

FRANCHISE DISCLOSURE DOCUMENT



TCB AmeriSpec, LLC
A Delaware Limited Liability Company
57 Germantown Ct.
Suite 201
Cordova, Tennessee 38018
844-326-5292
franchisesales@tcbfranchising.com
www.amerispec.com

The franchise offered is for the operation of an AmeriSpec® residential and commercial inspection business.

The total investment necessary to begin operation of an AmeriSpec® franchise is \$76,085 to \$99,110. This includes \$43,900 that must be paid to the franchisor or affiliate.

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, us or any of our affiliates in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Sales office at 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018 or at 844-326-5292.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information 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 (FTC). You can contact the FTC at 1.877.FTC.HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov 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.

The issuance date of this disclosure document is June 22, 2026.

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 D and E.
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 B 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 AmeriSpec 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 an AmeriSpec franchisee?	Item 20 or Exhibits D and E 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 C.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Tennessee. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Tennessee 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. **Sales Performance Required:** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Turnover Rate.** During the last 3 years, a large number of franchised outlets (44%) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

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

NOTICE REQUIRED BY STATE OF MICHIGAN

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchisee 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 franchisee 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 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 shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 335-7567.

TABLE OF CONTENTS

PAGE

Item 1: The Franchisor and Any Parents, Predecessors and Affiliates	1
Item 2: Business Experience	4
Item 3: Litigation	5
Item 4: Bankruptcy	6
Item 5: Initial Fees	6
Item 6: Other Fees	7
Item 7: Estimated Initial Investment	10
Item 8: Restrictions on Sources of Products and Services	13
Item 9: Franchisee's Obligations	15
Item 10: Financing	16
Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training	17
Item 12: Territory	24
Item 13: Trademarks	26
Item 14: Patents, Copyrights and Proprietary Information	27
Item 15: Obligation To Participate in the Actual Operation of the Franchise Business	28
Item 16: Restrictions on What the Franchisee May Sell	28
Item 17: Renewal, Termination, Transfer and Dispute Resolution.	29
Item 18: Public Figures	32
Item 19: Financial Performance Representations	32
Item 20: List of Franchise Outlets	32
Item 21: Financial Statements	38
Item 22: Contracts	38
Item 23: Receipts	39

Exhibits:

Exhibit A – Franchise Agreement
Exhibit B - Financial Statements and Guaranty
Exhibit C - State Agencies and Agents for Service of Process
Exhibit D - List of Franchisees
Exhibit E - List of Former Franchisees
Exhibit F - State Addenda to Disclosure Document and Franchise Agreement (where applicable)
Exhibit G - Table of Contents of Manuals
Exhibit H - General Release
Exhibit I - State Effective Dates and FDD Receipts

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

Item 1: The Franchisor and Any Parents, Predecessors and Affiliates

To simplify the language in this Disclosure Document, “we,” “us,” “our,” or “**Franchisor**” means TCB AmeriSpec, LLC, the franchisor. “You,” “your,” or “**Franchisee**” means the person or entity purchasing a franchise. If you are a corporation, partnership, limited liability company or other entity, “you” includes your owners.

The Franchisor

We are a Delaware limited liability company formed in March 2023. Our principal business address is 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018. We do business under the name “AmeriSpec Inspection Services.” Our agents for service of process are in Exhibit C.

Our business is limited to franchising residential and commercial building inspection services under the AmeriSpec trademark throughout the United States. We have offered AmeriSpec® franchises since December 2023. Our predecessors began offering AmeriSpec® franchises in 1988. We do not operate businesses of the type being franchised. We do not offer franchises or engage in any other line of business, nor have we done so prior to the date of this Disclosure Document.

Predecessors

Our immediate predecessor, AMERISPEC SPE LLC (“**Immediate Predecessor**”), a Delaware limited liability company, offered AmeriSpec® franchises between March 2021 and March 2023. Immediate Predecessor did not offer franchises in any other line of business. The principal address of Immediate Predecessor is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328.

The predecessor of Immediate Predecessor, AmeriSpec L.L.C. (“**Indirect Predecessor**”), a Delaware limited liability company, offered AmeriSpec® franchises between April 1997 and December 2020. Indirect Predecessor was originally incorporated as a Delaware corporation on April 3, 1997 and converted to a limited liability company on March 30, 2012. Indirect Predecessor did not offer franchises in any other line of business. The principal address of Indirect Predecessor is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328.

Parents

We are a direct subsidiary of TCB Services Holdings, LLC (“**TCB Services**”), a Delaware limited liability company with a principal address at 3060 Peachtree Road, NW, Suite 360, Atlanta, Georgia 30305. TCB Services provides management and support services to us and our franchisees.

We are an indirect subsidiary of TCB Services HoldCo, LLC (“**HoldCo**” or “**Guarantor**”), a Delaware limited liability company. On March 31, 2023, HoldCo, an affiliate of Eagle Merchant Partners (“**EMP**”), an Atlanta-based private equity investment firm with its principal place of business at 3060 Peachtree Road, NW, Suite 360, Atlanta, GA 30305, acquired control of us through intermediate holding companies, including TCB Services Intermediate, LLC and TCB Services (the “**Acquisition**”). Guarantor guarantees the performance of our obligations under our franchise agreements.

As part of the Acquisition, (i) we became the franchisor of the AmeriSpec® system; (ii) Immediate Predecessor assigned to us all existing AmeriSpec® franchise agreements and related agreements; and (iii) Immediate Predecessor assigned ownership of all Marks (as defined below) and certain intellectual property relating to the operation of AmeriSpec® franchises to us.

