional Franchise Territories to be purchased are subject to the final approval of TMI in its sole and absolute discretion.

5.2 USE OF INITIAL TERRITORY FEE. The Initial Territory Fee payable by the Franchisee is payment, in part, to TMI for the costs incurred by TMI to operate its business, including costs for general sales and administrative expenses, sales commissions, market research, travel, long distance telephone calls, training, marketing and promotion, legal and accounting fees, compliance with federal and state franchising and other laws, and the initial services rendered by TMI to the Franchisee as set forth in this Agreement. The Initial Territory Fee is fully earned upon execution of this Agreement and is nonrefundable, except as set forth in Article 5.4 below.

5.3 TMI'S UNILATERAL RIGHT TO REJECT FRANCHISEE. TMI will have the absolute right to reject or disapprove the Franchisee and to cancel this Agreement at any time within 180 days after the date of this Agreement if TMI, in its sole discretion, determines that:

- (A) any required or other financial, personal or other information provided by the Franchisee to TMI is materially false, misleading, incomplete or inaccurate; or
- (B) the Franchisee or the Franchisee's Manager is not qualified or competent to properly manage or operate the Franchised Business because such person has failed to successfully complete TMI's training program, or because the Franchisee or the Franchisee's Manager is deemed by TMI to be incapable of successfully completing TMI's training program.

For purposes of this Agreement, "Manager" means that individual, designated by the Franchisee, who will be responsible on a full-time basis for the overall management of the Franchised Business, including responsibility for operations and sales.

5.4 REFUND OF INITIAL TERRITORY FEE. If TMI cancels this Agreement pursuant to Article 5.3, then the Initial Territory Fee paid by the Franchisee pursuant to Article 5.1 will be refundable to the Franchisee after TMI deducts all of its reasonable administrative and out-of-pocket expenses incurred as a result of TMI's relationship with Franchisee, including, but not limited to, training costs, salespersons' commissions, brokers' fees, attorneys' fees, audit fees, and travel expenses. TMI will notify the Franchisee in writing if the Franchisee is disapproved by TMI pursuant to Article 5.3, and TMI will provide the Franchisee with a written accounting of the administrative and out-of-pocket expenses that were incurred by TMI and deducted from the Initial Territory Fee paid by the Franchisee.

5.5 SMART START PACKAGE FEE. The Franchisee will pay TMI for the initial equipment supply package (the "SMART Start" package) in the amount described on Exhibit A. This fee is due and payable on the date this Agreement is executed by the Franchisee.

- (A) **SMART Start Package.** TMI will provide the Franchisee with a list of the SMART Start package.
- (B) **Refund of SMART Start Package.** This payment is fully earned upon execution of this Agreement and tender of such SMART Start package to the Franchisee and is nonrefundable, unless TMI rejects the Franchisee pursuant to Article 5.3 above. If the Franchisee is rejected pursuant to Article 5.3 above, then such payment shall be refunded to the Franchisee after TMI receives, freight prepaid, the returned SMART Start package and deducts the costs of any items

not returned to TMI in a new and saleable condition, the determination of such condition to be in the sole and exclusive discretion of TMI.

- (C) **One-Time Fee.** Notwithstanding anything to the contrary in this Article 5.5, the Franchisee will not be obligated to purchase the SMART Start package referenced in this Article 5.5 if the Franchisee purchases additional territory after signing this Agreement and has previously purchased a SMART Start package; provided that the Franchisee must pay any applicable per user or per office fees.

**ARTICLE 6
CONTINUING LICENSE FEES**

6.1 CONTINUING LICENSE FEES. In addition to the Initial Territory Fee payable by the Franchisee, the Franchisee will, for the entire term of this Agreement, remit to TMI weekly fees equal to a percentage of the Franchisee’s total combined weekly Gross Revenues which are received, billed or generated by, as a result of, in connection with or from the Franchised Business operated pursuant to this Agreement and any business that is involved or engaged in any fashion in the home services, cleaning or maintenance of interior or exterior of any residential or commercial structure or facility owned or controlled by, or under common control with, the Franchisee (the “Continuing License Fee”); provided, however, Franchisees who are currently operating a commercial cleaning business when they execute this Agreement are not required to pay a Continuing License Fee on income derived from their existing business and customer base. Any Franchisee not required to remit the continuing franchise fee on income derived from its current commercial customer base, shall provide a list of its current customers upon execution of this Agreement. The Continuing License Fees remitted by the Franchisee to TMI will not be refundable to the Franchisee under any circumstances. So long as the Franchisee has not failed to cure a default under any agreement with TMI after receiving written notice of such default, the percentage of weekly Gross Revenues is determined pursuant to the following chart:

| <u>Weekly Gross Revenues</u> | <u>Continuing License Fee Percentage</u> |
|------------------------------|--|
| \$0 - 6,730 | 6.9% |
| \$6,731 - 13,460 | 6.5% |
| \$13,461 - 28,840 | 6.0% |
| \$28,841 - 48,070 | 5.5% |
| \$48,071 - 76,920 | 5.0% |
| \$76,921 - 134,615 | 4.5% |
| \$134,616 - above | 3.9% |

- The Continuing License Fee percentage is based on the lowest rate for one week of Gross Revenues.
- Notwithstanding anything to contrary in this Article 6.1, if Franchisee fails to cure a default under this or any other agreement with TMI within 30 days of receiving written notice of such default, then Franchisee’s Continuing License Fee percentage will be 6.9% of Gross Revenues until such time as the default is cured.
- Notwithstanding anything to the contrary in this Article 6.1 or Article 6.4 and provided that Franchisee is in full compliance with the terms of all of it’s The Maids® franchise agreements, TMI will allow Franchisee to remit Continuing License Fees and Advertising Fund Fees at the lowest rate in any of its existing The Maids® franchise agreements until that agreement expires. For example, if Franchisee signed a The Maids® franchise agreement in year one and expanded in year

two, Franchisee would be allowed to remit Continuing License Fees and Advertising Fund Fees at the rate in its first The Maids® franchise agreement for the area Franchisee expanded into year two until the first The Maids® franchise agreement expires. After the first The Maids® franchise agreement expires, Franchisee would remit Continuing License Fees and Advertising Fund Fees in accordance with the second The Maids® franchise agreement. Franchisee may not apply the lowest Continuing License Fee or Advertising Fund Fee rate to any The Maids® franchise agreement that Franchisee entered into as a result of an acquisition of an existing The Maids® Businesses after December 31, 2012. In that situation, Franchisee must pay TMI the Continuing License Fee and Advertising Fund Fee stated in that The Maids® franchise agreement.

- If Franchisee is in full compliance with the terms of all of its The Maids® franchise agreements and Franchisee owns multiple The Maids® Businesses, Franchisee may combine weekly Gross Revenues to reach the lowest possible Continuing License Fee percentage provided that Franchisee submit weekly Gross Revenues reports for all The Maids® Businesses on the same day in the format TMI requires. Notwithstanding the foregoing, Franchisee may not use any Gross Revenues from a The Maids® Business that Franchisee acquired as a result of any acquisition of an existing The Maids® Business after December 31, 2012 for the purposes of combining weekly Gross Revenues to reach the lowest possible Continuing License Fee percentage. Gross Revenue received in connection with any The Maids® Business that Franchisee acquired as a result of an acquisition of an existing The Maids® Business may not be combined with the Gross Revenue of any other The Maids® Business.
- Example: If Franchisee’s Gross Revenues during week 1 are \$7,000, Franchisee will pay 6.5% of \$7,000 as the weekly Continuing License Fee for week 1. If Franchisee’s weekly Gross Revenues are \$14,000 in week 2, Franchisee will pay 6.0% of \$14,000 as the Continuing License Fee for week 2. If in week 3, Franchisee had weekly Gross Revenues of \$15,000 in its first The Maids® Business, and Franchisee expanded into a new territory and opened a second The Maids® Business that had Gross Revenues of \$15,000 in the same week, Franchisee would pay 5.5% of the combined Gross Revenues of \$30,000 as the Continuing License Fee for that week. If in week 4, Franchisee had weekly Gross Revenues of \$30,000 in its first and second The Maids® Business, and Franchisee purchases an existing The Maids® Business that had Gross Revenues of \$15,000 in the same week, Franchisee would pay 5.5% of the combined Gross Revenues of \$30,000 and 6.5% of \$15,000 as the Continuing License Fee for that week.

6.2 MINIMUM CONTINUING LICENSE FEES. During the term of this Agreement, the Franchisee agrees to remit to TMI the minimum weekly Continuing License Fees set forth in the chart below for each of Franchisee’s The Maids® franchise agreements. The Franchisee’s failure to remit to TMI the minimum weekly Continuing License Fees set forth below will be a material breach of this Agreement:

| <u>Period from Date of This Agreement</u> | <u>Minimum Weekly Continuing License Fees Per Agreement</u> |
|--|--|
| Months 1 - 12 | No minimum |
| Months 13 - 24 | \$90 |
| Months 25 - 48 | \$150 |
| Months 49 - thereafter | \$220 |

6.3 WEEKLY ADVERTISING FEE. The Franchisee will, for the entire term of this Agreement, remit to TMI weekly Advertising Fund Fees equal to 2% of the Franchisee’s weekly Gross Revenues which are received, billed or generated by, as a result of, in connection with or from the

Franchised Business operated pursuant to this Agreement and any other cleaning and/or maintenance business owned or controlled by, or under common control with, the Franchisee (the “Advertising Fund Fee”). The Franchisor will rebate to you on a semi-annual calendar basis, or in any other frequency as it may determine in its discretion, the Advertising Fund Fees that you pay to us for the first 12 months of your operation. The weekly Advertising Fund Fees paid by the Franchisee to TMI will be deposited in The Maids® National Advertising Fund and will not be refundable to the Franchisee under any circumstances.

6.4 RIGHT TO INCREASE ADVERTISING FEES. TMI reserves the right to increase the amount of the weekly Advertising Fund Fee. TMI agrees to review any such increase with The Maids® Advisory Council. Any increase in the weekly Advertising Fund Fees will not take effect until the Franchisee has been given at least 90 days prior written notice of the increase. Any increase will not be more than ½ of 1% in any two-year period.

6.5 WEEKLY TECHNOLOGY INNOVATION FUND FEE. The Franchisee will, for the entire term of this Agreement, remit to TMI weekly Technology Innovation Fund Fees from .25% to 1% of the Franchisee’s weekly Gross Revenues which are received, billed, or generated by, as a result of, in connection with or from the Franchised Business operated pursuant to this Agreement and any other cleaning and/or maintenance business owned or controlled by, or under common control with, the Franchisee (the “Technology Innovation Fund Fee”). TMI will rebate to you on a semi-annual calendar basis, or in any other frequency TMI may determine in our discretion, the Technology Innovation Fund Fees that you pay to us for the first 12 months of your operation. The weekly Technology Innovation Fund Fees paid by the Franchisee to TMI will be deposited in The Maids® National Technology Fund and will not be refundable to the Franchisee under any circumstances.

6.6 RIGHT TO INCREASE TECHNOLOGY INNOVATION FUND FEES. TMI reserves the right to increase the amount of the weekly Technology Innovation Fund Fee. Any increase in the weekly Technology Innovation Fund Fee will not take effect until the Franchisee has been given at least 90 days prior written notice of the increase. Any increase will not exceed the maximum 1% of the Franchisee’s weekly Gross Revenues. The Technology Innovation Fund Fee will be capped annually at \$15,000 per franchisee per year.

6.7 GROSS REVENUES. “Gross Revenues” will mean the total dollar income resulting from all sales made to customers or clients of the Franchised Business, and of any other cleaning, maintenance or service businesses of the Franchisee or any entity owned or controlled by or under common control with the Franchisee, for all products and services including, without limitation, cleaning and/or maintenance of any structure’s interior, exterior or contents, whether made for cash, credit or barter. “Gross Revenues” will not include any sales, use or gross receipts tax imposed by any taxing authority directly upon sales, if: (a) the amount of the tax is added to the selling price and is expressly charged to the customer; (b) a specific record is made at the time of each sale of the amount of such tax; and (c) the amount of such tax is paid to the appropriate taxing authority.

6.8 FRANCHISEE’S OBLIGATION TO PAY. The weekly Continuing License Fees, weekly Advertising Fund Fees, and weekly Technology Innovation Fund Fees payable to TMI under this Article 6 will be calculated and paid to TMI by the Franchisee on a weekly basis during the entire term of this Agreement, and the Franchisee’s failure to pay the Continuing License Fees, weekly Advertising Fund Fees, and/or weekly Technology Innovation Fund Fees to TMI will be a material breach of this Agreement. The Franchisee’s obligation to pay TMI the Continuing License Fees, Advertising Fund Fees, and Technology Innovation Fund Fees pursuant to the terms of this Agreement will be absolute and unconditional, and will remain in full force and effect until the term of this Agreement has expired or is terminated pursuant to its terms. The Franchisee will not have the “right of offset” and, as a consequence,

the Franchisee will timely pay all Continuing License Fees, Advertising Fund Fees, and Technology Innovation Fund Fees due to TMI under this Agreement regardless of any claims or allegations the Franchisee may allege against TMI.

6.9 DATE AND TERMS OF PAYMENT. All Continuing License Fees, weekly Advertising Fund Fees, and weekly Technology Innovation Fund Fees will be calculated and paid weekly and are due and payable and must be received by TMI by no later than Wednesday following the end of each weekly period. For purposes of this Agreement, a “week” is 7 consecutive days beginning on Monday and ending on Sunday. The Franchisee will pay the Continuing License Fees, Advertising Fund Fees and Weekly Technology Innovation Fund Fees to TMI by pre-authorized electronic bank transfer from the Franchisee’s account to the account of TMI or as otherwise directed by TMI. If the Franchisee’s report of Gross Revenues is not received by TMI no later than Wednesday of each week, TMI will estimate and collect by pre-authorized electronic bank transfer based upon the most recent available data. Any Continuing License Fees, Advertising Fund Fees and Weekly Technology Innovation Fund Fees not received by TMI no later than Wednesday of each week for the preceding week will be past due. The Franchisee’s report of Gross Revenues required under Article 13 of this Agreement will be submitted to TMI no later than Wednesday of each week for the preceding week.

6.10 LATE PAYMENT. Any amounts that are not paid to TMI when due shall bear interest from the date due until paid of the lesser of 18% per annum or the maximum legal rate of interest allowed by the state in which the Franchised Business is located. The Franchisee shall remit to TMI for any and all costs incurred by TMI in the collection of any unpaid amount from Franchisee including, but not limited to, attorneys’ fees, costs and other expenses incurred in collecting amounts owed by the Franchisee.

ARTICLE 7 ADVERTISING

7.1 APPROVAL OF ADVERTISING. The Franchisee will use its best efforts to advertise and promote the Franchised Business. With the exception of the advertising materials provided to the Franchisee by TMI, all concepts, materials or media proposed by the Franchisee for any advertising, promotion, marketing or public relations program or campaign must have the prior written approval of TMI. The Franchisee will not permit any third party to advertise its business, services or products through the Franchised Business without obtaining the prior written approval of TMI.

7.2 LOCAL ADVERTISING. In addition to the Weekly Advertising Fund Fees, the Franchisee agrees to invest \$3,750 a month for approved advertising and promotion for the first twelve months of this Agreement. The Franchisee’s failure to invest the required monthly minimum for local advertising will be a material breach of this Agreement. On or before the 20th day of each month, the Franchisee will furnish to TMI, in the form prescribed by TMI, an accurate accounting of the Franchisee’s monthly expenditures during the preceding month for approved advertising and promotion in the Designated Market Area. If the Franchisee has failed to invest such required annual minimum for approved advertising and promotion in any year, then, in addition to any other remedies available to TMI under this Agreement, TMI may require the Franchisee to deposit with TMI the difference between the required minimum and what was actually spent for approved advertising and promotion. TMI will use such amount in the Franchisee’s Designated Market Area for advertising or promotion that TMI deems, in its sole discretion, to be in the best interests of the Franchised Business.

7.3 USE OF ADVERTISING FUNDS. Payments to The Maids® National Advertising Fund by the Franchisee and any other The Maids® franchises will be used by TMI to purchase and pay for research and development, production materials, ad slicks, brochures, services provided by advertising agencies, market research, customer retention, incentive programs, radio and television commercials,

internet and other advertising, promotions, marketing, public relations, telemarketing, communication and education, and for any other purpose deemed beneficial by TMI to the general recognition and public awareness of the Marks and the Business System, and any administrative costs and expenses related to the foregoing. Funds in The Maids® National Advertising Fund will be used to pay for all long distance telephone charges, office rental, furniture, fixtures and equipment, leasehold improvements, personnel, salaries, travel costs, office supplies, collection costs (including without limitation attorneys' fees) incurred in attempting to collect past-due weekly Advertising Fund Fees from franchisees and all other administrative costs associated with and incurred in connection with The Maids® National Advertising Fund. The Maids® National Advertising Fund will be administered and controlled exclusively by TMI. TMI will have the absolute and unilateral right to determine when, how and where any funds in The Maids® National Advertising Fund will be spent. TMI will have the right to retain and pay agency fees to an advertising agency which is owned by, or is an affiliate of, TMI or any of its principals. TMI will have no fiduciary duty to the Franchisee with respect to collection or expenditure of the weekly Advertising Fund Fees, and any advertising fund will not be a trust or escrow account. Any The Maids® Businesses operated by TMI will be required to contribute to The Maids® National Advertising Fund in the same manner as franchisees.

7.4 RIGHT TO BORROW FUNDS. If The Maids® National Advertising Fund does not contain sufficient funds to make the expenditures determined by TMI, in its sole discretion, to be necessary or advisable, then TMI will have the right, but not the obligation, to loan funds to The Maids® National Advertising Fund in an amount sufficient to cover such expenditures, and the loan (plus interest as provided herein) will be repaid from future payments to The Maids® National Advertising Fund paid by all The Maids® Businesses pursuant to their The Maids® franchise agreements with TMI. TMI will have the right and option to either use its own funds, or borrow the necessary funds in the name of The Maids® National Advertising Fund or from one or more financial institutions. The unpaid balance of any loan made by TMI to The Maids® National Advertising Fund will accrue and pay interest at either: (a) a rate equal to the rate of interest established by First National Bank of Omaha as its "reference rate" at the time of the loan, if TMI utilized its own funds for the loan; or (b) the rate equal to the rate of interest charged to TMI by the financial institution for the amount of the loan, if TMI borrowed the funds for the loan from a financial institution.

7.5 ACKNOWLEDGMENTS REGARDING NATIONAL ADVERTISING FUND. The Franchisee acknowledges and agrees that The Maids® National Advertising Fund is intended to maximize general recognition of the Marks and patronage of all of The Maids® Businesses, including, without limitation, the Franchised Business. The Franchisee further acknowledges and agrees that: (a) TMI has no obligation to ensure that the expenditures by The Maids® National Advertising Fund in or affecting any territory or area will be proportionate to contributions by The Maids® Franchisees operating in that territory or area; (b) Franchisee, and other The Maids® Franchisees, may not benefit directly from or in proportion to its/their contributions to The Maids® National Advertising Fund or from the development of advertising and marketing materials and placement of advertisements by The Maids® National Advertising Fund; (c) TMI is not required to invest any amount on advertising in the Designated Market Area; (d) TMI uses the funds in The Maids® National Advertising Fund to develop advertising materials which are made available to the Franchisee; and (e) Franchisee will, in all events, be liable for the costs of personalization, printing and shipping of advertising materials.

ARTICLE 8 CONFIDENTIAL STANDARD OPERATION MANUALS, CUSTOMER LISTS AND OTHER INFORMATION

8.1 CONFIDENTIALITY OF MANUALS. The Franchisee will at all times during the term of this Agreement and thereafter treat the confidential standard operation manuals, compact discs, e-

learning courseware, audio and videotapes, podcast and other media including web-based internet media, and all supplemental bulletins and notices from TMI, all of which are deemed a part of the operations manuals (collectively referred to as the “Manuals”), any other materials created for or approved for use in the operation of the Franchised Business, and the information contained therein as secret and confidential, and the Franchisee will use all reasonable means to keep such information secret and confidential. Neither the Franchisee nor any employees of the Franchisee will: (A) make any copy, duplication, record or reproduction of the Manuals, or any portion thereof, available to any unauthorized person; or (B) use the Manuals or any information contained therein in connection with the operation of any other business or for any purpose other than in conjunction with the operation of the Franchised Business. The Franchisee shall provide prompt notice to TMI of any lost or stolen confidential data and notice to TMI if the Franchisee or employee has breached this Article 8.1. The Franchisee’s failure to timely provide notice of breach of confidentiality shall be a material breach.

8.2 USE OF AND REVISIONS TO THE MANUALS. TMI will provide on loan to the Franchisee the Manual. The Manuals and all supplements, changes and modifications to the Manuals will remain the sole and exclusive property of TMI. The Manual will contain mandatory and suggested specifications, standards and operating procedures exist to protect TMI’s interest in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to the Franchisee. TMI may from time to time revise the Manuals and the Franchisee expressly agrees to operate its Franchised Business in accordance with all such mandatory revisions. The Franchisee will at all times use only current and up-to-date Manuals and in the event of a dispute regarding the Manuals, the terms of the master copy of the Manuals maintained by TMI in its offices or on its intranet will be controlling. The Franchisee will promptly return to TMI any versions of the Manuals and Supplements that have been revised by TMI.

8.3 CONFIDENTIALITY OF OTHER INFORMATION. TMI will be disclosing and providing to the Franchisee certain confidential and proprietary information concerning the System and the procedures, operations and data used in connection with the System. The Franchisee will not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any person or entity any such confidential and proprietary information, knowledge or know-how concerning the methods of operation of The Maids® Business which may be communicated to the Franchisee, or of which the Franchisee may be apprised by virtue of this Agreement. The Franchisee will divulge such confidential and proprietary information only to its employees who must have access to it in order to operate the Franchised Business. Any and all information, knowledge and know-how including, without limitation, drawings, client lists, materials, brochures, marketing materials, equipment, technology, methods, procedures, specifications, techniques, teaching methods, software programs, systems and other data which TMI copyrights or designates as confidential or proprietary will be deemed confidential and proprietary for the purposes of this Agreement (“Confidential Information”). Neither the Franchisee nor any employees of the Franchisee will make any copy, duplication, record or reproduction or any of the Confidential Information available to any unauthorized person. Any client lists developed by either TMI or the Franchisee and any information designated as Confidential Information by TMI will be and remain the sole and exclusive property of TMI.