Affiliates Under the Control of HoldCo

Our affiliates under the control of HoldCo that currently offer other franchises include:

TCB Furniture Medic, LLC (“**Furniture Medic**”), a Delaware limited liability company, franchises furniture and wood restoration, repair, fabrication and refinishing businesses under the Furniture Medic® mark. The principal address for Furniture Medic is 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018. Furniture Medic and its predecessors began offering franchises in August 1992. As of December 31, 2025, Furniture Medic had 88 franchises in the United States.

Renew Medic Franchising, LLC (“**Renew Medic**”), a Delaware limited liability company, franchises specialty mitigation, restoration, transformation, re-sale and manufacturing businesses that perform residential and commercial cabinet repair, re-sale, restoration, transformation and manufacturing services (primarily associated with the disaster restoration industry) under the Renew Medic trademarks. The principal address for Renew Medic is 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018. Renew Medic began offering franchises in February 2024. As of December 31, 2025, Renew Medic had 26 franchised outlets, and 19 company-owned outlets, operating in the United States.

TCB Services Ltd. (“**TCB Canada**”) offers AmeriSpec® and Furniture Medic® franchise businesses serving residential and commercial customers throughout Canada. The principal address for TCB Canada is 105 Victoria St., Suite 1106, Toronto, Ontario, M5C, 3B4, Canada. As of December 31, 2025, there were approximately 86 franchises operating under the AmeriSpec® trade names and trademarks, and 6 franchises operating under the Furniture Medic® trade names and trademarks throughout Canada.

TCB Group Holdings Limited (“**TCB UK**”) offered AmeriSpec® and Furniture Medic® franchise businesses serving residential and commercial customers throughout Great Britain until 2025. The principal address for TCB UK is 10 Temple Back, Redcliffe, Bristol BS1 6FL, United Kingdom. As of December 31, 2025, there were no franchises in Great Britain that operate using the AmeriSpec® and/or Furniture Medic® trade names and trademarks.

Furniture Medic, Renew Medic, TCB Canada, and TCB UK have never offered franchises in any line of business (except as provided above), have never conducted a business of the type you will operate, and do not provide products or services to our franchisees.

Other Affiliated Franchise Programs

Through control with private equity funds managed by EMP, we are affiliated with the following franchise programs (“**Affiliated Programs**”). None of these Affiliated Programs operate a franchise using the AmeriSpec®, Furniture Medic® or Renew Medic® trade names and trademarks.

Code Ninjas, LLC (“**Code Ninjas**”) a Texas limited liability company franchises learning centers that provide child-focused educational programs focused on computer programming skills under the Code Ninjas trademark. Code Ninjas’ principal place of business is 3500 Parkway Lane, Suite 400, Peachtree Corners, Georgia 30092. Code Ninjas began offering its franchises in November 2016. As of December 31, 2025, Code Ninjas had 245 franchised outlets operating in the United States, and 346 franchised outlets operating internationally. Other than as described above, Code Ninjas has not offered franchises in any other line of business. Code Ninjas does not operate a Franchised Business.

Enviro-Master International Franchise, LLC (“**Enviro-Master**”) a North Carolina limited liability company franchises businesses that provide restroom hygiene, drain line management, window cleaning, power washing,

paper, and chemical products and services to commercial customers under the Enviro-Master Services® trademarks. Enviro-Master's principal place of business is 5200 77 Center Drive Suite 500, Charlotte, North Carolina 28217. Enviro-Master began offering Enviro-Master franchises in January 2014. As of December 31, 2025, Enviro-Master had 158 franchised outlets operating in the United States, and 2 franchised outlets operating internationally. Other than as described above, Enviro-Master has not offered franchises in any other line of business. Enviro-Master does not operate a Franchised Business.

Samco, LLC ("SCM") franchises businesses that provide concrete repairs and improvements to existing homes under the Sam The Concrete Man® trademark. SCM's principal business address is 6912 South Quentin Street, Suite 10, Centennial, Colorado 80112. SCM began offering its franchises in September 2013. As of December 31, 2025, there were approximately 113 SCM franchises in the United States.

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

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

The Franchise Offering

The franchises we offer allow you to operate a business offering inspection services for single-family residences, certain multi-family buildings, and small commercial buildings under our System of Operations and the Marks (each a "**Franchised Business**") under the terms of our franchise agreement (the "**Franchise Agreement**") in a territory that we specify (the "**Territory**"). These services include building inspection services and other inspection services and related products such as energy evaluations, infrared technology, radon inspections, mold testing, wood-destroying insect or organism inspections, pool and spa inspections, sewer scoping, water quality testing, lead testing, and winterizing services.

If we grant you the right to operate a Franchised Business, you will sign a Franchise Agreement which gives you the right to use (i) the business plans and methods to be used in connection with the operation of the Franchised Business, including standards, specifications, methods, procedures, techniques, management systems, approved inspection software, identification schemes, know-how, and information (the "**System of Operations**"), and (ii) our "**Marks**", which include the AmeriSpec® marks and commercial trade names, trademarks, service marks and other commercial symbols, including associated logos, that we authorize for use in the Franchised Business, which are subject to change from time to time. Our System of Operations are documented in the AmeriSpec Franchise Operations Manual (the "**Operations Manual**"), which is available on our intranet site (our "**Intranet**"), and otherwise in writing. We may change, improve, or further develop our System of Operations from time to time.

Most residential building inspections are performed when people buy or sell a home to disclose to the prospective buyer of the home any defects discovered during the inspection. We expect your customers will be homeowners, homebuyers, and referral sources like real estate brokers and agents, attorneys, mortgage lenders and relocation services.

Existing Franchisees. Our offering for existing franchisees wishing to purchase additional Franchised Businesses may differ slightly due to certain considerations for franchisee's experience with our system (i.e. reduction in required training, computer hardware or software requirements, and a discount of the Initial Franchise Fee as disclosed in Item 5). Existing franchisees purchasing additional Franchised Businesses must sign our then-current Franchise Agreement.

Ancillary Inspection Services. After first being certified as an AmeriSpec Home Inspector (a "**Certified Inspector**") and gaining experience in the inspection business, you will have the option to perform other types of

inspections or to seek additional certification in other inspection services for residential or non-residential properties, commercial buildings, and apartment buildings (more than 4 units).

Commercial customers may include property owners, prospective purchasers, and property managers. A Commercial Property Inspection may include specialty inspections, such as inspection of the heating and cooling systems, as well as the condition of the property. To perform such inspections, you will need additional training and, for some services, certification, which you can obtain from third party vendors for a fee. Before seeking certification, you must meet the experience standards as outlined on our franchise intranet (the “**AmeriSpec Connection**”), as well as have the approval of our Manager of Technical Training and Development.

Competition

The competition for the services you offer will vary depending on the type of service. The competition for our primary service, the residential home inspection service, will come from other building inspection services in the same geographic area, including independent local companies and those that may be franchised by national or regional building inspection franchise companies. In some areas of the country, residential sales may be seasonal, and this will cause your business to be seasonal in those areas. Also, your business will depend on the number of real estate transactions in your Territory and will therefore fluctuate depending on the real estate market.

Other inspection services offered by many of our franchisees include a variety of environmental inspections, such as energy evaluations, radon testing, mold testing, and wood destroying insect and organism inspections and inspections using infrared technology. We believe the market and the competition for these services are generally the same as for our building inspection services. There are some competitors that offer only these services, or that offer other services as part of another business, such as pest control inspections, that does not compete with our building inspection service. Other AmeriSpec® franchisees or subcontractors may serve customers in your Territory.

Industry-Specific Regulations

You should be aware that there are specific statutory requirements in many states that apply to home inspector licensing, registration or certification, or otherwise regulate the operation of a home inspection business and other Ancillary Inspection Services. Some states require attendance at their training sessions and passing a test before you can be licensed in that state. These requirements may apply to your Franchised Business. Several states may also have legislation pending regarding the licensing, registration or certification of home inspectors and specific requirements for home inspection reports. You should check with your state’s real estate commission, licensing boards, home inspection association, or local municipality to confirm the existence of state and local statutory requirements and pending legislation in your state. Other laws regulating businesses in general also may apply to your Franchised Business. It is your responsibility to comply with any applicable laws, rules or regulations.

In addition to statutes and regulations specific to the industry for your Franchised Business, you must comply with all federal, state, and local data privacy and security laws which may apply to your Franchised Business. Federal, state, and local laws regulate the requirements for protection and use of customer data, including personal and payment related information. As a part of your Franchised Business, you may collect information related to your consumers on our behalf. While we own all the data that you collect, you must ensure that all of your collection and retention methods comply with such laws. We have made no independent investigation into such requirements, and it is entirely your responsibility to ensure your own compliance with these laws.

Item 2: Business Experience

CEO and President: Chris Gammill

TCB AmeriSpec LLC FDD

4

June 22, 2026

#289896v4

Mr. Gammill has been the Chief Executive Officer and President for AmeriSpec and Furniture Medic since March 2023, and he has served as Chief Executive Officer for Renew Medic since its formation in December 2023, and as the President for Renew Medic since February 2024. From March 2018 to March 2023, he served as Brand Leader for AmeriSpec and Furniture Medic. Mr. Gammill serves in his present capacities in Memphis, Tennessee.

Chief Development Officer: Mike Pearce

Mr. Pearce has been the Chief Development Officer of AmeriSpec and Furniture Medic since June 2023, and he has served in the same role for Renew Medic since its formation in December 2023. From June 2020 to August 2024, he served as the CEO and an owner of Sovereign Water LLC, an ASP – America’s Swimming Pool Company franchise in Memphis, Tennessee. From May 2013 to March 2019, Mr. Pearce was the Chief Development Officer of ServiceMaster Franchise Services Group in Memphis, Tennessee. From April 2020 to December 2022, Mr. Pearce served as the Chief Development Officer of Authority Brands in Columbia, Maryland.

Chief Financial Officer: Whit Orians

Mr. Orians has been the Chief Financial Officer for Amerispec, Furniture Medic, and Renew Medic since September 2024 in Memphis, Tennessee. Previously, he had been the VP of Finance for Amerispec, Furniture Medic, and Renew Medic from August 2023 to August 2024. From October 2022 to August 2023, he had been the Director of Finance – Operations at TruGreen in Memphis, Tennessee. While at TruGreen, he also held the roles of Sr. Manager Finance – Operations from November 2021 to October 2022 and the position of Field Finance and Operations Business Partner from June 2019 to November 2021, both in Memphis, Tennessee.

Technical Training Manager: Mike Hughes

Mr. Hughes has been the Technical Training Manager for AmeriSpec and Immediate and Indirect Predecessor since 2000. Prior to joining AmeriSpec Inspection Services, Mr. Hughes owned and operated an AmeriSpec franchise in the Memphis area.

Brand Leader: Denise Larocque

Denise Larocque has been the Brand Leader of AmeriSpec since September 2024 and is located in Ontario, Canada. From August 2022 until September 2024, Denise held the role of Business Development Consultant for AmeriSpec owners in Canada. Denise was the Technical Advisor and Training Coordinator for the AmeriSpec Inspection Services’ Energy Advisors in Canada from September 2017 until August 2022. Prior to positions with the Franchisor Brand, Denise was a Home Inspector and Energy Advisor for AmeriSpec Franchisees in Ontario, Canada beginning in September 2001.