8.4 CUSTOMER LISTS. The Franchisee acknowledges and agrees that TMI owns any and all customer lists that the Franchisee may develop during the normal course of operating the Franchised Business. The Franchisee agrees to provide to TMI upon its request, an electronic copy, or in a form TMI approves, a complete list of current and former customers, including their name, telephone number, complete mailing address, frequency of service, last date serviced, and price of service and other information concerning such customers as TMI requests. The Franchisee agrees to allow TMI to access the Franchisee’s customer list through the Internet. The Franchisee agrees not to use any customer list for any purpose other than in the normal operation of the Franchised Business without TMI’s approval. The

Franchisee agrees to log all consumer inquiries and resulting sales and customer information into TMI's designated software.

8.5 CONFIDENTIALITY AGREEMENTS. All of the Franchisee's Managers and employees shall sign agreements in a form satisfactory to TMI agreeing to maintain the confidentiality, during the course of their employment and thereafter, of all information copyrighted or designated by TMI as confidential and proprietary. Copies of all confidentiality agreements executed by the Franchisee's Managers and employees will be promptly submitted to TMI.

8.6 REMEDIES. The Franchisee acknowledges that the provisions of this Article 8 are reasonable and necessary for the protection of TMI and TMI's franchisees. If the Franchisee violates any of the provisions contained in this Article 8, then TMI will have the right to:

- (A) terminate this Agreement as provided for in Article 16 below;
- (B) seek injunctive relief from a court of competent jurisdiction;
- (C) commence an action or lawsuit against the Franchisee for damages; and
- (D) enforce all other remedies or take such other actions against the Franchisee that are available to TMI under this Agreement, common law, in equity and any federal or state laws.

ARTICLE 9 TRAINING PROGRAM

9.1 SMART START SET-UP. Upon execution of this Agreement, TMI will provide a pre-opening program ("SMART Start Set-Up") for the Franchisee by telephone to familiarize and acquaint the Franchisee with the System and the operation of a The Maids® Business. The SMART Start Set-Up will follow a project-plan format and will include instruction on basic business procedures, training of employees, insurance, autos, basic accounting, basic computer operations and setup, selling and marketing techniques, office selection and setup and other business and marketing topics selected by TMI. Several of the SMART Start Set-Up topics are provided via web-based e-learning lessons and online certification and are required pre-requisites to SMART Start Training described below. The Franchisee is required to successfully complete the SMART Start Set-Up prior to attending SMART Start Training, as defined below, and prior to commencing the business operations of the Franchisee's Business. The SMART Start Set-Up will be scheduled by TMI in its sole discretion. In the event TMI determines that the Franchisee has failed to successfully complete TMI's SMART Start Set-Up within 180 days of the date of this Agreement, then TMI will have the right to reject the Franchisee pursuant to Article 5.3 above. There is no charge for the SMART Start Set-Up.

9.2 SMART START TRAINING. After completing the SMART Start Set-Up, TMI will provide live hands-on training in Omaha, Nebraska, or at such other location as may be designated by TMI, for the Franchisee. The purpose of this training is to familiarize and train new business owners and managers in the methods of operating a The Maids® Business. The SMART Start Training program, which will be scheduled by TMI in its sole discretion, may be up to six days. There is no charge for attendance at the SMART Start Training program for the Franchisee and the first two persons selected for SMART Start Training by the Franchisee. TMI reserves the right to charge a fee for attendance at the SMART Start Training program for each additional person sent to SMART Start Training by the Franchisee. Prior to commencing business operations the Franchisee must successfully complete

SMART Start Training. We recommend the Franchisee employ, at all times, at least two persons who have successfully completed TMI's SMART Start Training program.

9.3 POWER TRAINING. In addition to the SMART Start Set-Up and the SMART Start Training program, TMI will provide the Franchisee with a training program referred to as the Power Training and described in this Article 9.3. Within 90 days of the opening of the Franchised Business, TMI will provide a training program for the Franchisee and its managers which will facilitate understanding of the System and its operation. TMI's technical trainer will review subjects such as quality, safety, inventory control and adherence to system procedures. A TMI qualified trainer or performance consultant will provide one to four days of on-site training for the franchise owner.

9.4 ADDITIONAL TRAINING. TMI may, from time to time, in its sole discretion, make available to the Franchisee additional required and optional training as live or online programs and reserves the right to establish charges payable by the Franchisee applicable to such additional training courses or programs.

9.5 PAYMENT OF WAGES AND EXPENSES; RELEASE OF CLAIMS. During the SMART Start Set-Up program, SMART Start Training program, Power Training program and any other training provided by TMI, the Franchisee will pay all the wages, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, lodging, food, automobile rental, travel costs and other expenses for the Franchisee and all other persons who attend any such training on behalf of the Franchisee. The Franchisee, for itself and all persons who attend any such training on behalf of the Franchisee, hereby releases and agrees to hold harmless TMI, and its officers and directors, from and against any and all claims, liability, damages, or causes of action of any nature arising from the participation and attendance by the Franchisee or any such person in TMI's training programs.

9.6 ATTENDANCE AT NATIONAL CONVENTION. The Franchisee is required to attend each of The Maids® National Convention which TMI holds periodically and pay TMI the applicable fee; provided, however, that TMI shall not hold a National Convention more frequently than annually.

ARTICLE 10 TMI'S OBLIGATIONS

10.1 SYSTEM. Consistent with TMI's uniformity requirements and quality standards, TMI or its authorized representative will:

- (A) provide the Franchisee with a list of approved suppliers and sources for the goods and services necessary and required for the Franchised Business;
- (B) provide recommendations to the Franchisee regarding basic accounting and business practices for use by the Franchisee in its Franchised Business;
- (C) make advertising and marketing recommendations;
- (D) review the Franchisee's Franchised Business as often as TMI deems necessary and render written reports to the Franchisee as deemed appropriate by TMI;
- (E) protect legally and enforce the Marks and the System for the benefit of all The Maids® franchisees in the manner deemed appropriate by TMI;

- (F) provide the Franchisee with access to the Manuals and any supplements and modifications to the Manuals that may be published by TMI from time to time;
- (G) provide the training set forth in Article 9 above;
- (H) assist the Franchisee in obtaining the insurance required under this Agreement through TMI's sponsored insurance program;
- (I) periodically, but no more frequently than annually, conduct a National Convention for all Franchisees which may include training seminars;
- (J) publish and distribute a newsletter to Franchisees at times, frequencies and in a format to be determined by TMI in its discretion; and
- (K) upon the reasonable written request of the Franchisee, render reasonable advisory services by telephone or in writing pertaining to use of the System and the operation of the Franchised Business as deemed appropriate, reasonable and necessary by TMI.

10.2 CONSULTING SERVICES. During the term of this Agreement, TMI will, upon the reasonable written request of the Franchisee, provide on-site consulting services to the Franchisee in the Designated Market Area regarding marketing, advertising and promotional issues, operational issues, accounting matters, personnel issues, and other business matters or special projects relating to The Maids® Business. The Franchisee will pay TMI the then current charge imposed by TMI for such consulting services, and will pay for the travel and lodging expenses incurred by the individual or individuals employed or retained by TMI who provide such consulting services to the Franchisee.

ARTICLE 11 FRANCHISEE'S OBLIGATIONS

11.1 QUALITY AND SERVICE STANDARDS. TMI will promulgate, from time to time, uniform standards of quality and service regarding the business operations of the Franchised Business so as to protect and maintain (for the benefit of all The Maids® franchisees and TMI) the distinction, valuable goodwill and uniformity represented and symbolized by the Marks and the System. Accordingly, to insure that all The Maids® franchisees will maintain and adhere to the uniformity requirements and quality standards for the products and services associated with the Marks and the System, the Franchisee agrees to maintain the uniformity and quality standards required by TMI for all products and services associated with the Marks and the System and agrees to the following terms and conditions to assure that all The Maids® Businesses will be uniform in nature and will sell and dispense quality products and services to the public.

11.2 IDENTIFICATION OF BUSINESS. The Franchisee will operate the Franchised Business so that it is clearly identified and advertised as a The Maids® Business. The style and form of the words "The Maids®" and the Marks used in any advertising, marketing, public relations, telemarketing or promotional program or campaign must have the prior written approval of TMI. The Franchisee will use the name "The Maids®", the approved logo and all graphics commonly associated with the System and the Marks which now or hereafter may form a part of TMI's System, on all vehicles, equipment, uniforms, advertising, public relations and promotional materials, signs, video tapes, stationery, paper supplies, business cards and other materials in the identical combination and manner prescribed by TMI in writing. The Franchisee will place www.maids.com on all printed materials, advertising materials and automobiles. The Franchisee will, at its expense, comply with all legal notices

of registration required by TMI or its attorneys and will, at its expense, comply with all trademarks, trade names, service marks, copyrights, patents and other notice markings that are required by TMI or by applicable law.

11.3 COMPLIANCE WITH STANDARDS. The Franchisee will operate its Franchised Business and use the Marks and the System in strict compliance with the highest business and ethical practices and standards and the quality standards, operating procedures, policies, specifications, requirements and instructions required by TMI, which may be amended and supplemented by TMI from time to time.

11.4 FRANCHISEE'S NAME. The Franchisee will not use the words "The Maids®" in its corporate, partnership or sole proprietorship name. The Franchisee will hold itself out to the public as an independent contractor operating its The Maids® Business pursuant to a Franchise from TMI. Whenever practical, the Franchisee will clearly indicate on its business checks, stationery, business cards, invoices, receipts, video tapes, advertising, public relations and promotional materials, website, and other written materials that the Franchisee is a franchisee of TMI. The Franchisee will display signs on the Franchisee's vehicles which are clearly visible to the general public indicating that the Franchised Business is independently operated as a franchise. The Franchisee will file for a certificate of assumed name in the manner required by applicable state law so as to notify the public that the Franchisee is operating its Franchised Business as an independent business pursuant to this Agreement. Prior to adoption of an assumed name, the Franchisee shall submit such name to, and obtain the written approval of such name by TMI.

11.5 VEHICLES, SUPPLIES AND EQUIPMENT USED BY FRANCHISEE. The Franchisee will obtain and pay for the vehicles, supplies and equipment (including computer equipment and software) required by TMI and used by the Franchisee for the operation of the Franchised Business. The vehicles, supplies and equipment used in the Franchised Business shall comply with then-current prescribed color schemes, display the Marks as designated by TMI, and conform to the quality standards and uniformity requirements established by TMI from time to time. As of the date of this Agreement, the Franchisee is required to use in operating its Franchised Business vehicles with the yellow body color prescribed by TMI that display The Maids® logo. All replacement vehicles, supplies, equipment and other items used in the Franchised Business by the Franchisee shall comply with TMI's then-current standards and specifications.

11.6 APPROVED ADVERTISING AND PROMOTION. The Franchisee will not conduct any media advertising, promotion, marketing, public relations or telemarketing programs or campaigns for its Franchised Business unless or until TMI has given the Franchisee prior written approval for all concepts, materials or media proposed for any media advertising, promotion, marketing, public relations or telemarketing program or campaign. The Franchisee will not permit any third party to advertise its business, services or products through the Franchised Business without obtaining the prior written approval of TMI.

11.7 SIGNS. The Franchisee will only display signs that have been approved by TMI in writing, and the Franchisee will not use or display any other signs of any kind or nature on the Franchisee's vehicles without obtaining the prior written approval of TMI prior to their installation or use.

11.8 MAINTENANCE OF VEHICLES AND EQUIPMENT. The Franchisee will, at its expense, repair and keep in good working order at all times all vehicles and equipment used in the Franchised Business in accordance with TMI's quality standards. The Franchisee will replace all equipment, supplies and vehicles as such items become worn-out or in disrepair. All replacement equipment, supplies, vehicles and other items used in the Franchised Business shall comply with TMI's

then-current standards and specifications. Recognizing that the System's image is of the utmost importance, the Franchisee agrees to keep all automobiles, inside and out, clean at all times.

11.9 LIMITATIONS ON PRODUCTS AND SERVICES. The Franchisee will promote and sell only those products and services approved by TMI in writing and will offer for sale all products and services prescribed by TMI. The Franchisee will conform to all customer service standards and policies prescribed by TMI in writing. The Franchisee will have the absolute right to sell all products and services to its customers and clients at whatever prices and on whatever terms it deems appropriate.

11.10 MODIFICATION OF SYSTEM. The Franchisee acknowledges that the System must continue to evolve in order to reflect changing market conditions and to meet new and changing customer demands. Therefore, variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and to improve the continuing operating efficiency of all Franchisees. Accordingly, Franchisee agrees that TMI may from time to time, upon written notice, add to, subtract from or otherwise change the System, including, without limitation, adopting new or modified trademarks, products, services, equipment (including computer equipment and software) and new techniques and methods relating to the sale, operation, promotion and marketing of services. The Franchisee agrees to promptly accept, implement, use and display in the operation of the Franchised Business all such additions, modifications and changes at its sole cost and expense.

11.11 COMPLIANCE WITH MANUALS. The Franchisee will conform to the common image and identity created by the products and services associated with The Maids® Business which are portrayed and described by the Manuals and the Franchisee will conform to all changes and modifications to the Manuals made by TMI and provided to the Franchisee that are required and deemed necessary by TMI to: (A) improve the standards of service or the products offered for sale under the System; (B) protect the goodwill associated with the Marks; or (C) improve the operation or efficiency of the Franchised Business. TMI reserves the right to revise the Manuals at any time during the term of this Agreement.

11.12 APPROVED SUPPLIERS. The Franchisee agrees that it will purchase only those products, goods, machinery, signs, vehicles, supplies, equipment and services (sometimes referred to in this Agreement as "goods and services") which are to be used or sold by the Franchisee that are approved in writing by TMI and which TMI determines must meet the standards of quality and uniformity required to protect the valuable goodwill and uniformity symbolized by and associated with the Marks and the System. These goods and services may only be purchased from suppliers, approved in writing by TMI. TMI periodically may modify the lists of approved goods, services and suppliers, and the Franchisee will comply with such modified lists of approved goods, services and suppliers. If the Franchisee proposes to use or sell any goods and services which TMI has not approved, or purchase any goods or services from suppliers that TMI has not approved, the Franchisee must first notify TMI in writing and provide sufficient information, specifications and samples concerning the goods or service and/or supplier to permit TMI to determine whether the goods or service complies with TMI's specifications and standards and/or the supplier meets TMI's approved supplier criteria. TMI may develop procedures for the submission of requests for approved goods or service, or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by approved suppliers). TMI will have the right to charge the Franchisee or each proposed supplier a reasonable fee in reviewing a proposed good or service or supplier. TMI may impose limits on the number of suppliers and/or brands for goods or service to be used in the Franchised Business. The Franchisee agrees that certain products, materials, and other items and supplies may only be available from one source, and TMI or its affiliates may be that source.

11.13 SALES TO OTHERS. The Franchisee hereby acknowledges and agrees that TMI has the right to directly or indirectly sell any proprietary or other products or merchandise under the name “The Maids®,” or any other name that has been or may be developed by TMI, to other persons, businesses or entities, including without limitation those that are not The Maids® franchisees, through any method of distribution anywhere in the world, including in the Franchisee’s Designated Market Area.

11.14 COMPLIANCE WITH APPLICABLE LAWS. The Franchisee will, at its sole expense, comply with all applicable federal, state, city, local and municipal laws, ordinances, rules and regulations pertaining to the operation of the Franchised Business, including, but not limited to, health and safety regulations, all environmental laws, all laws relating to labor and employment, all discrimination laws, all sexual harassment laws and all laws relating to the disabled. The Franchisee will, at its sole expense, consult an attorney to obtain advice with regard to the Franchisee’s compliance with all federal and state environmental laws, OSHA laws, licensing laws and all other laws relating to the application, storage and disposal of products used by the Franchised Business. The Franchisee will, at its sole expense, be absolutely and exclusively responsible for determining the licenses and permits required by law for the Franchised Business, for filing, obtaining and qualifying for all such licenses and permits, and for complying with all applicable laws. The Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies TMI may periodically establish. In addition, the Franchisee must comply with all applicable data security standards set by the payment card industry. The Franchisee must notify TMI immediately of any suspected data breach at or in connection with the Franchised Business.

11.15 PAYMENT OF OBLIGATIONS. The Franchisee will timely pay all of its uncontested and liquidated obligations and liabilities due and payable to TMI, and to the suppliers, lessors and creditors of the Franchisee.

11.16 PAYMENT OF TAXES. The Franchisee will be absolutely and exclusively responsible and liable for the prompt filing and payment of all federal, state, city and local taxes including, but not limited to, individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, unemployment taxes, inventory taxes, personal property taxes, real estate taxes and other taxes payable in connection with the Franchised Business (hereinafter referred to as “Taxes”). TMI will have no liability for the Taxes which arise or result from the Franchised Business and the Franchisee will indemnify TMI for any such Taxes that may be assessed or levied against TMI which arise or result from the Franchised Business. It is expressly understood and agreed by the Personal Guarantors, as defined in Article 19.1 to this Agreement that their personal guaranty applies to the prompt filing and payment of all Taxes which arise or result from the Franchised Business.

11.17 REIMBURSEMENT TO TMI FOR TAXES. In the event any “franchise” or other tax which is based upon the Gross Revenues, receipts, sales, business activities or operation of the Franchised Business is imposed upon TMI by any taxing authority, then the Franchisee will reimburse TMI in an amount equal to the amount of such taxes and related costs imposed upon and paid by TMI. The Franchisee will be notified in writing if TMI is entitled to reimbursement for the payment of such taxes and, in that event, the Franchisee will pay TMI the amount specified in the written notice within ten days of the date of the written notice.

11.18 STANDARD ATTIRE. The Franchisee will require its employees to wear only the standard attire or uniforms which have been established and approved by TMI. All employees of the Franchisee will wear clean and neat attire and will practice good personal hygiene. Management and employees will wear the safety or protective clothing or equipment designated by TMI and any appropriate regulatory agencies.

11.19 PERSONNEL. The Franchisee will at all times have at least one Manager on duty that is responsible for supervising the employees and the business operations and for the sales and promotion of the Franchised Business. The Franchisee will also employ at least one team leader per team and will have a sufficient number of adequately trained and competent other personnel on duty to guarantee efficient service to the Franchisee's customers and clients. The Franchisee will use its best efforts to assure that the Franchisee employees conduct themselves during business hours in a manner which is consistent with The Maids® professional image.

11.20 TMI'S INSPECTION RIGHTS. TMI reserves the right to interview the Franchisee's employees, to take photographs and videotapes of the Franchisee's vehicles and of the work being performed by the Franchisee's employees on the Franchisee's customers' premises during normal business hours, and to evaluate the quality of the services provided by the Franchisee to its customers. TMI will have the right to use all interviews, photographs and videotapes of the Franchised Business for such purposes as TMI deems appropriate including, but not limited to, use in training, advertising, marketing and promotional materials, and as evidence in any court or other proceeding. The Franchisee will not be entitled to, and hereby expressly waives, any right that it may have to be compensated by TMI, its advertising agencies, or other The Maids® franchisees for the use of such interviews, photographs or videotapes for training, advertising, marketing, promotional and/or litigation purposes.

11.21 NO SECURITY INTEREST. This Agreement and the Franchise granted to the Franchisee hereunder may not be the subject of a security interest, lien, levy, attachment or execution by the Franchisee's creditors or any financial institution, except with the prior written approval of TMI.

11.22 NOTICES OF DEFAULT, LAWSUITS OR OTHER CLAIMS. The Franchisee will immediately deliver to TMI a copy of any notice of default received from any mortgagee, trustee under any deed of trust, contract for deed holder, lessor or any other party with respect to the Franchised Business and copies of all written notifications of any lawsuits, consumer claims, employee claims, federal or state administrative or agency proceedings or investigations or other claims, actions or proceedings relating to the Franchised Business. Upon request from TMI, the Franchisee will provide such additional information as may be required by TMI regarding the alleged default, lawsuit, claim, action, investigation or proceeding, and any subsequent action or proceeding in connection with the alleged default, lawsuit, claim, action, investigation or proceeding.

11.23 TELEPHONE EQUIPMENT AND NUMBER. In addition to standard telephone equipment at the office for the Franchised Business, the Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement either a telephone answering machine, voice mail system or mobile cellular telephone equipment as may be required for the Franchised Business. The Franchisee's telephone answering machine, voice mail system or mobile cellular telephone equipment must meet the then-current standards and specifications established by TMI. The Franchisee agrees to answer the Franchised Business's telephone live during normal business hours. The Franchisee acknowledges that TMI may require it to obtain and maintain a phone line for sales and advertising and a separate telephone line for operations. The Franchisee agrees to obtain new telephone numbers for the conduct of the Franchised Business and shall assign, in writing, on instruments approved in advance by TMI, all rights to each of such numbers to TMI, such assignment to be effective upon termination of this Agreement. Assignment of such phone numbers will occur when representatives of the Franchisee attend TMI's SMART Start Training program. The Franchisee shall, at all times during the term of this Agreement, subscribe to an internet service provider and an electronic mail service provider and install and maintain a high-speed internet connection for such service.

11.24 EQUIPMENT; ACCESS TO INFORMATION. The Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement, such computer equipment,

electronic telephone facsimile, internet access via the fastest high-speed service provider reasonably available (excluding dial-up), and other equipment as may from time to time be required by TMI for use in operating the Franchised Business, including without limitation for use with the required software. The Franchisee agrees to use, at all times during the term of this Agreement, the latest version of the required software in the Franchised Business and process all credit card payments through such software or another approved credit card processor. TMI shall have no obligation to update, upgrade, or otherwise modify any software utilized in The Maids® System, including but not limited to, any software provided by TMI. All such equipment must meet the then-current standards and specifications established by TMI. The Franchisee acknowledges and agrees that TMI has the right to access, both electronically and through hard copy of printed data, all data and other information, including customer lists, maintained by the Franchisee on such computer equipment for purposes of monitoring compliance by the Franchisee with its obligations under this Agreement and for any other purpose deemed beneficial by TMI to The Maids® System and all The Maids® franchisees. The failure of the Franchisee to provide or allow such access to the data and other information maintained on the Franchisee's computer equipment will be a material breach of this Agreement and will give TMI the right to immediately terminate all computer support provided by TMI and to immediately terminate the Franchisee's rights to use the required software. In addition, the Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders, and the Franchisee waives any and all claims the Franchisee may have against TMI as the direct or indirect result of such disruptions, failures or attacks.

11.25 OPERATION OF THE MAIDS® BUSINESS. The Franchisee will be totally and solely responsible for operating its Franchised Business, and will control, supervise and manage all the employees, agents and independent contractors who work for or with the Franchisee. The Franchisee will be responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations including, but not limited to, all employment laws, discrimination laws, sexual harassment laws and laws relating to the disabled. TMI will not have any right, obligation or responsibility to control, supervise or manage the Franchisee's employees, agents or independent contractors, and Franchisee will be solely responsible for the terms and conditions of employment of Franchisee's personnel, including the soliciting, hiring, firing, disciplining, paying, scheduling, and managing of Franchisee's employees.