Director of Revenue: Amy Edwards

Amy Edwards has been the Director of Revenue since January 2025, with responsibilities for revenue management, lead generation and marketing activities in Furniture Medic, AmeriSpec and Renew Medic. Prior to joining TCB Franchising, Ms. Edwards was the Local Sales Director from March 2024 to January 2025 for ServiceMaster BioClean in Memphis, TN. Prior to that, Ms. Edwards served as the National Sales Development Manager for ServiceMaster Restoration from May 2017 to April 2024 in Memphis, TN.

Item 3: Litigation

No litigation is required to be disclosed in this Item.

Item 4: Bankruptcy

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

Item 5: Initial Fees

Initial Franchise Fee

The initial franchise fee for a Franchised Business is \$40,000 (the “**Initial Franchise Fee**”). We treat each Franchised Business purchased as a single franchise with its own Franchise Agreement.

At any given time, we may offer discounts on the Initial Franchise Fee and/or incentives of cash, materials, supplies or related items or services, which will in effect lower the Initial Franchise Fee or investment to prospective franchisees. The availability of each incentive may be subject to a time limit.

We currently offer the following discounts off of the Initial Franchise Fee (you may take advantage of only one discount):

1. Military Discount - A discount of 10% off the Initial Franchise Fee for your first Franchised Business if you, or the majority of the shareholders, members, or partners of the franchisee entity, were honorably discharged from the U.S. Army, Navy, Air Force, Marine Corps, Space Force or Coast Guard. This discount is also offered through the International Franchise Association’s VetFran Program in which we participate.
2. Existing Franchisee Discount – A discount of 15% off the Initial Franchise Fee is available if you are an existing franchisee of us or our affiliates in good standing and you are approved to buy an additional Franchised Business.
3. Woman-Owned or Minority Owned Business Discount – A discount of 10% off the Initial Franchise Fee is available if you are a business which is (a) at least 51% owned by one or more women who have full operational control of the business and otherwise meet our requirements to purchase a Franchised Business or (b) at least 51% owned by one or more persons who have full operational control of the business, are African American, Hispanic, Native American, Asian or other similar minority race designation, and otherwise meet our requirements to purchase a Franchised Business.

The Initial Franchise Fee includes access to our initial training program (“**Initial Training**”) for up to three trainees, and some meals if you are acquiring your first Franchised Business. You must pay for your travel, hotel, some meals and incidentals for all attendees to Initial Training. If you send more than three trainees to Initial Training, then you must pay additional training fees, as outlined in Item 6.

Marketing and Technology Bundle

In addition to the Initial Franchise Fee, you must purchase from us an opening package of marketing and technology items (the “**Marketing and Technology Bundle**”), which includes (i) computer equipment, including a laptop, (ii) the initial license fee for the AmeriSpec Inspection Software, which is the in-field software (the “**AIS**”), (iii) the initial license fee for the AmeriSpec Management System, which is an online business management tool (the “**AMS**”), (iv) a marketing bundle that includes an initial order of stationery supplies, business

cards, and other start-up marketing materials, and (v) the admission fee for one attendee to attend your first franchisee convention. These items are further described in Item 11. The Marketing and Technology Bundle currently costs \$3,900.

Initial Fees

The Initial Franchise Fee and the Marketing and Technology Bundle are payable to us in full when you sign the Franchise Agreement. All fees are non-refundable. We do not offer direct or indirect financing to franchisees for any of these fees. Except as described above, all fees are uniformly imposed.

Item 6: Other Fees

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalties	The greater of (i) 7% of monthly Gross Receipts; or (ii) a minimum of \$280 per month, except that the minimum fee does not apply for first 90 days after opening the Franchised Business.	Payment Due Date (See Note 1)	See Note 2 for the definition of “ Gross Receipts .” See Note 3 for an explanation of the Royalties. If we are charged a tax by your state or an agency in your state on the fee that we receive from you (other than federal income taxes), you must pay an additional Royalty equal to the amount of the tax.
Advertising Contribution	The greater of (i) 3% of monthly Gross Receipts or (ii) a minimum of \$160 per month, except that the minimum fee does not apply for first 90 days after opening the Franchised Business.	Payment Due Date	This fee will be contributed to the National Advertising Fund. The 90-day waiver of the minimum fee does not apply to transfers or renewals.
Transfer Fee	\$7,000, except (i) \$3,500 if the transfer is to an owner’s adult child who is at least 18 years of age and (ii) no fee if the transfer is to a spouse of an existing owner.	Before completing transfer	Payable by you or the buyer when you transfer 50% or more ownership of the Franchise Agreement or the Franchised Business to one owner or a group of owners in one or more transactions.
Lead Fee	\$5,000	At closing	Payable if we refer a qualified lead to an existing franchise owner and such lead purchases all or a portion of the franchise owner’s interest within 18 months of our referral of such lead. See Note 3.

Name of Fee	Amount	Due Date	Remarks
Change Fee	\$200 per Franchise Agreement	Before completing a change to the Franchise Agreement.	Payable if adding, deleting, or changing owner's name (other than an owner's spouse); changing business entity name; changing DBA (doing business as) name; or changing business structure. No charge to change DBA name or business structure with Franchisee as the new owner of the entity during first year of initial term.
Technology Fee	\$55 per month	Monthly	Payable to us to help cover the costs of the AMS software license and other software and technology costs incurred by us. For the AMS software, we charge an initial license fee of \$300 that is included in the Marketing and Technology Bundle. We may increase this fee from time to time, but in no event will the fee exceed \$150 per month.
AIS Software Services Fee	\$600-\$800 annually (varies per inspector license)	Annually	Payable for the right to use the AIS. We charge an initial license fee of \$1,000 per license for the first year that is included in the Marketing and Technology Bundle. For each year thereafter, an annual services fee that varies per license per inspector must be paid to our approved vendor. We may increase this fee from time to time, in accordance with any underlying costs incurred by us by our then-current vendor.
Additional Training Fee	\$75 to \$1,200 per person	As incurred	Payable if you send more than three inspectors to our Initial Training or to other training programs that we may conduct from time to time. This fee may increase from time to time in order for us to recoup any additional costs in providing the training.
Renewal Fee	No charge	N/A	If you enter into a renewal term, we may audit the Franchised Business and charge the Audit Fee, but we will not charge a separate renewal fee.

Name of Fee	Amount	Due Date	Remarks
Convention Fee	Typically, between \$700 and \$1,000 per person. The non-attendance fee for failure to attend the franchise convention is currently \$500.	As invoiced	Payable for each person that is required to attend our franchise convention, which is held once every 12 to 24 months. If you are required to attend the convention but do not attend, you must pay \$500 per person that was required to attend. The admission fee for one attendee to attend your first franchisee convention is included in the Marketing and Technology Bundle. This fee may increase from time to time in order for us to recoup any additional costs in providing the annual convention.
Delinquency Fee	\$50 per delinquent report	On demand	Payable if you fail to submit monthly reports to us when due.
Interest on Overdue Payments	1.5% per month on unpaid balances or, if less, the maximum allowable by law	On demand	Payable if you fail to timely pay any amounts owed to us.
Audit Fee	Cost of audit up to \$2,000, plus any unpaid amounts with interest.	On demand	Payable if we exercise our right to audit your books. If you fail to fully cooperate with any reasonable request by us, or if you understate your Gross Receipts by 3% or more, you must pay us the entire cost of the audit (including any amounts over \$2,000) and all travel and living expenses and compensation of our auditors or inspectors. In addition to the cost of the audit and associated expenses, all underpaid or unpaid fees plus interest must be paid.
Insurance	Our actual cost of premiums	On demand	Payable if you fail to maintain or provide evidence of the required insurance coverage, and we exercise our right to obtain coverage on your behalf.
Indemnification	Varies by nature of claims	On demand	You must indemnify us and our affiliates in connection with your operation of the Franchised Business.

Notes to Item 6, Other Fees:

1. Unless otherwise stated, all fees are uniformly imposed by, payable to or collected by, us, and are non-refundable. You must participate in our current electronic funds transfer and reporting program(s). For monthly fees, such as the Royalties and Advertising Contribution (the “**Monthly Fees**”), the fee must be reported by the 10th day of the month and paid electronically by the date specified by us following the month in which Gross Receipts are made (currently, the 20th day of the month) (the “**Payment Due Date**”). If you have not reported Gross Receipts for any reporting period, we will be authorized to debit your bank account (the “**Account**”) in an amount equal to the greater of the non-reported payment (if we can

reasonably estimate or determine the owed amount) or one hundred twenty percent (120%) of the Monthly Fees transferred from such Account for the last reporting period for which a report of Gross Receipts was provided to us. If at any time we determine that you have underreported Gross Receipts or underpaid any fees due to us under the Franchise Agreement, we will be authorized to immediately initiate a debit to the Account in the appropriate amount, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after we and you determine that such credit is due.

2. **“Gross Receipts”** means the total amount of revenues received by you or any affiliates from all products and services offered by the Franchised Business or offered from the premises of the Franchised Business, and all other services or products sold under the Marks, or using any branded systems (including any branded software) or tools, or otherwise related to the Franchised Business or sold to customers of the Franchised Business, whether payment is received by cash or credit, plus the fair market value of goods delivered and services rendered to you, or your designee, in consideration for goods and services provided in, from, or in conjunction with the Franchised Business. “Gross Receipts” exclude (i) bona fide refunds, (ii) credits given or allowed by you to customers, (iii) uncollectible checks, and (iv) amounts collected from customers and remitted by you to any governmental taxing authority in satisfaction of sales taxes.
3. Royalties are generally understood to be the fees the franchisee pays to use something that someone else created (i.e. the Franchised Business idea and trademarks and branding). Franchisees use our ideas, trademarks and branding to create sales, and a percentage of the Gross Receipts is paid to us as a royalty fee in exchange for permission to use our proprietary trademarks and processes.
4. A qualified lead is defined as someone who has passed our screening process, our national background check, credit check, and at a minimum a phone interview of the prospect. We are not responsible for locating leads and do not represent that we will do so. The Lead Fee also covers our advertising and marketing costs and administrative costs of such information sharing and gathering. The Lead Fee is not a Transfer Fee.

Item 7: Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (Note 1)		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee (Note 2)	\$40,000	\$40,000	Lump Sum	Upon signing the Franchise Agreement	Us
Marketing and Technology Bundle (Note 3)	\$3,900	\$3,900	Lump Sum	Upon signing the Franchise Agreement	Us
Uniforms (Note 4)	\$200	\$300	Lump Sum	As incurred	Third-party suppliers
Equipment (Note 5)	\$1,500	\$6,000	As arranged	As incurred	Third-party suppliers
Computer Equipment and Services (Note 6)	\$1,100	\$1,750	As arranged	As incurred	Third-party suppliers

Type of Expenditure	Amount (Note 1)		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Internet Connection (Note 7)	\$135	\$450	As arranged	Monthly	Third-party suppliers
Service Vehicle Expenses (Note 8)	\$1,650	\$5,500	As incurred	As incurred	Third-party suppliers
Opening Promotional Expenses (Note 9)	\$1,500	\$2,500	As incurred	As incurred	Third-party suppliers
Travel and Living Expenses While Training (Note 10)	\$2,150	\$5,710	As incurred	Before and during training	Airlines, hotels, and restaurants, etc.
Insurance (Note 11)	\$3,950	\$8,000	As incurred	Before opening	Approved insurance carrier
Additional Funds (3 Months) (Note 12)	\$20,000	\$25,000	As incurred	As incurred	Employees, third party suppliers, and various parties.
TOTAL (Note 13)	\$76,085	\$99,110			