11.26 USE OF INTERNET. The Franchisee's conduct on the Internet or any existing or future forms of electronic or digital communications, including without limitation, its use of the Marks on the Internet and in domain names for the Internet, is subject to the provisions of this Agreement. TMI reserves the right to establish and modify, from time to time, rules which will govern the Franchisee's conduct and use of the Internet or any existing or future forms of electronic or digital communications, in connection with the Franchised Business, and the Franchisee agrees to abide by such rules. The Franchisee's right to use the Marks and the System on the Internet will terminate when this Agreement terminates or expires.

11.27 USE OF TECHNOLOGY INNOVATION FUND. Payments to The Maids® National Technology Innovation Fund by the Franchisee and any other The Maids® franchises will be used by TMI to purchase and pay for the research, development and utilization of technologies, and incentive programs in order to give The Maids® franchises a competitive advantage in operational efficiency; information management; any and all other technology TMI deems beneficial for the System; and any administrative costs and expenses related to the foregoing. Funds in The Maids® National Technology Fund will be used to pay for all long distance telephone charges, office rental, furniture, fixtures and equipment, leasehold improvements, personnel, salaries, travel costs, office supplies, incentives, collection costs (including without limitation attorneys' fees) incurred in attempting to collect past-due weekly Technology Innovation

Fund Fees from franchisees, and all other administrative costs associated with an incurred in connection with The Maids® National Technology Innovation Fund. The Maids® National Technology Innovation Fund will be administered and controlled exclusively by TMI. TMI will have the absolute and unilateral right to determine when, how, and where any Funds in The Maids® National Technology Innovation Fund will be spent. TMI will have no fiduciary duty to the Franchisee with respect to collection or expenditure of the weekly Technology Innovation Fund Fees, and any technology fund will not be a trust or escrow account. Any The Maids® Businesses operated by TMI will be required to contribute to The Maids® National Technology Innovation Fund in the same manner as franchisees.

11.28 ACKNOWLEDGMENTS REGARDING NATIONAL TECHNOLOGY INNOVATION FUND. The Franchisee acknowledges and agrees that The Maids® National Technology Innovation Fund is intended to maximize technology advancement and any competitive advantages of all The Maids® Business, including, without limitation, the Franchised Business. The Franchisee further acknowledges and agrees that: (a) TMI has no obligation to ensure that the expenditures by The Maids® National Technology Innovation Fund in or affecting any The Maids® Business will be proportionate to contributions by The Maids® Franchisees; and (b) Franchisee, and other The Maids® Franchisees, may not benefit directly from or in proportion to its/their contributions to The Maids® National Technology Innovation Fund or from the research, development and implementation of new technologies by The Maids® National Technology Innovation Fund.

ARTICLE 12 INSURANCE

12.1 GENERAL LIABILITY INSURANCE. The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 aggregate (with a deductible no greater than \$100,000) insuring the Franchisee, TMI, P&G, and their respective officers, directors, agents and employees from and against any and all loss, liability, claim or expense of any kind whatsoever, including losses connected with Franchisee's professional work, bodily injury, personal injury, death, property damage, products liability and all other occurrences resulting from the condition, operation, use, business or occupancy of The Maids® Business and the Franchisee's office.

12.2 VEHICLE INSURANCE. The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, automobile liability insurance with coverage of at least \$1,000,000 insuring the Franchisee, TMI and their respective officers, directors, agents and employees from any and all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation or maintenance of all automobiles, trailers or vehicles owned by the Franchisee or used by the Franchisee or any of the Franchisee's employees (including vehicles or trailers owned or leased by any employee of the Franchisee) in connection with the Franchised Business.

12.3 PROPERTY INSURANCE; FIRE AND EXTENDED COVERAGE. The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, "all risks" property insurance coverage, which must include fire and extended coverage, for the inventory, machinery, equipment and fixtures and furnishings owned or leased by the Franchisee and used by the Franchised Business. The Franchisee's property insurance policy (including fire and extended coverage) must have coverage limits of at least "replacement" cost.

12.4 THIRD-PARTY FIDELITY INSURANCE. The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, a third-party fidelity bond or similar insurance with coverage of at least \$25,000 insuring the Franchisee, TMI and their respective officers,

directors, agents and employees from and against any and all loss, liability, claim or expense of any kind whatsoever relating to any theft from customers.

12.5 INSURANCE REQUIRED BY LAW. The Franchisee will, at its sole cost and expense, procure and maintain all other insurance required by state or federal law, including workers' compensation insurance for its employees.

12.6 OTHER INSURANCE. The Franchisee will, at its sole cost and expense, also procure and maintain all insurance required under any lease, mortgage, deed of trust, contract for deed or any other legal contract in connection with the Franchised Business. The insurance policies described above are minimum requirements, and the Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits.

12.7 INSURANCE COMPANIES; EVIDENCE OF COVERAGE. All insurance companies providing coverage to the Franchisee and the Franchised Business must be acceptable to and approved by TMI, and must be licensed in the state where coverage is provided. The Franchisee will provide TMI with certificates of insurance, insurance policy endorsements, or other information TMI requires evidencing the insurance coverage required of the Franchisee pursuant to this Article 12 prior to the date the Franchisee's representatives attend TMI's SMART Start Training program, and the Franchisee will immediately provide, upon expiration, change or cancellation, a new certificate of insurance to TMI.

12.8 DEFENSE OF CLAIMS. All liability insurance policies procured and maintained by the Franchisee will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against the Franchisee, TMI, and their respective officers, directors, employees and agents.

12.9 TMI'S RIGHTS. All insurance policies procured and maintained by the Franchisee pursuant to this Article 12 will name TMI as an additional insured on all policies except workers compensation, will contain endorsements by the insurance companies waiving all rights of subrogation against TMI, and will stipulate that TMI will receive copies of all notices of cancellation, nonrenewal, or coverage reduction or elimination at least 30 days prior to the effective date of such cancellation, nonrenewal or coverage change.

12.10 MATERIAL BREACH. The Franchisee's failure to comply with the provisions of this Article 12 will be a material breach of this Agreement and TMI will have the right, but not the obligation, to procure on behalf of the Franchisee and the Franchised Business, any and all insurance required under this Agreement with the agent and insurance company of TMI's choice. TMI will invoice the Franchisee for all costs and expenses incurred by TMI to procure the required insurance coverage on behalf of the Franchisee and the Franchised Business. Within ten days of receipt of an invoice from TMI, the Franchisee agrees to pay all amounts owed to TMI for costs and expenses to procure insurance coverage on behalf of the Franchisee and the Franchised Business.

ARTICLE 13 FINANCIAL STATEMENTS, REPORTS OF GROSS REVENUES; FORMS AND ACCOUNTING

13.1 MONTHLY, YEAR-TO-DATE AND ANNUAL FINANCIAL STATEMENTS. The Franchisee will, at its expense, provide TMI with a monthly profit and loss statement and an annual profit and loss statement. All financial statements provided to TMI for the Franchised Business will be presented in the exact form and format prescribed by TMI in writing, and will be categorized according to

the standard chart of accounts developed and approved by TMI. The Franchisee's financial statements will be prepared in accordance with generally accepted accounting principles applied on a consistent basis.

13.2 VERIFICATION OF FINANCIAL STATEMENTS. If the Franchisee's annual financial statements are not audited by an independent certified public accountant, then, if the Franchisee is a corporation, the Franchisee's annual financial statements must be certified in writing as accurate by the Franchisee's President and Chief Financial Officer, or if the Franchisee is a partnership, then by the Franchisee's Partners, or if the Franchisee is an individual, then by the Franchisee.

13.3 DUE DATE. The Franchisee's monthly and year-to-date financial statements will be delivered to TMI by the 20th day of each month for the preceding month, and the Franchisee's annual financial statements will be delivered to TMI within 60 days after the Franchisee's fiscal year end.

13.4 TAX RETURNS. Within ten days after the Franchisee files any such return with the applicable governmental agencies, the Franchisee will provide TMI with a signed copy of each of the Franchisee's annual federal and state income tax returns, sales tax returns, and a copy of any other federal, state and local tax returns filed by the Franchisee including, but not limited to, any amended tax return filed by the Franchisee for a preceding year or other period, together with written proof that the Franchisee has paid all taxes due. TMI will not disclose any such tax returns to persons not employed by TMI except as may be reasonably necessary in the conduct of TMI's business.

13.5 WEEKLY REPORTS OF GROSS REVENUES AND CUSTOMERS. The Franchisee will maintain an accurate record of the daily Gross Revenues of the Franchised Business and will remit a report of the Gross Revenues generated by, at, as a result of, or from the Franchised Business using such formats as TMI may from time to time prescribe in writing. In addition, the Franchisee will maintain an accurate record of a complete list of current and former customers, including their name, telephone number, complete mailing address, frequency of service, last date serviced, and price of service, budgeted minutes and other information concerning such customers as TMI may request, of the Franchised Business and will remit a report of such customer information using such formats as TMI may from time to time prescribe in writing. The reports of Gross Revenues and customer information as provided above, must be signed and certified as accurate by the Franchisee and will be delivered to TMI on or before Monday of each week for the preceding week.

13.6 AUDIT OR REVIEW RIGHTS. TMI or its authorized agent shall have the right to audit or review the Franchisee's books and records. The Franchisee and the Franchisee's accountants will make all of their records, ledgers, work papers, books, accounts and financial information available to TMI or its authorized agent during regular business hours and at all other reasonable times for review and audit by TMI or its designee. The Franchisee must, upon TMI's written request, make photocopies of all records TMI requests and forward them to TMI or its authorized representative. To the extent the Franchisee's financial records are computerized, TMI will have the absolute right to access the Franchisee's computer and software programs containing the financial records and to copy, or have the Franchisee copy, the financial records to a computer disk or to any portable or other computer owned or controlled by TMI. The Franchisee's financial records for each fiscal year will be kept in a secure place by the Franchisee and will be available for audit by TMI for at least five years. If such an audit or review reveals that the Franchisee's Gross Revenues were understated by more than 2%, or that the Franchisee has underpaid the monthly Continuing License Fees by more than \$500 during any 12 month period, then the Franchisee will remit to TMI all costs and expenses (including salaries of TMI's employees, travel costs, room and board, audit fees, attorneys' fees, and professional fees) that TMI incurred as a result of the audit or review of the Franchisee's financial records, but no less than \$5,000. If the Franchisee has related businesses, TMI reserves the right to obtain information to confirm the accuracy of Continuing

License Fees submissions. If the Franchisee has underpaid TMI, then the Franchisee will, within ten days of receipt of an invoice from TMI indicating the amounts owed, remit to TMI any deficiency in Continuing License Fees or other amounts owed to TMI, together with interest as provided for herein. Such understatement of earnings shall be a material breach of this Agreement as set forth in Article 16.1. The Franchisee's failure or refusal to produce the books and financial records for audit or review by TMI or its authorized agent in accordance with this Article 13.6 will constitute a material breach of this Agreement and will be grounds for the immediate termination of this Agreement by TMI.

13.7 PRE-AUTHORIZED BANK TRANSFERS. The Franchisee will, from time to time during the term of this Agreement, execute such documents as TMI may request to provide the Franchisee's unconditional and irrevocable authority and direction to its bank or financial institution authorizing and directing the Franchisee's bank or financial institution to allow transfer directly to the bank account of TMI, and to charge to the account of the Franchisee the amount of Continuing License Fees, including but not limited to Continuing License Fees and Weekly Advertising Fund Fees, and other sums due and payable by the Franchisee to TMI pursuant to this Agreement, the Software License Agreement or any other agreement between TMI and the Franchisee, including but not limited to any promissory note executed by Franchisee in favor of TMI. The transfer authorizations will be in the form prescribed by TMI's bank. The Franchisee's authorizations will permit TMI to designate the amount to be transferred from the Franchisee's account, and to adjust such amount from time to time, for the Continuing License Fees and other sums then payable to TMI from the Franchisee. If the Franchisee fails at any time to provide the weekly reports of Gross Revenues required under this Article 13, then TMI will have the right, in its sole discretion, to estimate the amount of Continuing License Fees and other sums due and payable to TMI, and to transfer such estimated amount from the Franchisee's bank account to TMI's bank account. The Franchisee will at all times maintain a balance in its account at its bank or financial institution sufficient to allow the appropriate amount to be transferred from the Franchisee's account for payment of the Continuing License Fees and other sums payable by the Franchisee directly to TMI's bank account. The Franchisee shall pay all charges imposed by its financial institution for the establishment and implementation of the pre-authorized electronic bank transfers referenced above. Failure to do so shall be a material breach of this Agreement.

13.8 ELECTRONIC REPORTING REQUIRED. The Franchisee acknowledges and agrees that all financial statements, returns, reports and other information required to be provided to TMI by the Franchisee pursuant to this Article 13 or otherwise pursuant to this Agreement shall be provided to TMI electronically through an electronic mail service provider as directed by TMI. The failure of the Franchisee to report electronically will be a material breach of this Agreement.

ARTICLE 14 TMI'S RIGHT OF FIRST REFUSAL TO PURCHASE

14.1 RESTRICTIONS. The Franchisee will not sell, assign, trade, transfer, lease, sublease, or otherwise dispose of any interest in or any part of the Franchised Business or the Business Assets, as defined in this provision, to a third party without first offering the same to TMI in writing, at the same price and on the same terms as the Franchisee proposes to accept from such third party. For purposes of this Agreement, "Business Assets" shall mean (a) the Franchisee's Business; (b) the lease for the Franchisee's office (if applicable); (c) the land and building for the Franchisee's office (if applicable); (d) this Agreement; and (e) the vehicles, supplies and equipment used in the Business, except for transactions involving the sale of the items listed in this Article 14.1 to the extent such sales occur in the normal course of business. The Franchisee's written offer to TMI must contain all material terms and conditions of the proposed sale or transfer, including but not limited to the name, address, business experience and financial condition of the proposed third-party transferee. Upon receipt by TMI of written notice specifying such material terms and conditions of the proposed sale or transfer, TMI will have the right

(but not the obligation), exercisable by written notice to the Franchisee within 15 business days thereafter, to (1) accept such offer, (2) waive its right of first refusal to purchase, or (3) state an interest in negotiating to purchase the Business Assets. If TMI elects to commence negotiations to purchase the Franchisee's Business Assets as set forth herein, the Franchisee may not sell the Business Assets to such third party for at least 30 days or until TMI and the Franchisee agree in writing that the negotiations have terminated, whichever comes first. If TMI waives its right to purchase, the Franchisee shall have the right to complete the sale or transfer of the Business Assets according to the terms set forth in the written notice to TMI; however, any such sale, transfer or assignment to such third party is expressly subject to the terms and conditions set forth in Article 15 below and any material variation in the terms of the sale from those set forth in the original notice to TMI, including but not limited to a change to the identity of such third party, shall constitute a new offer to purchase that shall be submitted to TMI in the manner provided above. If TMI elects to accept the offer from the Franchisee, the sale shall be consummated in accordance with the terms and conditions of the offer. The Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay the Continuing License Fees and to operate the Business Assets as a The Maids® Business shall not be affected or changed because of TMI's non-acceptance of the Franchisee's written offer.

14.2 SALE OF OWNERSHIP INTEREST IN FRANCHISEE. If the Franchisee is a corporation, limited liability company, partnership or other entity, then the capital shares, membership interests, partnership interests or other ownership interests in the Franchisee ("Ownership Interests"), may not be sold, pledged, assigned, traded, transferred or otherwise disposed of by the holders thereof until the Ownership Interests have been first offered to TMI in writing under the same terms and conditions as if Business Assets were proposed to be sold under Article 14.1 above. Notwithstanding the terms of this Article 14, a holder of the Ownership Interests may bequeath, sell, assign, trade or transfer Ownership Interests, without first offering them to TMI, (a) to the other holders of the Ownership Interests because of death or permanent disability, (b) to a spouse or child of the holder, or (c) to a trust controlled by the holder; provided, however, the Franchisee must provide TMI with written notice of all such transactions, the Franchisee and the transferee must comply with the provisions of Articles 15.4(B) through 15.4(H) below, the transferee signs a personal guarantee, and the transfer will not be valid or effective until TMI has received the properly executed legal documents which its attorneys deem necessary to properly and legally document the transfer, assignment or bequest. All certificates representing Ownership Interests issued by the Franchisee to its owners must bear the following legend:

The ownership interests represented by this certificate are subject to a written Franchise Agreement which grants THE MAIDS INTERNATIONAL, LLC the right of first refusal to purchase these interests from the holder. Any person acquiring the ownership interests represented by this certificate will be subject to the terms and conditions of the Franchise Agreement between the company named on this certificate and The Maids International, LLC, which includes provisions containing covenants not to compete, that apply to all holders of ownership interests in the company.

14.3 ACKNOWLEDGMENT OF RESTRICTIONS. The Franchisee acknowledges and agrees that the restrictions imposed by TMI on the transfer of the Business Assets and the Ownership Interests are reasonable and necessary to protect the goodwill associated with the System and the Marks, as well as TMI's reputation and image, and are for the protection of TMI, the Franchisee and all other franchisees that operate The Maids® Businesses. Any assignment or transfer of the Business Assets or the Ownership Interests permitted by this Article 14 will not be effective until TMI receives fully executed copies of all documents relating to the assignment or transfer, and TMI has consented in writing to the assignment or transfer.

14.4 SELLING HOLDERS SUBJECT TO COVENANT NOT TO COMPETE. Any holder of Ownership Interests in the Franchisee that sells, assigns, trades, bequeaths, transfers or disposes of any Ownership Interests in the Franchisee will be subject to the provisions of Article 19.3 of this Agreement after the sale or assignment.

14.5 TMI'S RIGHT TO PURCHASE FRANCHISEE'S ASSETS. If this Agreement expires or is terminated by either TMI or the Franchisee for any reason whatsoever, if the Franchisee wrongfully terminates this Agreement by failing to comply with Article 17 or otherwise, or if the Franchisee at any time ceases to do business within the Designated Market Area as a The Maids® franchisee, then TMI will have the right, but not the obligation, to purchase the Franchised Business, including the then-usable vehicles, supplies, inventory and equipment, and all other assets that are required by TMI for a standard The Maids® Business and owned by the Franchisee in its Business and to acquire any lease or other contract rights of the Franchisee (hereinafter referred to in this provision as the "Franchise Assets"). TMI will not purchase any assets from the Franchisee that are not part of the standard The Maids® Business. Within two business days after this Agreement expires or is terminated by either party, wrongfully terminated by the Franchisee or the Franchisee ceases to do business as a The Maids® Business, the Franchisee agrees to give TMI written notice of the Franchisee's asking price for the Franchise Assets. If the Franchisee fails to give TMI this notice and/or if TMI and the Franchisee cannot agree on the price of the Franchise Assets, then, without considering any value for goodwill associated with the name "The Maids®", the Assets will be valued at book value (cost less depreciation). TMI will have the right, but not the obligation, to purchase any or all of the Franchise Assets from the Franchisee for cash within 20 days after the fair market value of the Franchise Assets has been established and delivered to the parties in writing. Nothing in this provision may be construed to prohibit TMI from enforcing the terms and conditions of this Agreement, including the covenants not to compete contained in Article 19.

ARTICLE 15 ASSIGNMENT

15.1 ASSIGNMENT BY TMI. TMI may assign its interest in this Agreement, directly or indirectly, by merger, assignment, pledge or other means, without the approval or consent of the Franchisee. TMI will give the Franchisee written notice of any such assignment or transfer, and the assignee will be required to fully perform TMI's obligations under this Agreement.

15.2 ASSIGNMENT BY FRANCHISEE TO CONTROLLED ENTITY OR TRUST. In the event the Franchisee is an individual or partnership, this Agreement may be transferred or assigned by the Franchisee, without first offering it to TMI pursuant to Article 14, to a corporation, limited liability company, partnership or other entity which is owned or controlled by the Franchisee, without paying any transfer fee, provided that: (A) the Franchisee and the holders who own a majority (51% or greater) of the voting ownership interests of the assignee entity sign or have signed a personal guaranty in the form contained in this Agreement; (B) the Franchisee furnishes prior written proof to TMI substantiating that the assignee entity will be financially able to perform all of the terms and conditions of this Agreement; and (C) none of the holders of ownership interests in the entity owns, operates, franchises, develops, manages or controls any business that is in any way competitive with or similar to a The Maids® Business. The Franchisee will give TMI 30 days written notice prior to the proposed date of assignment or transfer of this Agreement to an entity owned or controlled by the Franchisee; however, the transfer or assignment of this Agreement will not be valid or effective until TMI has received the documents its attorneys deem reasonably necessary to properly and legally document the transfer or assignment of this Agreement to the entity as provided for herein.

15.3 ASSIGNMENT BY INDIVIDUAL FRANCHISEE IN EVENT OF DEATH OR PERMANENT DISABILITY. If the Franchisee is an individual, then in the event of the death or permanent disability of the Franchisee, this Agreement may be assigned, transferred or bequeathed by the Franchisee to any designated individual or beneficiary without first offering TMI the right to acquire this Agreement pursuant to Article 14 of this Agreement and without the payment of any transfer fee. However, the assignment of this Agreement to the transferee, assignee or beneficiary of the Franchisee will be subject to the provisions of Articles 15.4(A) through (E) and 15.4(G) and (H), and will not be valid or effective until TMI has received the properly executed legal documents which its attorneys deem necessary to properly and legally document the transfer, assignment or bequest of this Agreement. The transferee will assume the existing Franchise Agreement(s) from the Franchisee for the remaining term(s) of the Franchise Agreement(s). Furthermore, the transferee, assignee or beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and to personally guarantee the performance of the Franchisee's obligations under this Agreement.