Notes to Item 7:

1. General. The estimated amounts included in this Item 7 are estimates based on our, and our Immediate and Indirect Predecessors', experience offering and supporting Franchised Businesses. Amounts paid to us are non-refundable, except as noted below. The refundability of amounts paid to third party suppliers depends upon arrangements between you and the suppliers. We and our affiliates do not directly or indirectly offer financing for these expenses.
2. Initial Franchise Fee. The Initial Franchise Fee may vary depending on whether a discount applies. See Item 5 for a description of available discounts.
3. Marketing and Technology Bundle. The Marketing and Technology Bundle is described in Item 5.
4. Uniforms. You must purchase AmeriSpec® branded uniforms from a vendor that we approve.
5. Equipment. We recommend you purchase and maintain, at a minimum, the following tools-of-the-trade to perform home inspections: (i) combination screwdriver, (ii) short awl, (iii) long awl, (iv) tool pouch, (v) knee/elbow pads, (vi) face mask respirator, (vii) voltage tester, (viii) tape measure, (ix) water pressure gauge, (x) gloves, (xi) two GFCI testers- 3-prong, (xii) 2-prong outlet tester (adapter), (xiii) 2,000 cp rechargeable AC/DC flashlight, (xiv) two probe-type thermometers, (xv) overalls, (xvi) binoculars (minimum 8 X 20 X 50 IRO), (xvii) ladder (minimum 17 foot), (xviii) carbon monoxide detector, (xix) gas leak detector, (xx) moisture meter, and (xxi) safety goggles.
6. Computer Equipment and Services. This estimate includes the printer, computer, software, and Internet connection that are described in Item 11 that are not included in the Marketing and Technology Bundle.
7. Internet Connection. You must obtain a high-speed Internet connection from a third-party vendor. The estimate is for the first month of services.

8. Vehicle Expenses. Your Franchised Business requires at least one service vehicle, which must be white, red or navy blue (any exceptions must be approved by us), must be identified according to our vehicle identity standards using our approved vehicle graphics, and must be dependable and in good working condition and appearance. You may use a vehicle you presently own if it meets these specifications, or you may choose to lease or purchase another vehicle. If you live in a community that prohibits identified vehicles, you may be granted an exception from us to use magnetic sign vehicle identification. If such an exception is granted, magnetic signs are available for you to supply to your Certified Inspectors. The estimated amount includes estimated (i) gasoline expenses for three months, (ii) vehicle license, tax, and title, (iii) three monthly payments, and (iv) vehicle graphics (\$300 to \$1,500 plus shipping and handling) and installation costs (\$120 to \$600). Your actual expenses may vary depending on your locality, your choice of vehicle, and the number of inspectors who are furnished a company vehicle.
9. Opening Promotional Expenses. This estimate is for the cost of marketing materials to be used to promote your opening, including specialty items, giveaways, apparel, flyers and other printed pieces approved by us. You are not required to buy these materials.
10. Travel and Living Expenses While Training. This estimate is for the cost for up to three people to attend our Initial Training, which is described in detail in Item 11. The Initial Franchise Fee covers the cost of Initial Training for three employees or inspectors to attend Initial Training within your first 12 months of business, as well as some meals. Training of additional employees or inspectors will incur the fees described in Item 6. You are responsible for the travel and living expenses, wages, and other expenses incurred by you and any other trainees during the programs. Your actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices. Other certification or inspection training, commercial inspection training, and infrared technology inspection training are available through third-party vendors with our approval. Additional equipment may be needed in order to perform these optional inspection services.
11. Insurance. You must obtain the types and amounts of insurance that we specify from time to time from insurance providers or insurance brokerage firms. The current minimum requirements are specified in Item 8. We have approved vendors for E&O Insurance; however, you may also obtain insurance from another insurer at a rate determined by the insurer so long as it meets our minimum requirements and is reviewed and approved by us. Amounts listed are for annual premiums; however, rates vary state to state. Your premiums will be based on the state in which you are located, revenue estimates of the inspectors, additional endorsements, the number of inspectors or inspections, years of retro coverage, and claims history. We do not represent that our minimum insurance requirements will be sufficient for your business; we recommend that you consult a qualified insurance broker to discuss your insurance needs.
12. Additional Funds – Pre-Opening and First 3 Months of Operation. This amount is an estimate of the initial start-up expenses you will incur before your Franchised Business opens and in its first three months of operation. These expenses may include, without limitation, rent, security deposits such as telephone and utilities, internet service fees, utility costs, incorporation fee and other business-related licensing, initial bank deposits, attorneys' fees, prepaid expenses, employee salaries, wages, benefits, payroll taxes, bank charges, taxes, additional advertising expenses, miscellaneous supplies and equipment, and other miscellaneous items. It does not include any salary or living expenses for you. You may incur other categories of expenses or expenses in excess of this estimate. We have based these figures on our, and our Immediate and Indirect Predecessors', experience franchising Franchised Businesses.

13. Total Initial Investment. In putting together these estimates, we have relied on our, and our Immediate and Indirect Predecessors', combined years of experience in the business and the experience of our franchisees in starting Franchised Businesses during the last several years. As you may operate your Franchised Business from your home (provided it is in the Territory), this estimate does not include the cost of real estate or leasehold improvements. Your actual investment could be different than our experience, depending on factors such as whether you open an office outside your home, spend more in advertising, or charge additional expenses through your company.

Item 8: Restrictions on Sources of Products and Services

Standards and Specifications.

All equipment, fixtures, supplies, insurance, inventories, computer hardware and software, and supplies you purchase for use in your Franchised Business or for selling your services must meet our specifications, to the extent we designate them. Those specifications may include minimum standards for delivery, performance, design, appearance, and quality. The specifications will be issued to you before you start your business. Our specifications are subject to change, are general in nature, and are designed to assure that you meet our standards of customer satisfaction. We impose these restrictions to safeguard the integrity of the System of Operations and the Marks.

Approved and Designated Suppliers.

The only items we currently require our franchisees to purchase from us or our affiliates are the items included in the Marketing and Technology Bundle, including AMS and AIS. We may charge a reasonable mark-up on equipment, products, supplies and services that you are required to purchase from us. We also make available various optional brochures and marketing materials that our franchisees may purchase from us.

We designate certain suppliers as approved suppliers that we may require or recommend that you use for specialty items, field inspection hardware/accessories, specialty printers, insurance services, inspection tools, office equipment, career apparel, customized newsletters, laboratory services, testing supplies, computer systems and accounting systems. We have approved suppliers for stationery supplies, office forms, signs or decals, promotional items, and insurance brokers. We will give you a list of approved suppliers before you start your business. We may revise the list of approved suppliers from time to time in our sole discretion.

Insurance. You must insure your Franchised Business with coverage, types, and amounts that we specify in the Operations Manual or otherwise in writing. You cannot begin offering services to the public unless you are adequately insured. Our present insurance requirements are:

- (a) Employers' liability with a minimum limit of \$500,000 in workers' compensation and other statutory required programs;
- (b) Commercial general liability insurance covering the operation of your Franchised Business with a limit of at least \$1,000,000;
- (c) Business automobile insurance for hired, owned and non-owned or any auto with a minimum limit of liability of \$1,000,000 for both bodily injury and property damage;
- (d) Errors and omissions with a minimum limit of liability of \$1,000,000; and
- (e) Additional insured by schedule, including Franchisor, others named, and per contractual requirement.

If you offer commercial inspection services, we require you to carry Errors & Omission insurance that covers commercial inspections. Most E&O master insurance policies cover buildings not exceeding four stories in height and 50,000 square feet and 20 acres in size. Larger buildings may require additional coverage; check with your E&O insurance carrier prior to inspecting such larger buildings.

For all insurance policies, you must list us and our affiliates as an additional insured. We reserve the right to modify these insurance requirements periodically and you must meet any new requirements.

All insurance policies procured and maintained by you must (i) be written by an insurance company satisfactory to us, (ii) name us, our affiliates, and our officers, directors, employees, agents, and partners, as an additional insured (except Workers' compensation policy), (iii) contain endorsements by the insurance companies waiving all rights of subrogation against us for workers' compensation insurance, commercial general liability insurance, and business automobile liability insurance, and (iv) stipulate that we will receive copies of all notices of cancellation, non-renewal or coverage reduction or elimination at least 10 days prior to such event.

If you fail or refuse to maintain any required insurance coverage required or fail to furnish satisfactory evidence of coverage, we may, at our option and in addition to any other rights and remedies we have hereunder, obtain such insurance coverage on your behalf, and any costs of premiums incurred by us in connection therewith shall be paid by you on demand.

Officer Interests. Our officers own indirect ownership interests in us, and we are an approved supplier. Other than these interests, our officers do not have any ownership in any approved suppliers.

Approval Process. If you want to purchase products from suppliers other than those we have approved, you must request our approval before doing so. Before giving our approval, we may ask the supplier to provide samples of materials they wish to provide to you, and we may investigate the ability of the supplier to provide materials that meet our specifications. We do not impose any fee either to you or the supplier for conducting this investigation, and we do not publish our criteria for reviewing suppliers. We will usually be able to tell you via telephone, e-mail, or fax within 10 days whether or not the supplier is approved, but the time period will depend upon the cooperation we receive from the supplier in responding to our questions. Approval of alternative suppliers may be revoked if we determine, in our sole discretion, that they no longer satisfy the specifications set forth in the Operations Manual, as it may periodically be updated.

Revenue Earned from Required Purchases. We and our affiliates may derive revenue from the sale of items to you by us, our affiliates, or our approved vendors. In the fiscal year ending December 31, 2025, we and our affiliates did not earn any revenue from required purchases by our franchisees.

Percentage Subject to Specifications. On an ongoing basis, the items you purchase must comply with our specifications and will represent approximately 10% to 15% of the total purchases you will make in establishing and operating your Franchised Business. This includes items you will purchase from us, as well as other expenses you will incur in operating your Franchised Business.

Purchasing or Distribution Cooperatives. As of the Issuance Date of this Disclosure Document, we do not have any purchasing or distribution cooperatives.

Purchase Arrangements. We have negotiated special franchise pricing with some vendors. For some purchases, we may in the future receive manufacturer and wholesaler rebates based on the total purchases by the AmeriSpec® system, but we do not currently do so.