15.4 APPROVAL OF TRANSFER. Subject to the provisions of Article 15.2 and 15.3, this Agreement, the Business Assets (as defined in Article 14.1), or the Ownership Interest (as defined in Article 14.2) may be sold, assigned or transferred by the Franchisee only with the prior written approval of TMI. TMI will not unreasonably withhold its consent to any sale, assignment or transfer under this Agreement, provided the Franchisee and the transferee comply with the following conditions:

- (A) The Franchisee has complied in all respects with the applicable provisions of Article 14 of this Agreement;
- (B) All of the Franchisee's monetary obligations due to TMI have been paid in full, and the Franchisee is not otherwise in default under this Agreement or any other agreement with TMI;
- (C) The Franchisee or transferor has executed a written agreement, in a form satisfactory to TMI, in which the Franchisee or transferor agrees to observe all applicable provisions of this Agreement, including the provisions with obligations and covenants that continue beyond the expiration or termination of this Agreement which includes the covenants not to compete contained in Article 19 of this Agreement;
- (D) The transferee is not and does not intend to own, operate or be involved in a business that competes directly or indirectly with a The Maids® Business;
- (E) The transferee has demonstrated to TMI's satisfaction that he, she or it meets TMI's standards for new franchisees, including managerial, financial and business standards, possessing a good business reputation and credit rating, possessing the aptitude and ability to operate The Maids® Business in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise), possessing the required financial wherewithal, and meeting any other conditions TMI may reasonably apply in evaluating the transferee;
- (F) The transferee and all parties having a legal or beneficial interest in the transferee, including, if applicable, the holders of all Ownership Interests in the transferee and the transferee's personal guarantors as required by TMI, execute TMI's then-current standard The Maids® franchise agreement, including a personal guarantee, to be effective for the then-current full standard term, and

such other ancillary agreements as TMI may require for the transfer of the Franchised Business; provided that the transferee will not be required to pay any Initial Territory Fee;

- (G) Before the transferee takes over the Franchisee's operations, (i) the transferee and the transferee's Manager must successfully complete the SMART Start Training program prescribed by TMI, (ii) the transferee must provide evidence satisfactory to TMI that at least two employees of the transferee have successfully completed the TMI SMART Start Training program and that one of whom has completed the program within the five-year period immediately preceding the transfer, and (iii) the transferee must pay the wages, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel costs, lodging, food, automobile rental, and all other expenses for the transferee and all other persons sent to TMI's SMART Start Training program; and
- (H) The Franchisee or transferor, or the Franchisee's or transferor's personal representative if the Franchisee or transferor is deceased, and the holders of the Ownership Interests, as defined in Article 14.2 above, in the Franchisee have executed a general release, in a form prescribed by TMI, of any and all claims, known and unknown, against TMI and its shareholders, officers, directors, agents, attorneys, accountants, employees, affiliates, successors and assigns, excepting only (if required by applicable law) those claims solely related to the offer and sale of the new Franchise.

TMI may expand upon, and provide details related to, the conditions for transfer and TMI's consent as described in this Section 15.4, and may do so in the Manual or otherwise in writing.

15.5 TRANSFER TO COMPETITOR PROHIBITED. The Franchisee will not sell, assign or transfer this Agreement to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any business that is involved or engaged in any fashion in the home services, cleaning or maintenance of the interior or exterior of any residential or commercial structure or facility that is in any way competitive with a The Maids® Business either in the United States or in another country. If TMI refuses to permit a transfer of this Agreement under this Article 15.5, the Franchisee's only remedy will be to have a court of competent jurisdiction determine whether the proposed transferee is a competitor of TMI.

15.6 ACKNOWLEDGMENT OF RESTRICTIONS. The Franchisee acknowledges and agrees that the restrictions imposed by TMI pursuant to this Article 15 are reasonable and necessary to protect the goodwill associated with the System and the Marks, as well as TMI's reputation and image, and are for the protection of TMI, the Franchisee and all other franchisees that operate The Maids® Businesses. Any assignment or transfer permitted by this Article 15 will not be effective until TMI receives fully executed copies of all documents relating to the assignment or transfer, and TMI has consented in writing to the assignment or transfer.

15.7 TRANSFER FEE. If, pursuant to the terms of this Article 15, this Agreement or the Business Assets are assigned, transferred or sold to another person or entity, or if the holders of Ownership Interests in the Franchisee representing more than 10% of the voting power in the Franchisee transfer their interests in the Franchisee to a third party (other than as permitted under Articles 15.2 and 15.3 above), then the Franchisee will pay TMI a transfer fee of \$6,000, which will help defray the costs incurred by TMI for training, attorneys' fees, accountants' fees, out-of-pocket expenses, long distance telephone calls, administrative costs and the time of its employees and officers. If, however, the

Franchisee assigns, transfers, or sells its interest to an existing The Maids® franchisee pursuant to this Article 15, then the transfer fee is waived. The transfer fee must be paid by the Franchisee to TMI prior to the date of transfer.

ARTICLE 16
TMI'S TERMINATION RIGHTS; DAMAGES

16.1 **CONDITIONS OF BREACH.** In addition to its other rights of termination contained in this Agreement, TMI will have the right to terminate this Agreement if:

- (A) the Franchisee fails to open and commence operations of its Business within 30 days from the date the Franchisee successfully completes the SMART Start Training program or the Franchisee does not successfully complete the SMART Start Training program within 180 days from the date of this Agreement;
- (B) the Franchisee violates any material provision, term or condition of this Agreement or any other agreement between the Franchisee and TMI or an affiliate of TMI, including, but not limited to, failure to timely pay any Continuing License Fees or any other monetary obligations or fees due to TMI or its affiliates;
- (C) the Franchisee or any of its Managers, partners, directors, officers or majority stockholders are convicted of, or plead guilty to or no contest to, a charge of violating any law relating to the Franchised Business, or any felony;
- (D) the Franchisee fails to conform to the System or the standards of uniformity and quality for the products and services promulgated by TMI in connection with the System;
- (E) the Franchisee fails to timely pay any of its uncontested obligations or liabilities due and owing to its employees, suppliers, banks, purveyors and other creditors, or TMI;
- (F) the Franchisee or its Personal Guarantors are determined to be insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against the Franchisee or its Personal Guarantors (and is not dismissed by the court within 60 days of the filing), or the Franchisee or its Personal Guarantors file for bankruptcy under any state or federal law;
- (G) the Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;
- (H) any check issued by the Franchisee is dishonored because of insufficient funds (except where the check is dishonored because of an error in bookkeeping or accounting) or closed accounts;
- (I) the Franchisee fails to pay for the vehicles, supplies and equipment required for its Franchised Business prior to commencing business;
- (J) the Franchisee voluntarily or otherwise “abandons” the Franchised Business. For purposes of this Agreement “abandon” means the conduct of the Franchisee,

including acts of omission as well as commission, indicating the willingness, desire or intent of the Franchisee to discontinue operating the Franchised Business in accordance with the quality standards, uniformity requirements and the System as set forth in this Agreement and the Manuals;

- (K) the Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the name “The Maids®”, any other Marks or the System;
- (L) the Franchisee fails to file any required federal, state or other income or sales tax return or fails to timely pay any federal, state or other income or sales taxes when due; or
- (M) the Franchisee commits three violations of the material provisions, terms or conditions of this Agreement within any 24-month period during its term, regardless of whether such violations have been cured.

16.2 NOTICE OF BREACH. Except as set forth in Articles 16.5 and 16.6 below, TMI will not have the right to terminate this Agreement unless and until:

- (A) written notice setting forth the alleged breach in detail has been given to the Franchisee by TMI; and
- (B) the Franchisee fails to correct the alleged breach within the period of time specified by applicable law.

If applicable law does not specify a time period to correct an alleged breach, then the Franchisee will have 30 days after the date of the written notice to correct the alleged breach, except where the written notice states that the Franchisee is delinquent in the payment of any fees or other payments payable to TMI pursuant to this Agreement, in which case the Franchisee will have 15 days after the date of the written notice to correct the breach by making full payment (including interest as provided herein) to TMI. If the Franchisee fails to correct the alleged breach set forth in the written notice within the applicable period of time, then this Agreement may be terminated by TMI as provided in this Agreement. For the purposes of this Agreement, an alleged breach of this Agreement by the Franchisee will be “corrected” if both TMI and the Franchisee agree in writing that the alleged breach has been corrected.

16.3 LITIGATION. If the Franchisee files a lawsuit within the time period established in Article 16.2 for correcting the alleged breach, then TMI will not have the right to terminate this Agreement until the facts of the alleged breach have been submitted to a court of competent jurisdiction and the court determines that the Franchisee has breached this Agreement and the Franchisee fails to correct the breach within the applicable time period. If the court determines that the Franchisee has violated or breached this Agreement as alleged by TMI in the written notice given to the Franchisee, then, unless applicable law specifies otherwise, the Franchisee will have 30 days from the date the court issues a written determination on the matter to correct the specified breach or violation of this Agreement, except where the Franchisee’s breach is for failure to pay any fees or other payments to TMI, in which case the Franchisee will have 15 days to make full payment (including interest) to TMI. If the Franchisee timely corrects the specified breach or violation of this Agreement, then this Agreement will remain in full force and effect. The time limitations set forth in this Article 16.3 within which the Franchisee may commence litigation of a dispute or controversy relating to the right of TMI to terminate this Agreement for an alleged breach will be mandatory. If the Franchisee fails to comply with the time limitations set forth in this Article 16.3, then TMI may terminate this Agreement as provided for herein.

16.4 NOTICE OF TERMINATION. If TMI has complied with the provisions of this Article 16 and if the Franchisee has not corrected the alleged breach set forth in the written notice within the time period specified in this Agreement, then TMI will have the absolute right to terminate this Agreement by giving the Franchisee written notice that this Agreement is terminated and in that event, the effective date of termination of this Agreement will be the day the written notice of termination is given, as specified in Article 26.

16.5 TMI'S IMMEDIATE TERMINATION RIGHTS. TMI will have the absolute right and privilege, unless precluded by applicable law, to immediately terminate this Agreement if:

- (A) the Franchisee or any of its Managers, partners, directors, officers or majority shareholders are convicted of, or plead guilty to or no contest to a charge of violating any law relating to the Franchised Business, or any felony;
- (B) the Franchisee or its Personal Guarantors are determined to be insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against the Franchisee or its Personal Guarantors (and is not dismissed by the court within 60 days of the filing), or the Franchisee or its Personal Guarantors file for bankruptcy under any state or federal law;
- (C) the Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors;
- (D) the Franchisee voluntarily or otherwise abandons the Franchised Business;
- (E) the Franchisee fails or refuses to permit TMI or its authorized agent to audit or review the Franchisee's financial records or fails or refuses to produce its financial records for audit or review in accordance with Article 13.6;
- (F) the Franchisee fails to allow or provide to TMI electronic access to the Franchisee's data or information as required under Article 11.24 above; or
- (G) the Franchisee is involved in any act or conduct which materially impairs the goodwill associated with TMI's Marks or the System and the Franchisee fails to correct the breach within 24 hours of written notice from TMI of the breach. For the purposes of this Agreement, an alleged breach of this Agreement by the Franchisee will be "corrected" if both TMI and the Franchisee agree in writing that the alleged breach has been corrected.

16.6 NOTICE OF IMMEDIATE TERMINATION. If this Agreement is terminated by TMI pursuant to Article 16.5 above, then TMI will give the Franchisee written notice that this Agreement is terminated and in that event, the effective date of termination of this Agreement will be the day the written notice of termination is given, as specified in Article 26.

16.7 DAMAGES. In the event this Agreement is terminated by TMI pursuant to this Article 16, or if the Franchisee breaches this Agreement by a wrongful termination or a termination that is not in accordance with the terms and conditions of Article 17 of this Agreement, then TMI will be entitled to seek recovery from the Franchisee for all damages that TMI has sustained and will sustain in the future as a result of the Franchisee's breach of this Agreement, taking into consideration the Continuing License Fees that would have been payable by the Franchisee for the remaining term of this Agreement.

16.8 OTHER REMEDIES. Nothing in this Article 16 will preclude TMI from seeking other remedies or damages under state or federal laws, common law, or under this Agreement against the Franchisee including, but not limited to, attorneys' fees, punitive damages and injunctive relief.

16.9 APPLICABLE LAW. If the provisions of this Article 16 are inconsistent with applicable law, the applicable law will apply.

ARTICLE 17 FRANCHISEE'S TERMINATION RIGHTS

17.1 CONDITIONS OF BREACH. The Franchisee will have the right and privilege to terminate this Agreement, as provided herein, if: (A) TMI violates any material provision, term or condition of this Agreement; or (B) TMI fails to timely pay any material uncontested obligations due and owing to the Franchisee.

17.2 NOTICE OF BREACH. The Franchisee will not have the right to terminate this Agreement or to commence any action or lawsuit against TMI for breach of this Agreement, injunctive relief, violation of any state, federal or local law (including alleged violations of franchise laws), violation of common law (including allegations of fraud and misrepresentation), rescission, general or punitive damages, or termination, unless and until:

- (A) written notice setting forth the alleged breach or violation, in detail, has been given to TMI by the Franchisee; and
- (B) TMI fails to correct the alleged breach or violation within 60 days after the date of the written notice.

If TMI fails to correct the alleged breach or violation, as provided for herein, within 60 days after written notice of the alleged breach, then this Agreement may be terminated by the Franchisee as provided for in this Agreement. For the purposes of this Agreement, an alleged breach or violation of this Agreement by TMI will be "corrected" if both TMI and the Franchisee agree in writing that the alleged breach or violation has been corrected.

17.3 LITIGATION. If TMI files a lawsuit within 60 days after the date TMI is given written notice of any alleged breach of this Agreement by the Franchisee, then the Franchisee will not have the right to terminate this Agreement until the facts of the alleged breach have been submitted to a court of competent jurisdiction, the court determines that TMI has breached this Agreement and TMI fails to correct the breach within the applicable time period. If the court determines that TMI has violated or breached this Agreement as alleged by the Franchisee in the written notice given to TMI, then TMI will have 60 days from the date the court issues a written determination on the matter to correct the specified breach or violation of this Agreement. If TMI does timely correct the specified breach or violation of this Agreement, then this Agreement will remain in full force and effect. If TMI does not correct the specified breach or violation of this Agreement, then the Franchisee will have the right to terminate this Agreement by giving TMI written notice that this Agreement is terminated, and in that event the effective date of termination of this Agreement will be the day the written notice of termination is given, as specified in Article 26. The time limitation set forth in this Article 17.3 within which TMI may commence litigation of a dispute or controversy relating to the right of the Franchisee to terminate this Agreement for an alleged breach will be mandatory. If TMI fails to comply with the time limitation set forth in this Article 17.3, the Franchisee may terminate this Agreement as provided for herein.

17.4 **WAIVER.** The Franchisee agrees to give TMI immediate written notice of any alleged breach or violation of this Agreement after the Franchisee has knowledge of, believes, determines or is of the opinion that there has been an alleged breach or violation of this Agreement by TMI. If the Franchisee fails to give written notice to TMI of any alleged breach or violation of this Agreement within one year from the date that the Franchisee has knowledge of, believes, determines or is of the opinion that there has been an alleged breach or violation by TMI, then the alleged breach or violation by TMI will be condoned, approved and waived by the Franchisee, the alleged breach or violation by TMI will not be a breach or violation of this Agreement by TMI, and the Franchisee will be barred from commencing any legal action against TMI for that alleged breach or violation.

17.5 **INJUNCTIVE RELIEF AVAILABLE TO TMI.** Notwithstanding any of the foregoing provisions, if the Franchisee gives TMI any notice of an alleged breach or violation of this Agreement or of any laws that give rise to damages and/or the termination of this Agreement by the Franchisee, then TMI will have the absolute right to immediately commence legal action against the Franchisee to enjoin and prevent the termination of this Agreement by the Franchisee until the matter has been resolved in court, all without giving the Franchisee any notice and without regard to any waiting period that may be contained in this Agreement. If TMI commences such legal action against the Franchisee, then the Franchisee will not have the right to terminate this Agreement, as provided for herein, unless and until a court of competent jurisdiction has ruled on the merits that TMI has breached this Agreement in the manner alleged by the Franchisee, and then only if TMI fails to correct the breach or violation within 60 days after a final judgment has been entered against TMI and all time for appeals by TMI has expired. If TMI commences any legal action against the Franchisee as contemplated by this provision, which will include legal actions for injunctive relief against the Franchisee to enjoin termination of this Agreement, then TMI will not be required to post any bonds or security whatsoever in such legal action.

ARTICLE 18 EFFECT OF TERMINATION OR EXPIRATION

18.1 **FRANCHISEE'S INTEREST; GOODWILL.** Upon termination, expiration or non-renewal of this Agreement, Franchisee's interest in this Agreement and all rights licensed hereunder automatically reverts to TMI. All goodwill associated with the licensed Marks shall at all times remain the exclusive property of TMI.

18.2 **PAYMENT OF AMOUNTS OWED TMI.** Franchisee agrees to pay TMI, within five days of the effective date of termination or expiration of this Agreement, or at any later date that amounts due to TMI are determined:

- (A) all Continuing License Fees, Advertising Fund Fees, Technology Innovation Fund Fees, Software and Support Fees, amounts owed for purchases from TMI, late payments, interest, and any all other fees and amounts Franchisee owes to TMI;
- (B) upon termination for any default, the actual and consequential damages, costs, and expenses (including attorneys' fees, experts' fees, and interest on such costs and expenses) incurred by TMI as a result of Franchisee's default.

The obligation to pay these sums will create a lien in favor of TMI and against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory Franchisee owns at the time of the default and/or against any moneys TMI holds or are otherwise in TMI's possession.

18.3 TERMINATION OF USE OF MARKS; OTHER OBLIGATIONS. Upon termination, expiration or non-renewal of this Agreement Franchisee shall:

- (A) strictly comply with all the provisions of this Agreement including, but not limited to, the Covenants Not to Compete set forth in Article 19;
- (B) deliver to TMI, within five days of the effective date of termination or expiration of this Agreement, all Manuals, proprietary information, confidential material, marketing and advertising materials, the required software, videotapes, and any other written materials containing any Mark or otherwise relating to a The Maids® Business;
- (C) alter, at its own expense, the appearance of the Franchisee's business location to eliminate any similarity in appearance, signage or décor to the distinctive appearance of a The Maids® Business, unless TMI exercises its rights under Article 14 of this Agreement. Franchisee agrees to allow TMI, without liability to Franchisee or third parties, to remove these items from Franchisee's business location;
- (D) alter, at its own expense, the appearance of the automobiles used in the operation of the Franchised Business to eliminate any similarity in appearance, signage or décor to the distinctive appearance of automobiles used in the operation of a The Maids® Business, unless TMI exercises its rights under Article 14 of this Agreement;
- (E) inform its suppliers in writing of the termination of the Franchisee's right to operate a franchised The Maids® Business;
- (F) not hold itself out, either directly or indirectly, to the public or any other business as a present or former The Maids® franchise;
- (G) not represent directly or indirectly that any other business Franchisee may then own or operate, is or was operated as, or was in any way connected to TMI;
- (H) cease using The Maids® uniforms, office signs and decor, and vehicle colors and decals;
- (I) cease using any of TMI's distinctive, proprietary or confidential operational, administrative or advertising techniques, systems or know-how, or trade secrets disclosed to Franchisee by TMI;
- (J) cease use of all of TMI's Marks, any materials containing the Marks, and any other confusingly similar name or marks. The Franchisee agrees and acknowledges that its continued use of the Marks after the expiration or termination of this Agreement will be without TMI's consent and will constitute an "exceptional case" under federal trademark law (15 U.S.C. §1117) entitling TMI to recover treble damages, costs and attorneys' fees;
- (K) assist TMI and/or TMI's designee in the transition of customers' cleaning service(s) to TMI or TMI's designee, if applicable.

- (L) refund any and all outstanding gift certificates that current, former or prospective customers are in possession of;
- (M) return to customers all related keys in Franchisee's possession or to TMI or TMI's designee, if applicable;
- (N) refrain from engaging in any contacts with customers or former customers of the Franchised Business, other than with respect to collection of accounts receivable, the transition of customers to TMI's designee, and/or return of customer keys to the related customer;
- (O) notify the telephone company and telephone directory publisher of the termination or expiration of Franchisee's right to use any telephone, facsimile or other numbers and any telephone directory listings associated with the any Mark, and authorize the transfer of these numbers and directory listings to TMI or, at TMI's discretion, instruct the telephone company to forward all calls made to Franchisee's telephone numbers to numbers TMI specifies in accordance with the Telephone Listing Agreement; and
- (P) deliver to TMI, within 30 days, evidence that is satisfactory to TMI of Franchisee's compliance with each of the foregoing obligations.

18.4 TRANSFER OF TELEPHONE DIRECTORY LISTINGS. Upon termination or expiration of this Agreement, TMI will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use all telephone numbers and all classified and other directory listings under the "The Maids®" name and to authorize the telephone company and all listing agencies to transfer to TMI or its assignee all telephone numbers and directory listings for the Franchised Business. The Franchisee acknowledges that TMI has the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and the Franchisee hereby authorizes TMI to direct the telephone company and all listing agencies to transfer the Franchisee's telephone numbers and directory listings to TMI or TMI's assignee if this Agreement expires or is terminated for any reason whatsoever. The telephone company and all listing agencies will have the right to accept this Agreement as evidence of the exclusive rights of TMI to such telephone numbers and directory listings and this Agreement will constitute the authority from the Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to TMI. Upon termination or expiration of this Agreement, the Franchisee agrees to execute such other documents as is required by the telephone company and listing agency as may be necessary or desirable in connection with the transfer of all telephone numbers and directory listings for the Franchisee's The Maids® Business. The Franchisee will not make any claims or commence any action against the telephone company and the listing agencies for complying with this provision.

18.5 TRANSFER OF DOMAIN NAME REGISTRATIONS AND E-MAIL ADDRESSES. Upon termination or expiration of this Agreement, TMI will have the absolute right to notify the domain name registry and internet service provider of the termination or expiration of Franchisee's right to use all domain name registrations and e-mail addresses associated with the Franchised Business and to authorize the domain name registry and internet service provider to transfer to TMI or its assignee all such domain name registrations and e-mail addresses. The Franchisee acknowledges that TMI has the absolute right and interest in and to all websites, domain name registrations and e-mail addresses associated with the Marks, and the Franchisee hereby authorizes TMI to direct the domain name registry and internet service provider to transfer the Franchisee's domain name registrations and e-mail addresses to TMI or its assignees if this Agreement expires or is terminated for

any reason whatsoever. The domain name registry and internet service provider will have the right to accept this Agreement as evidence of the exclusive right of TMI to such websites, domain name registrations and e-mail addresses and this Agreement will constitute the authority from the Franchisee for the domain name registry and internet service provider to transfer such domain name registrations and e-mail addresses to TMI. Upon termination or expiration of this Agreement, the Franchisee agrees to execute such other documents as is required by the domain name registry and internet service provider as may be necessary or desirable in connection with the transfer of all domain name registrations and e-mail addresses for the Franchised Business. The Franchisee will not make any claims or commence any action against the domain name registry or the internet service provider for complying with this provision. The Franchisee further agrees not to utilize any “meta tags” and/or other hidden programming which would adversely affect such websites in the event registration of the domain name registrations and e-mail addresses are assigned to TMI.

18.6 CONTINUING OBLIGATIONS. All of TMI’s and Franchisee’s obligations which expressly or by their nature survive the expiration of this Agreement, will continue in full force and effect following and notwithstanding this Agreement’s expiration or termination until the obligations are fully satisfied or by their nature expire.

ARTICLE 19 FRANCHISEE’S COVENANTS NOT TO COMPETE

19.1 CONSIDERATION. The Franchisee, the holders of all Ownership Interests in the Franchisee and the Personal Guarantors acknowledge that, pursuant to this Agreement, the Franchisee, its owners and its employees will receive specialized training, current and future marketing and advertising plans, business plans and strategies, “know-how,” business information, concepts, confidential information and trade secrets from TMI pertaining to the System and the operation of The Maids® Business. In consideration for the use and license of such valuable and confidential information, the Franchisee, the holders of all Ownership Interests in the Franchisee and the Personal Guarantors will comply in all respects with the provisions of this Article 19. For purposes of this Agreement, “Personal Guarantors” means any persons executing the Personal Guaranty and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement, attached to this Agreement, which would include all holders of Ownership Interests of any entity which is the Franchisee, any spouse of any individual that is the Franchisee, and any other individual guaranteeing the obligations of the Franchisee under this Agreement.

19.2 IN-TERM COVENANT NOT TO COMPETE. TMI has advised the Franchisee that this provision is a material provision of this Agreement, and that TMI will not sell a The Maids® franchise to any person or entity that does or intends to own, operate or be involved in a business that competes directly or indirectly with a The Maids® Business. Consequently, the Franchisee, the holders of all Ownership Interests in the Franchisee and the Personal Guarantors will not, during the term of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director, member or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any business that is in any way competitive with (including, but not limited to, over the Internet) or similar to The Maids® Business, except with the prior written consent of TMI. For purposes of this Article 19 and the other Articles of this Agreement, any business that is involved or engaged in any fashion in the home services, cleaning or maintenance of the interior or exterior of any residential or commercial structure or facility is competitive to a The Maids® Business.

19.3 POST-TERM COVENANT NOT TO COMPETE. The Franchisee, the holders of all Ownership Interests in the Franchisee and the Personal Guarantors will not, for a period of 18 months

after the termination or expiration of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director, member or shareholder of any other person, firm, entity, partnership or corporation, without first obtaining the prior written consent of TMI,

- (A) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any or other related business that is in any way competitive with (including, but not limited to, over the Internet) or similar to The Maids® Business or a facet thereof, which is located (i) within the Designated Market Area, (ii) within the territories of any other The Maids® Businesses operated by TMI or any of its franchisees, (iii) within any development area granted to any other person or entity by TMI pursuant to a development agreement, sub-franchise agreement or other agreement, (iv) within 20 miles of any of the areas described in (i), (ii) or (iii) above, or (v) over the Internet; or
- (B) divert or attempt to divert any existing or potential business or customers of TMI or any The Maids® Franchisee; or
- (C) solicit or perform maintenance or cleaning services for any customer for whom or which such services was performed by the Franchisee under The Maids® service marks, trademarks and System during the term of this Agreement.

The Franchisee, the holders of all Ownership Interests in the Franchisee and the Personal Guarantors expressly agree that the time, the Internet and the geographical limitations set forth in this provision are reasonable and necessary to protect TMI and TMI's franchisees if this Agreement expires or is terminated by either party for any reason, and that this covenant not to compete is necessary to permit TMI the opportunity to resell and/or develop a new The Maids® Business at or in the area near the Designated Market Area. The Franchisee, the holders of all Ownership Interests in the Franchisee and the Personal Guarantors expressly acknowledge that they would not be in a position to operate a competing business following the termination, expiration or non-renewal of this Agreement without taking advantage of TMI's specialized training, marketing and advertising plans, business plans and strategies, "know-how," business information, concepts, confidential information and trade secrets.

19.4 INJUNCTIVE RELIEF. The Franchisee, holders of all Ownership Interests in the Franchisee and the Personal Guarantors agree that the provisions of this Article 19 are necessary to protect the legitimate business interests of TMI and TMI's franchisees including, without limitation, prevention of the unauthorized dissemination of confidential information to competitors of TMI and TMI's franchisees, protection of TMI's trade secrets and the integrity of TMI's franchise system, and prevention of the duplication of the System by unauthorized third parties. The Franchisee, holders of all Ownership Interests in the Franchisee and the Personal Guarantors also agree that damages alone cannot adequately compensate TMI if there is a violation of this Article 19 by the Franchisee, holders of all Ownership Interests in the Franchisee or the Personal Guarantors, and that injunctive relief against the Franchisee, holders of all Ownership Interests in the Franchisee and the Personal Guarantors is essential for the protection of TMI and TMI's franchisees. The Franchisee, holders of all Ownership Interests in the Franchisee and the Personal Guarantors agree therefore, that if TMI alleges that the Franchisee, holders of all Ownership Interests in the Franchisee or the Personal Guarantors have breached or violated this Article 19, then TMI will have the right to petition a court of competent jurisdiction for injunctive relief against the Franchisee, holders of all Ownership Interests in the Franchisee and the Personal Guarantors, in addition to all other remedies that may be available to TMI. TMI will not be required to post a bond or other security for any injunctive proceeding. In cases where TMI is granted ex parte injunctive relief against the Franchisee, holders of all Ownership Interests in the Franchisee or the

Personal Guarantors, then the Franchisee, holders of all Ownership Interests in the Franchisee or the Personal Guarantors will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

19.5 SEVERABILITY. It is the desire and intent of the parties to this Agreement, including holders of all Ownership Interests in the Franchisee and the Personal Guarantors, that the provisions of this Article 19 be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. Accordingly, if any part of this Article 19 is adjudicated to be invalid or unenforceable, then this Article 19 will be deemed amended to modify or delete that portion thus adjudicated to be invalid or unenforceable, such modification or deletion to apply only with respect to the operation of this Article 19 in the particular jurisdiction in which the adjudication is made. Further, to the extent any provision of this Article 19 is deemed unenforceable by virtue of its scope or limitation, the parties to this Agreement, including holders of all Ownership Interests in Franchisee and the Personal Guarantors, agree that the scope and limitation provisions will, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction where enforcement is sought.

19.6 EXTENSION DURING BREACH OR NEGOTIATIONS. The Franchisee, holders of all Ownership Interests in the Franchisee and the Personal Guarantors acknowledge and agree that the 18-month period expressed in Article 19.3 above shall be extended to include the time during which the Franchisee, holders of all Ownership Interests in the Franchisee or the Personal Guarantors are (a) in breach of any of the provisions of Article 19.3 of this Agreement or (b) are involved in ongoing negotiations for the reacquisition of the Franchise for the Designated Market Area after the expiration of this Agreement.

ARTICLE 20 INDEPENDENT CONTRACTORS

20.1 RELATIONSHIP OF PARTIES. TMI and the Franchisee are each independent contractors and, as a consequence, there is no employer-employee or principal-agent relationship between TMI and the Franchisee. The Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of TMI or represent that their relationship is other than that of franchisor and franchisee. Neither TMI nor the Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. The Franchisee will take all reasonable steps necessary to inform the public, customers, suppliers, lenders and other business establishments that the Franchised Business is independently operated by the Franchisee pursuant to a Franchise from TMI.

ARTICLE 21 INDEMNIFICATION

21.1 INDEMNIFICATION. Neither TMI or P&G will not be obligated to any person or entity for any damages arising out of, from, in connection with, or as a result of the Franchisee's negligence, the Franchisee's wrongdoing, or the operation of the Franchised Business. Therefore, the Franchisee will indemnify and hold TMI, P&G and their respective affiliates harmless against, and will reimburse TMI, P&G and their respective affiliates for, all damages for which TMI, P&G and their respective affiliates is held liable and for all costs reasonably incurred by TMI in the defense of any claim or action brought against TMI arising from, in connection with, arising out of, or as a result of the Franchisee's negligence, the Franchisee's wrongdoing, Franchisee's breach of this Agreement, or the operation of the Franchised Business including, without limitation, attorneys' fees, investigation expenses, court costs, deposition expenses, interest, and travel and living expenses. The Franchisee will

indemnify TMI, P&G and their respective affiliates, without limitation, for all claims arising from: (A) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of the Franchisee or its employees, agents or representatives; (B) any failure on the part of the Franchisee to comply with any requirement of any governmental authority; (C) any failure of the Franchisee to pay any of its obligations; or (D) any failure of the Franchisee to comply with any requirement or condition of this Agreement or any other agreement with TMI or any affiliate of TMI. TMI and P&G will have the right to defend any claim made against it arising as a result of, in connection with or from the Franchisee's negligence or the operation of the Franchised Business.

21.2 ATTORNEYS' FEES AND OTHER COSTS. The Franchisee will pay all attorneys' fees, costs and expenses incurred by TMI in enforcing any term, condition or provision of this Agreement or in seeking to enjoin any violation of this Agreement by the Franchisee. In any action brought pursuant to this Agreement where TMI prevails against the Franchisee, the Franchisee will indemnify TMI for all costs that it incurs in any lawsuit or proceeding arising under this Agreement including, without limitation; attorneys' fees, expert witness fees, costs of investigation, court costs, litigation expenses, interest, travel and living expenses, and all other costs incurred by TMI.

21.3 CONTINUATION OF OBLIGATIONS. The indemnification and other obligations contained herein will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 22 ACKNOWLEDGMENTS

22.1 BUSINESS RISKS; NO FINANCIAL PROJECTIONS. The Franchisee acknowledges that it has conducted an independent investigation of The Maids® Business and recognizes that the business venture contemplated by this Agreement involves business and economic risks and that the financial and business success of the Franchised Business will be primarily dependent upon the personal efforts of the Franchisee, its management and its employees. TMI expressly disclaims the making of, and the Franchisee acknowledges that it has not received, any estimates, projections, warranties or guaranties, expressed or implied, regarding potential Gross Revenues, income, profits or earnings, expenses or the financial or business success of the Franchised Business, except as set forth in TMI's Franchise Disclosure Document, a copy of which has been provided to the Franchisee.

22.2 NO INCOME OR REFUND WARRANTIES. TMI does not warrant or guarantee to the Franchisee: (A) that the Franchisee will derive income or profit from the Franchised Business; or (B) that TMI will refund all or part of the Initial Territory Fee or any other fees paid hereunder, or the price paid for the Franchised Business, or repurchase any of the vehicles, products, supplies or equipment supplied or sold by TMI or an approved supplier if the Franchisee is unsatisfied with its Franchised Business.

22.3 RETAINING OF LEGAL COUNSEL. The Franchisee acknowledges that TMI has strongly recommended that the Franchisee should retain an attorney to review TMI's Franchise Disclosure Document, including TMI's financial statements and this Agreement, review all leases, contracts and other documents relating to The Maids® Business, to advise the Franchisee on tax issues, financing matters, applicable state and federal laws, environmental laws, licensing laws and any other laws relating to household maintenance and cleaning, employee issues, insurance, structure of the Franchised Business, and other business matters, and to advise the Franchisee as to the terms and conditions of this Agreement and the potential economic benefits and risks of loss relating to this Agreement and the Franchised Business.

22.4 OTHER FRANCHISEES. The Franchisee acknowledges that other franchisees of TMI have or will be granted franchises at different times, different locations, under different economics and in different situations, and further acknowledges that the economics and terms and conditions of such franchises may vary substantially in form and in substance from those contained in this Agreement.

22.5 RECEIPT OF AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT. The Franchisee acknowledges that except for negotiated changes the Franchisee initiated, it received a copy of this Agreement with all material blanks fully completed at least seven calendar days prior to the date that this Agreement was executed by the Franchisee. The Franchisee further acknowledges that it has received a copy of TMI's Franchise Disclosure Document at least fourteen calendar days prior to the date on which this Agreement was executed.

ARTICLE 23 DISCLAIMER; FRANCHISEE'S LEGAL COUNSEL

23.1 DISCLAIMER BY TMI. TMI expressly disclaims the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, Gross Revenues, business or financial success, or value of the Franchised Business that were not contained in the Franchise Disclosure Document received by the Franchisee.

23.2 ACKNOWLEDGMENTS BY FRANCHISEE. The Franchisee acknowledges that it has not received any express or implied representations or warranties regarding the sales, earnings, income, profits, Gross Revenues, business or financial success, value of the Franchised Business or any other matters pertaining to The Maids® Business from TMI or any of TMI's officers, employees or agents that were not contained in the Franchise Disclosure Document received by the Franchisee (hereinafter referred to in this provision as "Representations"). The Franchisee further acknowledges that if it had received any such Representations, it would not have executed this Agreement, and that it would have: (A) promptly notified the President of TMI in writing of the person or persons making such Representations; and (B) provided to TMI a specific written statement detailing the Representations made.

23.3 LEGAL REPRESENTATION. The Franchisee acknowledges that this Agreement constitutes a legal document which grants certain rights to and imposes certain obligations upon the Franchisee. The Franchisee has been advised by TMI to retain an attorney or advisor prior to the execution of this Agreement to review TMI's Franchise Disclosure Document, to review this Agreement in detail, to review all legal documents, to review the economics, operations and other business aspects of the Franchised Business, to determine compliance with franchising and other applicable laws, to advise the Franchisee regarding the economic risks, liabilities, obligations and rights under this Agreement and to advise the Franchisee on tax issues, financing matters, applicable state and federal laws, health and safety laws, environmental laws, employee issues, insurance, structure of The Franchised Business, and other business matters. The name of the Franchisee's attorney or other advisor is:

Name: _____

Name of Firm: _____

Address: _____

City, State, Zip Code: _____

Telephone Number: _____

Fax Number: _____

**ARTICLE 24
ENFORCEMENT**

24.1 INJUNCTIVE RELIEF. TMI will have the right to petition a court of competent jurisdiction for the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to:

- (A) TMI's Marks, the required software and the System;
- (B) the obligations of the Franchisee upon termination or expiration of this Agreement;
- (C) the assignment, transfer or sale of this Agreement, the Franchised Business or the Ownership Interests of the Franchisee;
- (D) confidentiality and covenants not to compete; and
- (E) any act or omission by the Franchisee or the Franchisee's employees that, (1) constitutes a violation of any applicable law, ordinance or regulation, (2) is dishonest or misleading to the clients or customers of the Franchised Business or other The Maids® Businesses, (3) constitutes a danger to the employees, public, clients or customers of the Franchised Business, or (4) may impair the goodwill associated with TMI's Marks, the required software and the System.

TMI will be entitled to injunctive relief against the Franchisee without posting a bond or other security. The Franchisee will indemnify TMI for all costs that it incurs in any lawsuit or proceedings under this provision including, without limitation; attorneys' fees, expert witness fees, costs of investigation, court costs, litigation expenses, accounting fees, travel and living expenses, and all other costs incurred by TMI.

24.2 SEVERABILITY. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by TMI is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be

effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

24.3 WAIVER. TMI and the Franchisee may, by written instrument signed by TMI and the Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by TMI of any payment by the Franchisee and the failure, refusal or neglect of TMI to exercise any right under this Agreement or to insist upon full compliance by the Franchisee of its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, will not constitute a waiver by TMI of any provision of this Agreement.

24.4 PAYMENTS TO TMI. The Franchisee will not for any reason withhold payment of any Continuing License Fees or any other fees or payments due TMI pursuant to this Agreement or pursuant to any other contract, agreement or obligation to TMI. The Franchisee will not have the right to “offset” any liquidated or unliquidated amounts, damages or other funds allegedly due to the Franchisee by TMI against any Continuing License Fees or any other fees or payments due to TMI under this Agreement or under any other agreement or contract. TMI shall have the right to apply any payments received from the Franchisee first to the repayment of all costs of collection, including but not limited to attorney’s fees, next to any late payment charges, next to accrued interest and then to the oldest obligation due under this Agreement or any other agreement between the Franchisee and TMI or an affiliate of TMI. In addition, TMI shall have the right to set-off, from any amounts that TMI may owe to the Franchisee, any amount that the Franchisee owes to TMI.

24.5 EFFECT OF WRONGFUL TERMINATION. In the event that TMI or the Franchisee takes any action to terminate this Agreement and/or to convert the Franchised Business to another business without first complying with the terms and conditions (including the written notice and opportunity to cure provisions) of Article 16 or Article 17 of this Agreement, as applicable, then such action will not relieve either party of, or release either party from, any of its obligations under this Agreement, and the terms and conditions of this Agreement will remain in full force and effect until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

24.6 CUMULATIVE RIGHTS. The rights of TMI hereunder are cumulative and no exercise or enforcement by TMI of any right or remedy hereunder will preclude the exercise or enforcement by TMI of any other right or remedy hereunder or which TMI is entitled by law to enforce.

24.7 VENUE AND JURISDICTION. Unless provided by this Agreement or applicable law to the contrary, all litigation, lawsuits, hearings, proceedings and other actions initiated by either party against the other party will be venued exclusively in Douglas County, Nebraska. The Franchisee acknowledges that the Franchisee and its officers, directors, members, partners and employees have had substantial business and personal contacts with TMI in Douglas County, Nebraska. Consequently, TMI, the Franchisee, and each of their officers, directors and shareholders, and the Personal Guarantors do hereby agree and submit to personal jurisdiction in the State of Nebraska for the purposes of any suit or proceeding brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising under, as a result of, or in connection with this Agreement, the Designated Market Area or the Franchised Business, and do hereby agree and stipulate that any such suits, proceedings, hearings or other actions will be exclusively venued and held in Douglas County, Nebraska. TMI also reserves the right to file any litigation, lawsuits, hearings, proceedings or other action against the Franchisee in the federal or state courts where the Franchised Business is located. The Franchisee waives all rights to challenge personal jurisdiction and venue.

24.8 BINDING AGREEMENT. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

24.9 NO ORAL MODIFICATION. No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement signed by duly authorized officers or partners of the Franchisee and the President or the Chief Operating Officer. The Franchisee and TMI will not have the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void in all respects.

24.10 ENTIRE AGREEMENT. This Agreement supersedes and terminates all prior agreements, either oral or in writing, between the parties involving the franchise relationship and therefore, representations, inducements, promises or agreements alleged by either TMI or the Franchisee that are not contained in this Agreement will not be enforceable. The preambles are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between TMI and the Franchisee relating to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations TMI made in its Franchise Disclosure Document that TMI provided to the Franchisee.

24.11 JOINT AND SEVERAL LIABILITY. If the Franchisee consists of more than one individual, then the liability of all such individuals under this Agreement will be joint and several.

24.12 HEADINGS; TERMS. The headings of the Articles are for convenience only and do not in any way define, limit or construe the contents of such Article. The term “Franchisee” as used herein is applicable to one or more individuals, a corporation or a partnership, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to “Franchisee,” “assignee,” “licensee” and “transferee” which are applicable to an individual or individuals will mean the principal owner or owners of the equity or operating control of the Franchisee or any such assignee or transferee if the Franchisee or such assignee or transferee is a corporation or partnership. If the Franchisee consists of more than one individual, then all individuals will be bound jointly and severally by the terms and conditions of this Agreement.

24.13 OPERATION IN THE EVENT OF ABSENCE, DISABILITY OR DEATH. To endeavor to avoid any interruption of the Franchised Business which would cause harm to the Franchised Business and thereby depreciate the value of the Franchised Business, the Franchisee expressly authorizes TMI, if the Franchisee and its Manager are absent or incapacitated by illness or death, or in the absence of a Manager who has successfully completed the TMI SMART Start Training program, and the Franchisee is not, therefore, in the sole judgment of TMI, able to operate the Franchised Business, to operate the Franchised Business for as long as TMI deems necessary and practical, without waiver of any other rights or remedies TMI may have under this Agreement. All monies received by TMI from the operation of the Franchised Business during such period of operation by TMI will be kept in a separate account and the expenses of such Business, including reasonable compensation and expenses for TMI’s representatives, will be charged to such account. If TMI operates the Franchised Business for the Franchisee, the Franchisee agrees to indemnify and hold harmless TMI and any representative of TMI from and against all acts which TMI or such representative may perform in such operation of the Franchised Business.

24.14 NO DISPUTES SUBJECT TO ARBITRATION. No disputes arising under, as a result of, or in connection with this Agreement, the Designated Market Area or the Franchised Business will be subject to arbitration or mediation.

24.15 NO CLASS ACTIONS. No party except TMI, the Franchisee, and the Franchisee's officers, directors, partners, members, shareholders and Personal Guarantors will have the right to join in any proceeding arising under this Agreement. No class actions or the joinder of any person or entity that is not a party to this Agreement shall be involved in or participate in any legal actions conducted pursuant to this Agreement.

ARTICLE 25 GOVERNING LAW

25.1 GOVERNING LAW. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement and the relationship between TMI and the Franchisee will be governed by the laws of the state in which the Designated Market Area is located. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by the Franchisee and TMI.

ARTICLE 26 NOTICES

All notices to TMI will be in writing and will be made by personal service upon an officer or director of TMI or sent by prepaid registered or certified mail addressed to TMI at 9394 West Dodge Road, Suite 140, Omaha, NE 68114 or such other address as TMI may designate in writing, with a copy to Craig Miller, Lathrop GPM, 500 IDS Center, 80 South Eighth Street, Minneapolis, MN 55402. All notices to the Franchisee will be made by personal service upon the Franchisee (or, if applicable, upon an officer or Director of the Franchisee) or sent by prepaid registered or certified mail addressed to the Franchisee at the Franchisee's office, or such other address as the Franchisee may designate in writing. Notice may also be made through delivery by a recognized delivery service that requires a written receipt signed by the addressee. Notice by mail is effective upon depositing the same in the mail in the manner provided above, notice by personal service is effective upon obtaining service, and notice by overnight delivery service is effective upon delivery (as confirmed by written receipt) by such delivery service.

IN WITNESS WHEREOF, TMI, the Franchisee and the holders of all of the Ownership Interests in the Franchisee have respectively signed and sealed this Agreement effective as of the day and year first above written.

**“TMI”
THE MAIDS INTERNATIONAL, LLC**

By _____

Its _____

“Franchisee”

The undersigned holders of Ownership Interests in the Franchisee hereby agree to be bound by the terms and conditions of this Agreement.

| HOLDERS | PERCENTAGE OF OWNERSHIP |
|---------|----------------------------|
| _____ | _____ % |
| _____ | _____ % |
| _____ | _____ % |
| _____ | _____ % |

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

In consideration of the execution of this Agreement by TMI, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions in this Agreement, to be paid, kept and performed by the Franchisee.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in this Agreement and agree that this Personal Guaranty should be construed as though the undersigned and each of them executed an Agreement containing the identical terms and conditions of this Agreement.

If any default should at any time be made therein by the Franchisee, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to TMI all monies due and payable to TMI under the terms and conditions of this Agreement.

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

In addition, should the Franchisee at any time be in default on any obligation to pay monies to TMI or any subsidiary or affiliate of TMI, whether for merchandise, products, supplies, furniture, fixtures, equipment or other goods purchased by the Franchisee from TMI or any subsidiary or affiliate of TMI, or for any other indebtedness of the Franchisee to TMI or any subsidiary or affiliate of TMI, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable from the Franchisee to TMI or any subsidiary or affiliate of TMI upon default by the Franchisee.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of TMI.

PERSONAL GUARANTORS

Individually

Address

City State Zip Code

Telephone

Individually

Address

City State Zip Code

Telephone

Individually

Address

City State Zip Code

Telephone

Individually

Address

City State Zip Code

Telephone

Individually

Address

City State Zip Code

Telephone

Individually

Address

City State Zip Code

Telephone

EXHIBIT A

INITIAL FEES AND DESIGNATED MARKET AREA

1. **Initial Territory Fee.** The Initial Territory Fee is the following (*check one*):
 - an Initial Territory Fee in an amount equal to \$0.50 for each Household in Franchisee's Designated Market Area for a total of \$ _____.
 - an Initial Territory Fee in an amount equal to: \$ _____ plus 2% of Franchisee's total combined weekly Gross Revenues which are received, billed or generated by, as a result of, in connection with or from the Franchised Business until the earlier of: (a) the date this Agreement expires or (b) the Franchised Business' annual calendar year Gross Revenues reaches \$600,000. Franchisee will calculate and pay the 2% fee in the same method and manner as the Continuing License Fee.
2. **SMART Start Package.** The SMART Start Package is equal to \$ _____.
3. **Designated Market Area.** The Franchisee's Designated Market Area shall be the following geographic area, as described on the attached written boundaries and map.

EXHIBIT E

SOFTWARE LICENSE AGREEMENT

THE MAIDS INTERNATIONAL, LLC
SOFTWARE LICENSE AGREEMENT

1. Parties. This Software License Agreement (this “Agreement”) is entered into effective as of the ____ day of _____, 20__ (the “Effective Date”), by and between The Maids International, LLC, a Nebraska limited liability company, (“Licensor”) and _____, _____ (“Licensee”).

2. Software. Licensor has entered into an Agreement with Waterstreet Technology Group, 171 Water Street, Suite 200, Vancouver, BC V6B 1A7 (“WSTG”) whereby Licensor has been granted a limited Master License for licensing purposes to distribute WSTG's Licensed Franchise Management Software (the “Software”) to its franchisees. The Software was designed specifically to support the operations and management of a The Maids® Business. “Software” means all software products supplied to Licensee by Licensor including all documentation, user manuals, and other material related to the Software, whether in machine-readable or printed form, and error corrections and enhancements supplied by Licensor pursuant to this Agreement. If significant structural changes to the Software are made, additional upgrade costs may be incurred by Licensee.

3. Franchise Relationship. Licensee (as Franchisee) has signed a Franchise Agreement with Licensor (as Franchisor) on or before the date of this Agreement (hereinafter the “Franchise Agreement”). Pursuant to the Franchise Agreement, Licensee operates or will operate a franchised The Maids® Business to service a Designated Market Area defined in the Franchise Agreement. Licensee desires to obtain a license to use the Software in connection with the operation of its franchised The Maids® Business.

4. Hardware and Software. Licensee has acquired, at its sole expense, prior to or concurrently with access to the Software by Licensor, the compatible computer hardware and peripheral equipment, operating system software, internet connection, and other computer hardware and software required by Licensor to support the operation of the Software. Licensee will, at its sole expense, acquire any other hardware or third-party software required by Licensor during the term of this Agreement for the support of the Software or the operation of Licensee’s The Maids® Business, and will pay all license or use fees payable with respect to any software required to support the operation of the Software.

5. Grant of License. Licensor grants to Licensee a nonexclusive and non-transferable license to use the Software in Licensee’s business subject to the terms and conditions of this Agreement. Licensee is strictly prohibited from using the Software (a) for any purpose other than supporting the operation of Licensee’s The Maids® Business, or (b) after the expiration or termination of this Agreement.

6. Monthly Software Fees. In addition to the Software and Support Fee paid to Licensor pursuant to the terms of the Franchise Agreement, Licensee will pay a monthly fee which allows Licensee one site license per Licensee defined business entity (site), access to upgrades, fixes or any future versions of the Software at no additional cost and allows access to all training provided by Licensor. Software Subscription Fees are \$105 to \$265 (based on prior calendar year’s Gross Revenues) per month, plus an additional \$30 per office per month. Licensee will remit the Software and Support Fee monthly to Licensor on or after the 15th of the month for which the License is active. Licensee is deemed active for purposes of the initiation of continuing software fees upon completion of SMART Start Training. Remittance of the monthly Software and Support Fee to Licensor must be made (a) by pre-authorized electronic bank transfer from Licensee’s account to Licensor’s account, or (b) as otherwise directed by Licensor. Licensee will remit all applicable sales, use, excise, and other taxes on the Software, except for

taxes based on Licensor's net income. Licensor reserves the right to increase the monthly Software Subscription Fee upon 30 days' notice.

7. Software Support Plan. Basic Software support is provided by Licensor as part of the monthly software fee. Software customization, enhancements or other non-standard requests may result in billable services at WSTG's current rate.

8. Late Payment. Any amounts that are not paid to Licensor when due shall bear interest from the date due until paid of the lesser of 18% per annum or the maximum legal rate of interest allowed by the state in which the Licensee's The Maids® Business is located.

9. Term. Unless sooner terminated, the term of this Agreement and of the license granted herein will begin on the Effective Date and continue until the expiration or termination of the Franchise Agreement. Licensee enter into a successor Software License Agreement with Licensor by signing Licensor's then-current form of Software License Agreement, and by paying all fees and complying with all terms and conditions set forth in the then-current form of Software License Agreement. Licensee further acknowledges that future changes in technology may necessitate upgrades in hardware and third-party software required to operate the Software which may result in additional costs or fees payable by Licensee after the initial term of this Agreement.

10. Licensee Responsibilities - Security. Licensee must use discretion in granting access to Software and agrees to adhere to best practices for secure use and access to customer and business information. Licensee and users agree that unique login and password assignments will be granted to each user of the software and will not be shared. Passwords should be changed at least every thirty days. Licensee agrees to use up-to-date local anti-virus software on each device accessing Software. Licensee agrees to notify Licensor in the event, or suspicion of, a security breach in which an unauthorized or authorized user may have or has accessed Software for malicious purpose.

11. Ownership. Licensee is granted only a license to use the Software, and Licensor and/or WSTG retain all title to the Software. Licensor and/or WSTG reserve all rights in the patents, copyrights, trade secrets and other intellectual property in the Software.

12. Confidential Information. Licensee agrees that the Software is confidential and contains proprietary information of Licensor and that its unauthorized disclosure could cause the Licensor irreparable harm. Licensee agrees not to disclose the Software or make the Software available to anyone other than Licensee's employees or contractors unless Licensee has Licensor's prior written consent. Licensee will exercise no less than reasonable care to protect the Software from unauthorized disclosure, and will take reasonable steps to ensure that Licensee's employees and contractors do not disclose it in violation of this Agreement. Licensee will be liable to Licensor for damages if Licensee is negligent in protecting the Software in accordance with this Agreement. LICENSEE WILL NOT DISASSEMBLE, DECOMPILE, OR REVERSE ENGINEER THE SOFTWARE UNDER ANY CIRCUMSTANCES.

13. Access to Software and Information. Licensee agrees that Licensor will at all times have the right to access the Software, by high speed internet access, i.e. cable modem access, for purposes of obtaining financial, sales, customer, marketing and all other data and information contained, resident or otherwise available in Licensee's computer system, for purposes of verifying compliance by Licensee with the terms of this Agreement or the Franchise Agreement, and for such other purposes as may be determined by Licensor, in its sole discretion. Licensor will have the right to retain and use any information obtained by accessing Licensee's Software for any purposes deemed appropriate by Licensor, in its sole discretion. Licensor may also, personally or through its assignees, access Licensee systems for the purposes of technical troubleshooting, diagnosis and resolution.

14. Limited Warranty. LICENSOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, GUARANTEES OR REMEDIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

15. Limitation of Liability. UNDER NO CIRCUMSTANCES WILL LICENSOR BE LIABLE FOR LOSS OF DATA, REPROCUREMENT COSTS, LOST REVENUE OR PROFITS OR FOR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES EVEN IF THEY WERE FORESEEABLE OR LICENSEE HAS INFORMED LICENSOR OF SUCH POTENTIAL DAMAGES.

16. Proprietary Rights Indemnity. Licensor will, at its expense, defend Licensee against any claim that the Software infringes a United States patent or copyright. Licensee must give the Licensor prompt written notice of any claim and cooperate fully with Licensor in its defense. Licensor will have the sole authority to control the case and any related settlement negotiations, and will pay all costs, damages and attorney's fees that a Court finally awards as a result of such claim. If, in Licensor's opinion, the Software or any component of the Software is likely to become the subject of such a claim, Licensor will have the right, at its option and expense, to attempt to either secure the right to continue using the Software, or else replace or modify the Software so that it becomes non-infringing without materially affecting the Licensee's ability to use it. If neither of these alternatives is available on terms which Licensor deems to be reasonable, then Licensee will return the Software to Licensor at Licensor's request, and Licensor will have no further obligations to Licensee with regard to the Software. Licensor will not be obligated to Licensee under this section for any claim which arises as a result of or relates to (a) Licensee's modification of the Software; (b) Licensor's compliance with Licensee's specifications or instructions in connection with providing support services; (c) the combination or interconnection of the Software with any other product, device or system Licensor did not supply or designate; or (d) any claims of infringement relating to any computer software other than the Software, including any claims relating to any operating system used to support the operation of the Software.

17. Assignment. Licensee will not sublicense, transfer, rent or lease the Software except in connection with an assignment of Licensee's The Maids® Business pursuant to and in accordance with the terms and conditions of the Franchise Agreement, or otherwise with Licensor's prior written consent. If Licensor gives Licensee authorization to transfer this Agreement and the license granted hereunder to use the Software, the assignee must agree to accept the terms and conditions of this Agreement or sign Licensor's then-current Software License Agreement, at Licensor's option. Licensee access to Software will be terminated. Licensor will have the right to assign this Agreement or the rights to receive monthly Software Subscription Fees to a parent or Affiliate Company, a successor in interest, or other transferee upon notice to the Licensee.

18. Default. Any of the following occurrences will constitute an "Event of Default" under this Agreement:

- (a) Licensee's failure to pay when due any monthly Software Subscription Fees or other charge or fee payable to Licensor pursuant to this Agreement;
- (b) Licensee's breach or default of any other provision of this Agreement if such breach or default is not corrected within 30 days, or such other period of time specified by applicable law, after the Licensor gives the Licensee written notice of breach;

(c) The Franchise Agreement is terminated by either party or expires and is not renewed; or

(d) Licensee is in default of any of its obligations under the Franchise Agreement and fails to correct such default in accordance with the notice and cure provisions of the Franchise Agreement.

19. Licensor's Remedies Upon Default. Upon the occurrence of any event of default, Licensor will have the right to exercise any or all of the following rights and remedies:

(a) Terminate this Agreement;

(b) Declare all amounts owed to Licensor pursuant to this Agreement to be immediately due and payable;

(c) Require that Licensee cease use of the Software;

(d) Cease performance of all of Licensor's obligations under this Agreement without liability to Licensee;

(e) Use computer hardware and/or computer software to limit Licensee's use of the Software; and/or

(f) Use computer hardware and/or computer software to render the Software unusable to Licensee.

20. Sole Agreement; Modification. This Agreement is the sole agreement between the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of either party. This Agreement may be amended only by a writing executed by the party against whom enforcement is sought.

21. Governing Law. This Agreement will be interpreted in accordance with the substantive laws of the state in which Licensee's The Maids® Business is located.

22. Costs and Attorneys' Fees. Licensee will indemnify Licensor for all costs that Licensor incurs in any lawsuit or proceeding to enforce this Agreement including, without limitation; actual attorneys' fees, expert witness fees, costs of investigation, court costs, litigation expenses, travel and living expenses, and all other costs incurred by Licensor.

23. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required or the taking of some other action not required, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

24. Waiver; Consent. Licensor and Licensee may, by written instrument signed by Licensor and Licensee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Licensor of any payment by Licensee and the failure, refusal or neglect of Licensor to exercise any right under this Agreement or to insist upon full compliance by Licensee of its obligations will not constitute a waiver by Licensor of any provision of this Agreement. Whenever this Agreement requires Licensor’s prior written consent, such consent may be withheld by Licensor for any reason whatever.

25. No Rights of Offset. Licensee will not, on grounds of the alleged nonperformance by Licensor of any of its obligations or for any other reason, withhold payment of any monthly Software Subscription Fees or payments due Licensor pursuant to this Agreement or pursuant to any other contract, agreement or obligation. Licensee will not have the right to “offset” any liquidated or unliquidated amounts, damages or other funds allegedly due to Licensee by Licensor against any payments due to Licensor under this Agreement.

26. Licensor’s Rights Cumulative. The rights of Licensor are cumulative and no exercise or enforcement by Licensor of any right or remedy will preclude the exercise or enforcement by Licensor of any other right or remedy or which Licensor is entitled by law to enforce.

27. Jurisdiction; Venue. All litigation, court hearings, or other proceedings initiated by either party against the other party will be initiated, venued and maintained in strict accordance with the corresponding applicable provisions of the Franchise Agreement.

28. Binding Agreement. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

29. Headings. The headings used in this Agreement are for convenience only and do not in any way define, limit or construe the contents hereof.

30. Notices. All notices to Licensor or Licensee will be given in accordance with and subject to the corresponding applicable terms and conditions of the Franchise Agreement.

31. Counterparts. This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the day and year first above written.

“LICENSEE”

“LICENSOR”

THE MAIDS INTERNATIONAL, LLC

By _____

By _____

Its _____

Its _____

EXHIBIT F

NATIONAL ALLIANCE PARTICIPATION AGREEMENT

NATIONAL ALLIANCE PARTICIPATION AGREEMENT

The undersigned franchisee (“Franchisee”) and The Maids International, LLC (“TMI”) are parties to a The Maids® franchise agreement (the “Franchise Agreement”). Franchisee, by executing this Participation Agreement (the “Agreement”), elects to become a participating franchisee in the arrangements between TMI and all of TMI’s national alliances (“Alliances”) as described in the master services agreements entered into by and between TMI and Alliances (the “Master Services Agreement”). TMI has created a manual and other written documents that TMI will make available to Franchisee and will periodically update, that describes various standards, programs and rules for Franchisee to participate in arrangement between TMI and its Alliances. Franchisee accepts, and agrees to be bound by, all of the terms of this Agreement and the Alliances Manual. Except as provided for in Section 7 of this Agreement, in the event of an inconsistency between the terms of this Agreement and the terms of the Franchise Agreement, the terms of the Franchise Agreement control.

TERMS

1. Provision of Services. Franchisee shall provide certain services to Alliances’ customers in accordance with this Agreement and with the terms and conditions of Alliances Manual (the “Services”).
2. Service Fees. Alliances shall pay TMI the fees due under the Master Services Agreements as described in the Alliances Manual (the “Fees”). TMI will forward weekly invoices as updated on TMI’s intranet or otherwise in writing to Alliances for Services previously performed by Franchisee. Alliances will provide payment of the Fees to TMI no later than thirty (30) days from the date of receipt of such invoice. Once the Fees are received by TMI from Alliances, TMI will remit such Fees to Franchisee within a reasonable amount of time, but no later than within ten (10) business days of its receipt of such fees from Alliances. Fees pertaining to any additional services or service hours requested by Alliances’ customers will be payable directly to Franchisee by customer. Franchisee shall locate and provide to TMI any documentation required to substantiate any Fees, including an itemized list of the Services provided to specific residences on specific dates, as requested. In the event that Alliances reasonably disputes any Fees, it must submit written notice and any supporting documentation to TMI within thirty (30) days of its receipt of TMI’s invoice. TMI will immediately forward such notice to Franchisee for Franchisee’s consideration. Franchisee shall provide TMI a written response within ten (10) days of the date of Alliances’ notice of dispute.
3. Taxation. Franchisee is responsible for payment of any and all taxes related to its provision of the Services to Alliances, including without limitation, any and all state and local sales and use taxes, gross receipts, business and occupation taxes incurred or required to be paid for any reason in connection with the sale of Services to Alliances or any penalties or interest assessed on audit due to any action, inaction or omission of Alliances or its customers or their respective employees, agents, contractors or representatives with respect to the taxes to be paid hereunder. The Fees are inclusive of any such taxes. The terms set forth in Section 2 of this Agreement shall govern any collection of taxes pursuant to this Section 3.
4. Insurance. Franchisee will submit to TMI concurrently with the execution of this Agreement, and annually thereafter, proof of all insurance required under the Franchise Agreement. Franchisee agrees to keep TMI informed of all claim activities involving the Services provided to Alliances or its customers, including actions taken with regard to any claim by any insurance carrier. The purchase of insurance and the furnishing of certificates are required in order to perform any Services for Alliances or its customers.
5. Compliance with TMI Franchise Agreement. Except as provided for in Section 7 of this Agreement, Franchisee agrees to comply with all of its obligations under its Franchise Agreement with

TMI, including but not limited to, being on the latest version of software and related electronic payment process, being current with payment of royalties and meeting its obligations with an agreed upon payment plan.

6. Exclusivity. Franchisee agrees these programs are maintained exclusively with Alliances and that agreements with any company to perform the same services provided to the Alliances may be a violation of the exclusivity terms of the Master Services Agreements. Any other relationships with such companies must be approved in writing by TMI prior to their commencement.

7. Franchisee Availability Outside Its Territory. Notwithstanding any provision of Franchisee's Franchise Agreement to the contrary, upon Franchisee's execution of this Agreement, TMI will designate the zip codes outside the Designated Market Area ("DMA") of Franchisee (and all other TMI franchisees' DMAs) in which Franchisee is able to offer Services under this Agreement, if Franchisee is willing to do so. TMI retains the sole and exclusive right and authority to designate to which franchisee sales from Alliance programs will be sent when outside any DMAs and may reassign or sell those service zips at any time. TMI also retains the sole and exclusive right and authority to amend the Alliances projects that Franchisee will perform in such areas during the term of this Agreement. Franchisee acknowledges the designation to perform Services under this Agreement is a non-exclusive designation and that it will have no right to perform Alliances projects in any designated zip codes should TMI sell a DMA which includes the designated zip codes or reassigns the designated zip codes to another franchisee.

8. Marketing Outside Its Territory. Franchisee acknowledges that TMI does not recommend marketing outside of a Franchisee's DMA.

9. Service Standards and Quality Labor Standards. Franchisee agrees to abide by the "Service Standards" and the "Quality Labor Standards" required by the Alliances as described in the TMI's Alliances Manual.

10. Indemnification. Franchisee will indemnify, defend and hold TMI and the Alliances, and their respective affiliates, subsidiaries, officers, directors, agents and employees harmless for, from and against any and all liability, third party claims, causes of action, costs, loss and/or damages, including reasonable attorney's fees and costs (collectively, "Adverse Consequences"), arising out of or related to Franchisee's action or inaction with the performance of its obligations under this Agreement, including any Adverse Consequences arising out of or relating to the determination by any taxing jurisdiction that TMI or any Alliance owes any tax, penalty or interest with respect to Franchisee's provision of Services to Alliances or its customers. Franchisee will give prompt written notice to TMI of any Adverse Consequence for which Franchisee will have an obligation to indemnify and hold harmless TMI or an Alliance. This section will survive the termination, cancellation or expiration of this Agreement.

11. Use of Marks/Logos. Franchisee may not use Alliances' marks and logos without TMI's prior written consent.

12. Participation. TMI reserves the right, in its sole discretion, to determine a Franchisee's ability to participate in the program. At TMI's discretion, Franchisee may not be allowed to participate for any reason, including but not limited to quality issues, customer damage, or non-compliance with the Agreement.

13. Notification of non-compliance. Franchisee shall immediately inform TMI in writing of any non-compliance with the Agreement. If Franchisee breaches this Agreement, TMI may terminate this Agreement immediately upon written notice.

14. Effective Date and Termination. The Effective Date of this Agreement is _____, 2022 (“Effective Date”). The term of this Agreement commences on the Effective Date and continues for a period of one (1) year thereafter (“Initial Term”). This Agreement shall automatically renew on the Effective Date every year until the earlier of (i) termination of the Master Services Agreements, or (ii) TMI or Franchisee providing thirty (30) days prior written notice to the other party of its intent to terminate the Agreement.

15. Miscellaneous. All litigation, court hearings, or other proceedings initiated by either party against the other party will be initiated, venued and maintained in strict accordance with the corresponding applicable provisions of the Franchise Agreement. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

“FRANCHISEE”

By _____

Its _____

EXHIBIT G

PROMISSORY NOTE AND SECURITY AGREEMENT

PROMISSORY NOTE

\$ _____, 20____
Omaha, Nebraska

FOR VALUE RECEIVED, the undersigned, _____,
a _____ (“Maker”), promises to pay to the order of The Maids International,
LLC, a Nebraska limited liability company (herein with its successors and/or assigns, “Payee”) at 9394
West Dodge Road, Suite 140, Omaha, NE 68114, or at such other place as the Payee or other holder hereof
may direct in writing, the aggregate principal sum of

(\$ _____),
together with interest from the date hereof on the unpaid principal amount at the rate(s) hereinafter stated,
payable as follows:

1. Interest. The unpaid principal amount of this Promissory Note (“Note”) from time to time outstanding shall bear interest from the date hereof at the rate of _____% per annum. If Maker fails to pay any installment or make any payment on this Note for ten (10) days after the same shall become due, whether by acceleration or otherwise, Payee may, at its option, impose a late charge on the undersigned in an amount equal to five percent (5%) of such installment or payment. If any payment or installment is not made within thirty (30) days after the same shall become due, Payee may, at its option, impose an additional late charge on the undersigned in an amount equal to five percent (5%) of such installment or payment. Such installment or payment shall be subject to an additional five percent (5%) late charge for each additional period of thirty (30) days thereafter that such installment or payment remains past due. The late charge shall apply individually to all installments and payments past due with no daily adjustment and shall be used to defray the costs of Payee incident to collecting such late installment or payment. This provision shall not be deemed to excuse a late installment or payment or be deemed a waiver of any other rights Payee may have, including, but not limited to, the right to declare the entire unpaid balance due under this Note immediately due and payable. In no event shall the rate of interest payable hereunder at any time exceed the highest rate of interest allowed under applicable usury laws.

2. Principal and Interest Payments. This Note shall be due and payable by electronic funds transfer in _____ (_____) consecutive monthly installments with the initial installment being due and payable on _____, 20____ and the remaining installments being due and payable on the same day of each consecutive month thereafter. The final installment shall be due and payable on _____, 20____ and shall consist of the remaining principal balance of this Note and all unpaid interest accrued thereon. In the event that any payment date shall fall due on a Saturday, Sunday or United States banking holiday, payment shall be made on the next succeeding business day, and interest will continue to accrue on the unpaid principal amount during the interim. All payments of principal and interest are to be made in lawful money of the United States of America in immediately available funds.

3. Payment Application. Payments shall be applied first to expenses, costs, and attorney’s fees which are payable under this Note, secondly to interest, and finally to the reduction of principal; provided, such payments may at the option of Payee or other holder hereof, be applied to the payment of delinquent taxes, installments of special assessments, insurance premiums and/or other legal charges.

4. The Security. This Note may be executed and delivered by Maker pursuant to, and is entitled to the benefits of, a Security Agreement dated on even date herewith, between Maker and Payee

(the "Security Agreement"). Reference may be made to the Security Agreement for terms and provisions regarding the collateral security for payment of this Note (the "Collateral"), and for all other pertinent purposes.

5. Events of Default. An "Event of Default" shall be deemed to have occurred in the event that: (a) any installment of principal or interest due hereunder is not paid after becoming due and payable; or (b) any default by Maker occurs in the performance of the covenants, obligations or other provisions under the Franchise Agreements between Maker and Payee (the "Franchise Agreement(s)"), or any other agreement between Maker (or its affiliates) and Payee; or (c) any representation or warranty of the Maker set forth in the Franchise Agreement(s), or any other agreement between Maker and Payee proves to have been incorrect in any material respect; or (d) Maker becomes subject to any bankruptcy, insolvency or debtor relief proceedings; or (e) Maker fails to comply with or perform any provision of this Note not constituting a default under the previous items of this paragraph and such failure continues for fifteen (15) days after notice thereof to Maker; or (f) a default occurs causing the acceleration of any material obligation of Maker to any other creditors; or (g) any guarantors of the Franchise Agreement(s) revokes or renounces his or her guaranty; or (h) the Franchise Agreement(s) is terminated by Maker or by Payee or is declared terminated in any judicial proceeding.

6. Default and Remedies. Upon the occurrence of an Event of Default as defined herein or at any time thereafter, the entire principal and accrued interest of this Note shall become immediately due and payable, without further notice to Maker, at the option of Payee or other holder hereof. Payee or other holder hereof may also exercise any rights and remedies available to it as a secured party under the Security Agreement (if applicable), the Nebraska Uniform Commercial Code or other applicable law. To the extent permitted by applicable law, all benefits, rights and remedies hereunder shall be deemed cumulative and not exclusive of any other benefit, right or remedy herein. The failure of Payee or other holder hereof to exercise any right or remedy hereunder shall not be deemed to be a release or waiver of any obligation or liability of the Maker.

7. Obligations Absolute. All obligations of Maker hereunder are absolute and unconditional, irrespective of any offset or counterclaim of Maker against Payee or other holder hereof. Maker hereby waives the right to claim or enforce any right of offset, counterclaim, recoupment or breach in any action brought to enforce the obligations of Maker under this Note.

8. Waivers. Maker and any co-makers, sureties, endorsers and guarantors of this Note hereby jointly and severally waive presentment for payment, notices of non-performance or nonpayment, protest, notice of protest, notice of dishonor, diligence in bringing suit hereon against any party hereto and notice of acceleration, and further consent to any extension of time for payment hereunder (whether one or more), any renewal hereof (whether one or more), any substitution or release of Collateral (if applicable), and any addition or release of any party liable for payment of this Note. Any such extension, renewal, substitution or release may be made without notice to any such party and without discharging such party's liability hereunder. Payee reserves the right, in its sole and exclusive discretion, to waive the requirement in Section 2 above that all payments hereunder be due by electronic funds transfer.

9. Collection Costs; Attorney's Fees. Maker agrees to pay all expenses and costs of collection, including all reasonable attorney's fees and expenses, court costs, costs of sale and costs of maintenance and repair and similar costs incurred by Payee in connection with the enforcement of this Note, the collection of any amounts payable hereunder, whether by acceleration or otherwise, and/or the sale or other disposition of any Collateral.

10. **Prepayment.** Maker may prepay this Note, in whole or in part, at any time without premium or penalty. Any partial payments shall be applied first to accrued interest and then to principal installments in reverse order of maturity.

11. **Severability.** If any term or provision of this Note or application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and shall be valid and enforced to the fullest extent permitted by law.

12. **Limitation on Interest.** All agreements between Maker and Payee, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged, or received by Payee, or any subsequent holder hereof, exceed the maximum amount permissible under applicable law. If any interest in excess of the maximum amount of interest allowable by said applicable laws is inadvertently paid to Payee or the holder hereof, at any time, any such excess interest shall be refunded by the holder to the party or parties entitled to the same after receiving notice of payment of such excess interest. All interest paid or agreed to be paid to Payee shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension hereof) so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between Maker and Payee.

13. **Notice.** All notices pursuant to this Agreement shall be in writing and delivered by certified or registered mail, by reputable commercial delivery service, or by telecopy (with a confirmation copy mailed, postage prepaid). Until changed by written notice to the other party, notices to each party must be addressed as follows:

Notices to Payee: THE MAIDS International, LLC
9394 West Dodge Road, Suite 140
Omaha, NE 68114

With a copy to: Lathrop GPM
80 South 8th Street
IDS Tower 500
Minneapolis, MN 55402
Attn: John Fitzgerald

Notices to Maker: _____

14. **Jurisdiction and Venue.** It is hereby agreed that any and all claims, disputes or controversies whatsoever arising from or in connection with this Note, shall be commenced, filed and litigated, if at all, in the judicial district in which Omaha, Nebraska, is located, unless the conduct of such litigation is not within the subject matter jurisdiction of the court of such district. The parties waive all

questions of personal jurisdiction, convenience of forum and venue for purposes of carrying out this provision.

15. Jury Trial Waiver.

MAKER AND PAYEE IRREVOCABLY WAIVE TRIAL BY JURY, REGARDLESS OF THE FORUM, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ARISING FROM, WHETHER DIRECTLY OR INDIRECTLY, THIS NOTE.

16. Governing Law. In order to effect uniform interpretation of this Note, this Note and all disputes or controversies arising or related hereto shall be interpreted and construed under the laws of the State of Nebraska. In the event of any conflict of law question, the law of Nebraska shall prevail, without regard to the application of Nebraska conflict of law rules.

17. Amount Owng. The records of Payee or other holder of this Note shall be prima facie evidence of the amount owing on this Note.

18. Release. In consideration of the credit given to the Maker as evidenced by this Note, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned, for himself and his agents, employees, representatives, associates, heirs, successors and assigns (collectively the "Franchisee Entities"), does hereby fully and finally release and forever discharge the Payee ("TMI"), and its officers, shareholders, directors, agents, employees, representatives, associates, successors and assigns (collectively, the "TMI Entities") of and from any and all actions and causes of action, suits, claims, demands, damages, judgments, accounts, agreements, covenants, debts, levies and executions, including without limitation attorneys' fees, whatsoever, whether known or unknown, liquidated or unliquidated, fixed, contingent, direct or indirect, whether at law or in equity, which the Franchisee Entities, or any one or more of them, have had, now have or may in the future have against the TMI Entities, or any one or more of them, arising out of, in connection with or relating in any way to that certain franchise agreement between the undersigned and TMI, dated _____, 20__ (the "Franchise Agreement") or any other agreement between the undersigned and TMI, including but not limited to, any actions for fraud or misrepresentation, violation of any franchise laws, violation of any state or federal antitrust or securities laws, or violation of any common law, from the beginning time to the date of this Note; provided, however, specifically excluded from the release provisions of this Note shall be all obligations of TMI under the Franchise Agreement first accruing on and after the date hereof.

IN WITNESS WHEREOF, Maker has made, executed and delivered this Note effective as of the date first above written.

MAKER

By: _____

Name: _____

Title: _____

SECURITY AGREEMENT

THIS AGREEMENT is made and entered into on _____, 20__ by and between _____ (“Debtor”), of _____ and The Maids International, LLC, a Nebraska limited liability company with its principal place of business at 9394 West Dodge Road, Suite 140, Omaha, NE 68114 (“Secured Party”).

1. Definitions. As used in this Agreement, the following terms shall have the meanings indicated below:

1.1 “Code” shall mean the Uniform Commercial Code of the State of Nebraska, as the same may from time to time may be in effect.

1.2 “Collateral” shall mean the following, whether now owned or existing or hereafter acquired or arising: (a) all of Debtor’s accounts, contract rights and general intangibles, including, without limitation, all Franchise Rights; (b) all accounts, revenue and rights to payment arising from Debtor’s household maintenance and cleaning service business; (c) all of Debtor’s securities, certificates of deposit and deposit accounts; (d) all of Debtor’s goods, fixtures, furniture, vehicles, computer hardware and software, equipment, and inventory; (e) all of Debtor’s chattel paper, instruments, documents, and other property used or useful in the ownership, maintenance and operation of the business conducted by Debtor pursuant to any agreements between Debtor and Secured Party; and (f) to the extent not otherwise included, all proceeds of any of the foregoing.

1.3 “Franchise Rights” shall mean the following: (a) certain contractual rights granted Secured Party pursuant to the following THE MAIDS International, LLC Franchise Agreements, including without limitation, any rights to be a franchisee and any value in being a franchisee under those agreements.

| | |
|-------------------|------------------------------------|
| <u>Franchisee</u> | <u>Date of Franchise Agreement</u> |
| _____ | _____, 20__ |
| Name | |
| _____ | |
| Address | |
| _____ | |

(b) any other THE MAIDS International, LLC Franchise Agreement(s) in addition to the agreements described above; and (c) any rights to receive certain monies not yet earned that Secured Party may have pursuant to the above agreements and any additional franchise agreements between Debtor and Secured Party.

1.4 “Obligations” shall mean any and all liabilities, obligations and indebtedness of Debtor to Secured Party arising under or evidenced by the Promissory Note dated _____, 20__, in the original principal amount of _____ (\$ _____), the Franchise Agreement(s) described in Section 1.3 herein, or any other agreement between Debtor and Secured Party, and all other liabilities, obligations and indebtedness of Debtor to Secured Party of every kind and description, now existing or hereafter incurred or arising, matured or unmatured, direct or indirect, absolute or contingent, due or to

become due, and any renewals, consolidations and extensions, including any future advances from Secured Party to Debtor.

1.5 “Proceeds” shall mean, with respect to property included in the Collateral: (i) any stock rights, rights to subscribe, liquidating dividends, dividends, stock dividends, dividends paid in stock or cash, new securities, or any other property which Debtor may hereafter become entitled to receive on account of such property; (ii) any proceeds in the form of accounts, collections, contract rights, documents, instruments, chattel paper or general intangibles relating in whole or in part to such property; and (iii) any other property constituting proceeds within the meaning of the Code.

2. Grant of Security Interest. To secure the prompt payment and performance of the Obligations, the Debtor assigns for collateral purposes and grants to Secured Party a first and priority security interest in the Collateral.

3. Representations and Warranties. Debtor warrants and represents that there are no restrictions or prior rights granted in or to the Collateral and agrees not to grant any rights in the Collateral to any party during the term of this Agreement and that the security interest granted herein is and will remain a valid first, prior and perfected security interest.

4. Covenants.

4.1 Debtor agrees to execute and deliver such additional assignments, security agreements, financing statements and chattel mortgages as Secured Party shall reasonably request to render the collateral assignment and security interest granted hereby a valid, first prior and perfected collateral assignment and security interest in the Collateral.

4.2 Debtor shall, at its own cost and expense, maintain satisfactory and complete records of the Collateral and mark its books and records to reflect the collateral assignment and security interest granted hereby.

4.3 Debtor shall not mortgage, assign, pledge or otherwise encumber any of the Collateral without prior written consent of Secured Party, which shall not be unreasonably withheld.

4.4 Debtor agrees to indemnify and defend Secured Party against any claims of interest or assertions of priority against the Collateral.

5. Default. An “Event of Default” shall be deemed to have occurred in the event that: (a) any installment of principal or interest due hereunder is not paid after becoming due and payable; or (b) any default by Debtor occurs in the performance of the covenants, obligations or other provisions under the Franchise Agreements set forth in Section 1.3 herein (the “Franchise Agreement(s)”), or any other agreement between Debtor (or its affiliates) and Secured Party; or (c) any representation or warranty of the Debtor set forth in the Franchise Agreement(s), or any other agreement between Debtor and Secured Party proves to have been incorrect in any material respect; or (d) Debtor becomes subject to any bankruptcy, insolvency or debtor relief proceedings; or (e) Debtor fails to comply with or perform any provision of this Note not constituting a default under the previous items of this paragraph and such failure continues for fifteen (15) days after notice thereof to Debtor; or (f) a default occurs causing the acceleration of any material obligation of Debtor to any other creditors; or (g) any guarantors of the Franchise Agreement(s) revokes or renounces his or her guaranty; or (h) the Franchise Agreement(s) is terminated by Debtor or by Secured Party or is declared terminated in any judicial proceeding.

6. Remedies Upon Events of Default. On an Event of Default, the Secured Party, at the Secured Party's option, may declare all obligations secured hereby immediately due and payable, and may proceed to enforce payment of the same, and exercise any and all of the rights and remedies provided by the Code, as well as all other rights and remedies possessed by Secured Party under law. The Secured Party may require the Debtor to assemble the Collateral and make the Collateral available to the Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties and agree to execute such documents as are necessary to transfer all interest in the Collateral to Secured Party. The expenses of retaking, holding, preparing for sale, selling and the like will include Secured Party's reasonable attorney's fees and legal expenses. If the amount of the Collateral is insufficient to cover any outstanding indebtedness of Debtor to Secured Party pursuant to this Agreement, plus any expenses associated with default thereon, then Debtor shall remain liable to the Secured Party for any deficiency, in accordance with applicable state law. Debtor agrees to pay all expenses and costs of collection, including all reasonable attorney's fees and expenses, court costs, costs of sale and costs of maintenance and repair and similar costs incurred by Secured Party in connection with the enforcement of the Note, the collection of any amounts payable hereunder, whether by acceleration or otherwise, and/or the sale or other disposition of the Collateral. If any notification of an intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonable and properly given if mailed by certified mail, return receipt requested, postage prepaid, or delivered by overnight courier, to the address of Maker stated in this Note, at least ten (10) days prior to such disposition.

7. General Provisions.

7.1 Notice. All notices pursuant to this Agreement shall be in writing and delivered by certified or registered mail, by reputable commercial delivery service, or by telecopy (with a confirmation copy mailed, postage prepaid). Until changed by written notice to the other party, notices to each party must be addressed as follows:

Notices to Secure Party: THE MAIDS International, LLC
9394 West Dodge Road, Suite 140
Omaha, NE 68114

With a copy to: Lathrop GPM
80 South 8th Street
IDS Tower 500
Minneapolis, MN 55402
Attn: John Fitzgerald

Notices to Debtor: _____

7.2 Entire Agreement. This Agreement and the documents referred to herein constitute the entire Agreement between Secured Party and Debtor concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter.

7.3 Jurisdiction and Venue. It is hereby agreed that any and all claims, disputes or controversies whatsoever arising from or in connection with this Agreement shall be commenced, filed and litigated in the judicial district in which Omaha, Nebraska, is located, unless the conduct of such litigation is not within the subject matter jurisdiction of the court of such district. The parties waive all questions of personal jurisdiction, convenience of forum and venue for purposes of carrying out this provision.

7.4 Jury Trial Waiver. **DEBTOR AND SECURED PARTY IRREVOCABLY WAIVE TRIAL BY JURY, REGARDLESS OF THE FORUM, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER IN CONNECTION WITH THIS AGREEMENT.**

7.5 Governing Law. In order to effect uniform interpretation of the Agreement, this Agreement and all disputes or controversies arising or related hereto shall be interpreted and construed under the laws of the State of Nebraska. In the event of any conflict of law question, the law of Nebraska shall prevail, without regard to the application of Nebraska conflict of law rules.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the date and year first above written.

“SECURED PARTY”

THE MAIDS International, LLC

By: _____

Name: _____

Title: _____

“DEBTOR”

By: _____

Name: _____

Title: _____

EXHIBIT H

AGREEMENTS TO BE SIGNED BY THE FRANCHISEE AND/OR ITS MANAGER

The following are copies of Agreements and forms THE MAIDS International, LLC requires Franchise Owners and/or Managers to sign:

| AGREEMENT/FORM | SIGNED BY |
|---|----------------------------|
| Franchise Questionnaire | Franchise Owner |
| Telephone Listing Agreement | Franchise Owner |
| Assignment of Domain Name and E-Mail Address | Franchise Owner |
| Authorization of Electronic Transfer of Funds | Franchise Owner |
| Manual Sign-Off Agreement | Franchise Owner |
| Model Release | Franchise Owner Manager |
| TMI Confidentiality / Nondisclosure Agreement | Franchise Owner |

FRANCHISE QUESTIONNAIRE

As you know, The Maids International, LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement for the operation of a The Maids® franchised business (the “Franchise”). Please review each of the following questions carefully and provide honest responses to each question.

| QUESTION | Y E S | NO |
|--|-------------|----|
| 1. Have you received the Franchisor’s Franchise Disclosure Document at least 14 days before signing the Franchise Agreement? | | |
| 2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? | | |
| 3. Did you personally review the Franchise Disclosure Document and do you understand all of the information contained in the Franchise Disclosure Document? | | |
| 4. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it? | | |
| 5. If Franchisor materially altered the provisions of the basic Franchise Agreement or any related agreements attached to the Franchise Disclosure Document (except as a result of negotiations you initiated) before you signed the Franchise Agreement did you receive a copy of the revised Franchise Agreement at least seven days prior to signing the Franchise Agreement? | | |
| 6. Do you understand the terms of and your obligations under the Franchise Agreement? | | |
| 7. Have you discussed the benefits and risks of operating the Franchise with an attorney, accountant or other professional advisor? | | |
| 8. Do you understand the risks associated with operating the Franchise? | | |
| 9. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchise that is contrary to or different from, the information contained in the Franchise Disclosure Document? | | |
| 10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchise will generate that is contrary to, or different from, the information contained in the Franchise Disclosure Document? | | |

| QUESTION | Y E S | NO |
|---|-------------|----|
| 11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the costs involved in operating the Franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? | | |
| 12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? | | |
| 13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? | | |

If you answered “Yes” to any of questions nine (9) through thirteen (13), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of the foregoing questions, please leave the following lines blank.

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISE APPLICANT

FRANCHISE APPLICANT

Date: _____

Date: _____

THE MAIDS INTERNATIONAL, LLC

TELEPHONE LISTING AGREEMENT

Between

The Maids International, LLC

And

_____, 20____

In accordance with the terms of the Franchise Agreement between _____ (“Franchisee”) and The Maids International, LLC (“TMI”), a Nebraska limited liability company, executed concurrently with this Assignment, under which TMI granted Franchisee the right to own and operate a franchised business located in _____ County, _____ (the “Franchised Business”), Franchisee, for value received, hereby assigns to TMI all of Franchisee’s right, title, and interest in and to those certain telephone numbers and regular, classified, or other telephone directory listings (collectively, the “Telephone Numbers and Listings”) associated with TMI trade and service marks and used from time to time in connection with the operation of the Franchised Business. This assignment is for collateral purposes only and, except as specified herein, TMI will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless TMI notifies the telephone company and all listing agencies (collectively, the “Telephone Company”) pursuant to the terms hereof to effectuate the assignment.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), TMI will have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings, and, in such event, Franchisee will have no further right, title, or interest in the Telephone Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between TMI and Franchisee, upon termination or expiration of the Franchise Agreement, TMI will have the sole right to and interest in the Telephone Numbers and Listings, and Franchisee appoints TMI as Franchisee’s true and lawful attorney-in-fact to direct the Telephone Company to assign same to TMI, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee will immediately notify the Telephone Company to assign the Telephone Numbers and Listings to TMI. If Franchisee fails to promptly direct the Telephone Company to assign the Telephone Numbers and Listings to TMI, TMI will direct the Telephone Company to effectuate the assignment, contemplated hereunder, to TMI. The parties agree that the Telephone Company may accept written direction from TMI, or this Assignment, as conclusive

proof of TMI's exclusive rights in and to the Telephone Numbers and Listings upon such termination or expiration. The parties further agree that if the Telephone Company requires that the parties execute the Telephone Company's assignment forms or other documentation at the time of termination or expiration, TMI's execution of such forms or documentation will effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof, they will 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.

FRANCHISEE

By: _____ Date: _____

Its: _____

By: _____ Date: _____

Its: _____

ASSIGNEE
THE MAIDS INTERNATIONAL, LLC,
a Nebraska limited liability company

By: _____ Date: _____

Its: _____

THE MAIDS INTERNATIONAL, LLC
ASSIGNMENT OF DOMAIN NAME
AND E-MAIL ADDRESS

The undersigned, _____, d/b/a The Maids®, hereby assigns to The Maids International, LLC (“TMI”), 9394 West Dodge Road, Suite 140, Omaha, NE 68114, all of my (our) right, title, and interest in and to the following domain names and e-mail addresses:

_____, _____
_____, _____

TMI will hold this assignment until the earlier of the time (a) TMI notifies the undersigned that the undersigned (or any affiliate of the undersigned) is in default under any Franchise Agreement or any other agreement with TMI (or any affiliate of TMI) or (b) such Franchise Agreement expires or is terminated. The undersigned agrees to pay all amounts, whether due and payable or not, that any domain name registry or internet service provider may require in connection with such transfer or otherwise and agrees to indemnify and hold harmless _____ (“Registry”) and _____ (“ISP”) and TMI in connection with this and any other assignment and any other matters and/or disputes related in any way thereto.

The Registry and the ISP are requested to honor this Assignment upon notice by TMI that the undersigned (or any affiliate of the undersigned) is in default under such Franchise Agreement or any other agreement with TMI (or any affiliate of TMI) or such Franchise Agreement has expired or is or was terminated.

On transfer to TMI, TMI may continue the monthly (periodic) service with said Registry and ISP or cancel the same, but shall not be obligated or liable for any arrears or charges for domain name registration or internet service or otherwise prior to such transfer, the undersigned specifically agreeing to remain liable for any such charges.

Dated: _____

(Signature)

(Signature)

(Print or Type Name)

(Print or Type Name)

THE MAIDS INTERNATIONAL, LLC

Authorization Electronic Transfer of Funds

Company

Name: The Maids International, LLC

Company ID

Number: _____

I (we) hereby authorize The Maids International, LLC. ("TMI") to initiate debit entries and to initiate, if necessary, credit entries and adjustments for any debit entries and to initiate, if necessary, credit entries and adjustments for any debit entries in error to my (our) _____ Checking _____ Savings account (select one) indicated below. I (we) further authorize the depository named below (the "DEPOSITORY") to debit and/or credit the same to such account.

DEPOSITORY

Name: _____

Branch: _____

Address: _____

City: _____ State: _____ Zip: _____

Transit/ABA No.: _____ Account No.: _____

This authority is to remain in full force and effect until TMI has received written notification from me (or either of us) of its termination in such time and in such manner as to afford TMI reasonable opportunity to act on it. I (or either of us) have the right to stop payment of debit entry by notification to DEPOSITORY at such time as to afford DEPOSITORY a reasonable opportunity to act on it prior to charging such account. After such account has been charged, I have the right to have the amount of erroneous debit immediately credited to my account by DEPOSITORY, provided I (we) send written notice of such debit entry in error to DEPOSITORY within fifteen (15) days following issuance of the account statement or forty-five (45) days after posting, whichever occurs first.

Name(s): _____

ID Number: _____

Date: _____

Signed: _____

Signed: _____

THE MAIDS INTERNATIONAL, LLC

Video and Manual Sign off Agreement

All The Maids® proprietary documents, manuals and video programs, electronic or hard copy are copyrighted and confidential material and shall not be copied, reproduced, or disclosed in any manner or form without expressed written permission from The Maids International, LLC
Items included, but not limited to:

- All documents and discussions found on TMI's Jostle.
- All manuals found on TMI's Online Learning Platform, including Administrative, Technical, TM Connect and Marketing manuals.
- Video programs found on TMI's Online Learning Platform. Access to the proprietary website outside of The Maids® office is not recommended. Additionally, passwords should not be provided to the employees.

All learning materials are the property of The Maids International, LLC and any available copies must be returned to The Maids International upon termination of the franchise agreement. Please fill in the information requested below and return the original to the home office. Retain a copy for your files.

Training date

Franchise number

Name

Signature

Date

Location

THE MAIDS INTERNATIONAL, LLC

MODEL RELEASE

Date _____

NAME OF MODEL

ADDRESS

TELEPHONE NUMBER

I hereby give The Maids International, its successors and assigns those acting under its permission and upon its authority, or those for whom it is acting, the absolute right and permission to copyright and/or publish photographic portraits or motion pictures of me or in which I may be included in whole or in part, or composite or distorted in character, or in form, in conjunction with my own or a fictitious name, or reproductions thereof in color or otherwise, made through any media at their studios or elsewhere for art, advertising, trade, or any other lawful purpose whatsoever.

I hereby waive any right that I may have to inspect and/or approve the finished product or the advertising copy that may be used in connection therewith or the use to which it may be applied.

I hereby release, discharge, and agree to save harmless The Maids International, its successors and assigns and all persons acting under the permission or authority or those for whom it is acting, from any liability by virtue of blurring, distortion, alteration, optical illusion, or use in composite form whether intentional or otherwise, that may occur or be produced in the finished product, unless it can be shown that they and the publication thereof were maliciously caused, produced and published solely for the purpose of subjecting me to conspicuous ridicule, scandal, reproach, scorn, and indignity.

I hereby waive release, discharge, and agree to save harmless The Maids International, its successors and assign and all other persons acting under their permission or authority or these for whom it is acting from any claim for residuals or other multiple compensation for repeated showings of photographic portraits or motion pictures of me.

I hereby warrant that I am of full age and have every right to contract in my own name in the above regard. I state further that I have read the above authorization and release, prior to its execution, and that I am fully familiar with its contents.

MODEL SIGNATURE _____

I, the undersigned, being the parent or guardian of the above Model, do hereby for a valuable consideration consent and release and signature thereto on behalf of my child or ward.

PARENT OR GUARDIAN _____

The Maids

CONFIDENTIALITY/NONDISCLOSURE AGREEMENT

I acknowledge and agree that The Maids International, LLC (“Company”), is engaged in a highly competitive industry of professional residential cleaning service. I further acknowledge and agree that Company has invested substantial time, effort and money in the development of its trade secrets, business methods and procedures, employees, customers and other confidential and proprietary information defined below as “Confidential Information” which has enabled Company to compete successfully in its business, and the disclosure of such information would be greatly damaging to Company and the continued success of its business.

Therefore, in order to protect Company from the misappropriation of its Confidential Information and to allow me to receive and use the Confidential Information, I agree as follows:

Confidential Information. For purposes of this Agreement, “Confidential Information” is defined as trade secrets and all internal business information which is proprietary in nature, confidential to Company, and not generally available to the public or to Company’s competitors. Such Confidential Information includes, without limitation, information about Company’s products and services, customers and prospective customers, the buying patterns and needs of customers and prospective customers, vendors and suppliers, pricing, costing systems, billing and collection procedures, proprietary software and the source code thereof, financial and accounting data, data processing and communications, technical data, marketing strategies, business plans, research and development of new or improved products and services, and general know-how regarding the business of Company and its products and services (collectively “Confidential Information”).

Nondisclosure. Both during and after my employment with Company, I will not directly or indirectly disclose to any person or entity or use for any purpose or permit the exploitation, copying or summarizing of any Confidential Information of Company, except as specifically required in the proper performance of my duties for Company.

Return of Property. I acknowledge and agree that the Confidential Information is and at all times shall remain the sole and exclusive property of Company. Upon the termination of my employment with Company or upon request by Company at any time, I will promptly return to Company in good condition all documents, data and records of any kind, whether in hard copy or electronic form, which contain any Confidential Information or which were prepared based on Confidential Information, including any and all copies thereof, as well as all materials furnished to or acquired by me during the course of my employment with Company.

Enforcement. I acknowledge and agree that, by reason of the sensitive nature of the Confidential Information of Company referred to in this Agreement, a breach of any of the promises or agreements contained herein will result in irreparable and continuing damage to Company for which there may not be an adequate remedy at law. As such, I acknowledge and agree that, in addition to the recovery of any damages and other legal relief to which Company may be entitled in the event of my violation of this Agreement, Company shall also be entitled to equitable relief, including such injunctive relief as may be necessary to protect the interests of Company in such Confidential Information and as may be necessary to specifically enforce this Agreement.

Dated: _____

Franchisee _____

Franchisee _____

EXHIBIT I

THE MAIDS® CONFIDENTIAL SYSTEM

THE MAIDS® CONFIDENTIAL SYSTEM

All print, online, and digital learning materials are the property of The Maids International, LLC Websites and passwords must be protected. Paper, video, and any media items including online content, are loaned during the period of the Franchise Agreement and must be returned at the expiration, termination or transfer of the Franchise Agreement. They constitute the body of knowledge referred to as The Maids® Business System in the Franchise Agreement.

ONLINE MANUALS, VIDEOS AND OTHER MATERIALS

| Description | Hard Copy Quantity | Online | English Version | Spanish Version | Received |
|---|--------------------|--------|-----------------|-----------------|----------|
| Administration Guide | | X | X | | |
| Technical Guide | | X | X | | |
| Marketing Manual | | X | X | | |
| TMConnect (Business Software) Manual | | X | X | | |
| The Maids Planning System | 1 | | X | | |
| Foundation Program Binder | 1 | | X | | |
| Safety Resources Manual | | X | X | | |
| Telenovelas (1 set of 25 illustrations)* | 2 | | X | X | |
| Wrist Coach Cards (1 set of 27 cards)* | 2 | | X | X | |
| Laminated Function Sheets* | 4 | | X | X | |
| Training Handbook* | 12 | | X | X | |
| Additional Home Services Manual | | X | X | | |
| Job Function Workbooks | | | | | |
| Team Member* | 15 | | X | X | |
| Assistant Team Leader* | 8 | | X | X | |
| Team Leader* | 8 | | X | X | |
| Field Manager | 2 | | X | | |
| Cleaning Function Videos | | | | | |
| Kitchen* | | X | X | X | |
| Bathroom* | | X | X | X | |
| Dusting* | | X | X | X | |
| Vacuum* | | X | X | X | |
| Orientation* | | X | X | X | |
| Team Training* | | X | X | | |
| Communication Skills* | | X | X | | |
| Assistant Team Leader* | | X | X | X | |
| Team Leader* | | X | X | X | |
| Field Manager* | | | | | |
| Field Manager Lessons (4 online lessons)* | | X | | | |
| Video Workbooks | | | | | |
| Team Training* | 6 | | X | X | |
| Communication Skills* | 6 | | X | X | |
| Field Manager* | 2 | | X | | |

Each of the items listed above are copyrighted materials owned by The Maids International, LLC

You will receive the stated quantity of this item in both English and Spanish versions where available.

EXHIBIT J

ONLINE OPERATIONS MANUAL TABLE OF CONTENTS

OPERATIONS MANUALS

Each section of the following Online Operations Manuals will be provided as a separate electronic page, or series of pages, that may vary in size and number depending on the settings you select on your computer. As such, the number of pages in each section of the Operations Manual is an estimate.

| <u>SECTION OF OPERATIONS MANUAL</u> | <u>NUMBER OF PAGES PER SECTION</u> |
|--|---|
| ONLINE ADMINISTRATION GUIDE | 236 |
| ONLINE TECHNICAL GUIDE | 430 |
| ONLINE ADDITIONAL SERVICES | 173 |
| ONLINE SAFETY MANUAL | 152 |
| ONLINE MARKETING MANUAL | 97 |
| VENDOR RESOURCE GUIDE | 169 |
| TOTAL | 1,332 |

The following manuals are currently provided as hard copies.

| | |
|-----------------------|----|
| TRAINING HANDBOOK | |
| SAFETY MANUAL | |
| TOTAL NUMBER OF PAGES | 53 |

EXHIBIT K

STATE ADMINISTRATOR AND AGENTS FOR SERVICE OF PROCESS

**STATE AGENCIES AND
AGENTS FOR SERVICE OF PROCESS**

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105
(213) 576-7500

Department of Agricultural and Consumer Services
Division of Consumer Services
227 N. Bronough Street
City Central Building, Suite 7200
Tallahassee, Florida 32301
(850) 922-2770

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Franchise Division
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Franchise Section
Indiana Securities Division
Secretary of State, Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankfort, Kentucky 40602
(502) 573-2200

Maryland Securities Commissioner
(Agent to Receive Service)
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

Maryland Office of the Attorney General
(State Authority)
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan Attorney General's Office
Consumer Protection Division
ATTN: Antitrust and Franchise Unit
670 Law Building
Lansing, Michigan 48913
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 296-6328

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509-5006
(402) 471-3445

Administrator:
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

Agent for Service:
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

Office of Securities Commissioner
600 East Boulevard, Fifth Floor, Dept. 414
Bismarck, North Dakota 58505
(701) 328-4712

Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140

Director, Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Providence, Rhode Island 02903-4232
(401) 222-3048

Department of Labor and Regulation
Division of Insurance – Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711
(512) 475-1769

Division of Consumer Protection
Utah Department of Commerce
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Clerk of the State Corporation Commission (Agent)
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-3431

EXHIBIT L

STATE ADDENDA

**ADDENDUM TO THE MAIDS®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

The following information applies to franchises and Franchisees subject to California statutes and regulations. The Item number corresponds to the Item in the main body of the Franchise Disclosure Document.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Item 3

In addition to the information required by Item 3, neither the Franchisor, any person or franchisor broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Item 6

The highest interest rate allowed by law in California is 10% annually.

Item 17

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the offering circular.

California Business and Professions Code sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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 franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires the application of the laws of the state of Connecticut. This provision may not be enforceable under California law.

Section 31125 of the California Corporations Code requires us to give you a disclosure document,

in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the offering circular.

California Business and Professions Code sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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 franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires the application of the laws of the state of Connecticut. This provision may not be enforceable under California law.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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Initials:

TMI: _____

FRANCHISEE: _____

**ADDENDUM TO THE MAIDS®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

The following information applies to franchises and Franchisees subject to Illinois statutes and regulations. The Item number corresponds to the Item in the main body of the Franchise Disclosure Document.

Illinois law shall govern the Franchise Agreement

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

This Addendum pertains to franchises licensed in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

Illinois law shall govern the Franchise Agreement

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

In the Presence of:

THE MAIDS INTERNATIONAL, LLC

By: _____

Its: _____

In the Presence of:

“Franchisee”

**ADDENDUM TO THE MAIDS®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document in connection with the offer and sale of franchises for use in the State of Maryland, shall be amended to include the following:

1. The Summary section of Item 17(c) and (m) of the Disclosure Document captioned “Requirements for franchisee to renew or extend” and “Conditions for franchisor approval of transfer,” are amended by adding the following:

Any general releases you sign will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

2. The “Summary” section of Item 17(h) of the Disclosure Document, captioned “Cause” defined – non-curable defaults” is amended by adding the following:

The Franchise Agreement provides for termination upon your insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The “Summary” section of Item 17(v) of the Disclosure Document, captioned “Choice of Forum,” is amended to read as follows:

Litigation generally must be in Douglas County, Nebraska, although you may commence a lawsuit against us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following is added to the end of the Item 17 chart:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. The Franchisee Questionnaire included in Exhibit H is amended to provide:

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.

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

This Addendum pertains to franchises sold in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. 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;

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise;

3. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law; and

4. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, assignment or transfer of this Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. Any terms not defined in this Addendum will have the meaning assigned in the Franchise Agreement.

Witness:

**“TMI”
THE MAIDS INTERNATIONAL, LLC**

By: _____

Its: _____

Witness:

“Franchisee”

**ADDENDUM TO THE MAIDS®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

The following information applies to franchises and Franchisees subject to Minnesota statutes and regulations. The Item number corresponds to the Item in the main body of the Franchise Disclosure Document.

Item 17

With respect to franchises governed by Minnesota law, TMI will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise agreement.

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Article 2 of this Agreement will be amended to provide that, except in certain circumstances specified by law, TMI must provide the FRANCHISEE with at least one hundred eighty (180) days prior written notice of nonrenewal of the franchise;

2. Article 16.2 will be amended to require that, except as set forth in Article 16.5 and 16.6, in the event TMI gives the FRANCHISEE written notice that the FRANCHISEE has breached this Agreement, such written notice will be given to the FRANCHISEE at least ninety (90) days prior to the date this Agreement is terminated by TMI, and the FRANCHISEE will have sixty (60) days after having been given such written notice within which to correct the breach specified in the written notice; and

3. Notwithstanding any provisions of this Agreement to the contrary, a court of competent jurisdiction will determine whether TMI will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by TMI against the FRANCHISEE or the FRANCHISEE's shareholders.

Initials:

TMI: _____

FRANCHISEE: _____

**ADDENDUM TO THE MAIDS®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

The following information applies to franchises and Franchisees subject to New York statutes and regulations: The Item number corresponds to the Item in the main body of the Franchise Disclosure Document.

Cover Page.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT..

Item 3.

Other than the litigation disclosed in Item 3 of the Franchise Disclosure Document, neither TMI, its affiliates nor any person identified in Item 2 of this Franchise Disclosure Document:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. Has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud,

embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. 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.

Item 4.

Neither TMI, its affiliates, its predecessor, officers or general partner during the 10-year period preceding the date of this Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer of franchisor held this position in the company.

Item 5.

The Initial Territory Fee constitutes part of our general operating funds and will be used such in our discretion.

Item 17, c. and Item 17, m

The Summary column of Item 17, Section c and Section m are hereby amended to state as follows:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of the General Business Law Sections 687.4 and 687.5 be satisfied.

Item 17, d.

The Summary column of Item 17, Section d is hereby amended to state as follows:

You may terminate the Franchise Agreement on any grounds available by law.

Item 17, j.

The Summary column of Item 17, Section j is hereby amended to state as follows:

There is no restriction on TMI's right to assign the Franchise Agreement. However, no assignment will be made by TMI except to an assignee that, in TMI's good faith judgment, is willing and able to assume TMI's obligations under the Franchise Agreement.

Item 17, v. and Item 17, w

The Summary column of Item 17, Section v and Section w are hereby amended to state as follows:

The foregoing choice of law should not be construed a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

This Addendum pertains to franchises sold in the State of New York and is for the purpose of complying with New York statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Article 15.1 will be amended to reflect that TMI may not assign this Agreement unless in its reasonable judgment the assignee is able to perform TMI's obligations under this Agreement.

Initials:

TMI: _____

FRANCHISEE: _____

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Article 16.7 is hereby amended to add the following sentence at the end of Article 16.7: “Notwithstanding anything to contrary in this Agreement, in no event shall the Franchisee be deemed to consent to Franchisor’s recovery of liquidated damages.”

2. Article 18.2(B) reading “upon termination for any default, the actual and consequential damages, costs, and expenses (including attorneys’ fees and experts’ fess) incurred by TMI as a result of your default” is hereby stricken.

3. The covenant not to compete upon termination or expiration of this Agreement contained in Article 19.3 may be unenforceable, except in certain circumstances provided by law.

4. Article 21.2 is hereby stricken and replaced with the following: “The prevailing party in any enforcement action shall be entitled to recover all costs and expenses, including attorney fees.”

5. Article 21.3 is hereby amended to add the following sentence: “Notwithstanding anything to contrary in this Agreement, in no event shall the Franchisee be deemed to consent the termination of this Agreement or to Franchisor’s recovery of liquidated damages.”

6. The consent by the FRANCHISEE to jurisdiction and venue in Douglas County, Nebraska contained in Article 24.7 may be inapplicable; provided, however, that such inapplicability in the State of North Dakota will not be construed to mean that venue in Douglas, Nebraska is improper, or that the Franchisee and its officers, directors, partners, members and shareholders are not subject to jurisdiction in Douglas County, Nebraska, or in any other state.

Initials:

TMI: _____

FRANCHISEE: _____

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

This Addendum pertains to franchises sold in the State of Rhode Island and is for the purpose of complying with Rhode Island statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Any provision of this Agreement which restricts jurisdiction or venue to a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

Initials:

TMI: _____

FRANCHISEE: _____

**ADDENDUM TO THE MAIDS®
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

The following information applies to franchises and Franchisees subject to Virginia statutes and regulations. The Item number corresponds to the Item in the main body of the Franchise Disclosure Document.

Item 17(h)

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

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.

[Signatures Appear on Following Page]

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

**ADDENDUM TO THE MAIDS®
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

This Addendum pertains to franchises sold in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. The provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

Initials:

TMI: _____

FRANCHISEE: _____

EXHIBIT M
FORM OF RELEASE OF CLAIMS

FORM OF AGREEMENT AND RELEASE

[THIS IS A FORM THAT IS SUBJECT TO CHANGE OVER TIME]

THIS AGREEMENT AND RELEASE (the "Agreement") is made and entered into this ___ day of _____, 20__, by and between The Maids International, LLC, a Nebraska limited liability company ("TMI") and _____ ("Franchisee").

WHEREAS, on _____, 20__, TMI and Franchisee entered into a franchise agreement (the "Franchise Agreement");

WHEREAS, Franchisee desires to [renew, sell, and assign/transfer] its rights under the Franchise Agreement; and

WHEREAS, the Franchise Agreement requires as a condition of [renewal, sale, and/or assignment/transfer] that Franchisee execute a general release in a form prescribed by TMI.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Release of TMI. To the full extent permitted by law, Franchisee hereby absolutely and forever discharges TMI, its predecessors, affiliates, agents, employees, successors, assigns, and their respective officers, directors, shareholders, heirs, executors and representatives from and against all claims, proceedings, demands, causes of action, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind, whether known or unknown, at law or in equity (collectively, "Claims"), that Franchisee at any time has had or has up to and including the date of execution of this Agreement arising out of or relating to the offer or sale of the Franchise Agreement Franchisee hereby irrevocably covenants not assert any claim or to initiate any suit or proceeding based in whole or in part upon any Claims released hereunder. Notwithstanding anything in this Agreement to the contrary, this release shall not apply to any Claims arising under the Maryland Franchise Law.

2. Miscellaneous. This Agreement supersedes all prior proposals, promises, agreements and understandings made by the parties with respect to the matters herein resolved and settled. This Agreement is contractual and not a mere recital and it embodies the entire agreement and understanding between the parties concerning matters herein resolved and settled. Any amendment to, modification of, or supplement to this Agreement must be in writing and signed by all the parties. Each party acknowledges that it has had the opportunity to consult with legal counsel in connection with this Agreement if so desired, and that it has signed this Agreement freely and voluntarily. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

WHEREFORE, the parties have executed this Agreement as of the date first set forth above.

The Maids International, LLC., a Nebraska
limited liability company

By: _____

Its: _____

Franchisee

EXHIBIT N

RECEIPTS

STATE EFFECTIVE DATES

The following states require that the 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 | See separate FDD |
| Illinois | Pending |
| Indiana | Pending |
| Maryland | Pending |
| Michigan | January 19, 2022 |
| 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.

RECEIPT

THE MAIDS INTERNATIONAL, LLC

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If The Maids International, LLC (“TMI”) offers you a franchise, TMI must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, TMI or our affiliate in connection with the proposed franchise sale. Iowa and New York require that TMI gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that TMI gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first.

If TMI does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on **Exhibit K**. TMI authorizes the respective state agencies identified on **Exhibit K** to receive service of process for TMI in the particular state.

The franchisor is The Maids International, LLC located at 9394 West Dodge Road, Suite 140, Omaha, NE 68114. Its telephone number is (402) 558-5555.

Issuance Date: January 19, 2022

TMI’s franchise seller involved in offering and selling the franchise to you is Josh Minturn at 9394 West Dodge Road, Suite 140, Omaha, NE 68114, (402) 558-5555, or will be provided to you separately (with address and telephone number) before you sign a franchise agreement: _____

I have received a Disclosure Document with an issuance date of January 19, 2022, that included the following Exhibits:

- | | |
|---|---|
| Exhibit A – Audited Financial Statements | Exhibit I – The Maids® Confidential System |
| Exhibit B – Franchisee List | Exhibit J – Operations Manual Table of Contents |
| Exhibit C – Franchisees That Have Left the System | Exhibit K – State Administrator and Agents for Service of Process |
| Exhibit D – Franchise Agreement | Exhibit L – State Addenda |
| Exhibit E – Software License Agreement | Exhibit M – Form of Release of Claims |
| Exhibit F – National Alliance Participation Agreement | Exhibit N – Receipts |
| Exhibit G – Promissory Note and Security Agreement | |
| Exhibit H – Agreements to be Signed by the Franchise or Its Manager | |

Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____

Its: _____

Signature: _____

(Print Name of Prospective Franchisee (For Individuals))

Signature: _____

RECEIPT

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| Exhibit H – Agreements to be Signed by the Franchisee, or Its Manager | |

Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____

Its: _____

Signature: _____

(Print Name of Prospective Franchisee (For Individuals))

Signature: _____

Copy for Prospective Franchisee