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

Item 9: Franchisee's Obligations

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Paragraphs 3 and 7 and Exhibit "A" of Franchise Agreement	Items 7 and 11
b.	Pre-opening purchases/leases	Paragraphs 9 and 11 of Franchise Agreement	Items 7 and 8
c.	Site development and other pre-opening requirements	Paragraph 7 of Franchise Agreement	Items 6, 7 and 11
d.	Initial and ongoing training	Paragraph 8 of Franchise Agreement	Item 11
e.	Opening	Paragraph 8 of Franchise Agreement	Items 7 and 11
f.	Fees	Paragraphs 4, 5, 6 and 9.12 of Franchise Agreement	Items 5 and 6

	Obligation	Section in Franchise Agreement	Disclosure Document Item
g.	Compliance with standards and policies/ operating manual	Paragraph 9 of Franchise Agreement	Items 8 and 11
h.	Trademarks and proprietary information	Paragraphs 2, 10 and 14 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Paragraph 11 of Franchise Agreement	Items 8, 11 and 16
j.	Warranty and customer service requirements	Paragraph 9 of Franchise Agreement	Items 11 and 16
k.	Territorial development and sales quotas	Paragraphs 3.1 and 19 of Franchise Agreement	Items 12 and 17
l.	Ongoing product/service purchases	Paragraph 11 of Franchise Agreement	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraph 9 of Franchise Agreement	Items 8 and 11
n.	Insurance	Paragraph 13 of Franchise Agreement	Items 6, 7 and 8
o.	Advertising	Paragraph 6 of Franchise Agreement	Items 6, 7 and 11
p.	Indemnification	Paragraph 22 of Franchise Agreement	Item 6
q.	Owner's participation/ management/staffing	Paragraphs 8 and 9 of Franchise Agreement	Item 15
r.	Records and reports	Paragraph 12 of Franchise Agreement	Item 6
s.	Inspections and audits	Paragraph 12 of Franchise Agreement	Items 6 and 11
t.	Transfer	Paragraphs 16 and 17 of Franchise Agreement	Item 17
u.	Renewal	Paragraph 3 of Franchise Agreement	Item 17
v.	Post-termination obligations	Paragraphs 15 and 19 of Franchise Agreement	Item 17
w.	Non-competition covenants	Paragraph 15 of Franchise Agreement	Item 17
x.	Dispute resolution	Paragraphs 20 and 21 of Franchise Agreement	Item 17
y.	Other (Payment obligations)	Paragraph 20 of Franchise Agreement	Items 5 and 6
z.	Other (Personal Guaranty)	Paragraphs 3.2.4 and 16.2.4.5 and Exhibit B of Franchise Agreement	Items 10 and 15

Item 10: Financing

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training

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

Pre-Opening Assistance. Before you open your Franchised Business, we will:

1. Designate your Territory and approve your Office location. (Franchise Agreement – Paragraph 3 and Paragraph 7).
2. Make available to you Initial Training. (Franchise Agreement – Paragraph 8.1)
3. Provide you with access to our Operations Manual, which currently consists of approximately 271 pages. The Table of Contents of the Operations Manual is attached as Exhibit G. (Franchise Agreement - Paragraph 8.5 and Paragraph 19.5)
4. Sell you the Marketing and Technology Bundle. (Franchise Agreement - Paragraph 11.1)
5. Provide you with specifications and lists of approved suppliers for other items you will need to operate your business (see Item 8 for details). Other than the Marketing and Technology Bundle and list of approved suppliers, we do not provide other assistance to you related to acquiring equipment, fixtures, and supplies to be used in your Franchised Business. (Franchise Agreement - Paragraph 11.1)
6. Provide you with an internet e-mail address, a website and a telephone number for use in operating your Franchised Business. (Franchise Agreement - Paragraph 6.8 and Exhibits C, D and E)
7. Make available the Service Vehicle detail package of logos for use on your Service Vehicles (Franchise Agreement – Paragraph 9.13).

On-going Assistance. During the operation of your Franchised Business, we will:

1. Conduct on a regular basis, at our discretion, a convention or seminar for all of our franchisees. (Franchise Agreement - Paragraph 8.6 and Paragraph 8.7)
2. Develop and implement national and/or regional advertising and marketing campaigns through management of the National Advertising Fund. (Franchise Agreement - Paragraph 6)
3. Periodically update our Operations Manual and our Intranet. (Franchise Agreement - Paragraph 8.5)

We do not control, and do not have the right to control, decisions regarding the persons you hire, discipline, or terminate as employees or agents. However, we may take any legal action necessary to enforce our rights under the Franchise Agreement. We also require that you perform background checks and drug testing as allowed by law. These policies will not constitute our representation of approval or disapproval of any prospective employees. In all cases you will remain solely responsible for decisions regarding hiring and maintaining your employees, including determinations of whether the prospective employee meets your hiring and performance standards or is suitable for the employment position.

Time to Open. The typical length of time between the signing of the Franchise Agreement and the start of your business is approximately one to four months. You or the manager of the Franchised Business must attend and complete the first scheduled Initial Training following the execution of the Franchise Agreement, before you may

begin operating your Franchised Business. The factors that affect this development time are the date you start your training, when you purchase your Marketing and Technology Bundle (See Item 7), and, if applicable, when you complete your state-specific licensing, registration, or certification requirements.

Site Selection. You must establish and operate from a regular, full-time business office within your Territory (the “Office”). Full time is defined as Monday through Friday 8 a.m. to 5 p.m. The Office can be in your home, as long as your home is located within your Territory. We have the right to approve your Office location. You shall submit the information regarding the Office location to us for approval prior to establishment thereof. There are no specific factors that we consider when determining if an office meets our approval other than the location must be within your Territory. There are no consequences if you and we cannot agree on an office location.

Your Office must be a functional business office with a desk, chairs, file cabinet, computer and printer, etc. While we do not prescribe specific standards for the interior or exterior of your Office, if it is outside of the home, it is expected to be tastefully decorated in a manner designed to enhance the goodwill associated with the Marks. Should you choose to locate your Office in your home, it is your responsibility to comply with all local ordinances as some may prohibit home offices.

If you own multiple Franchised Businesses with contiguous territories, you are only required to establish one full-time Office. We have the right to approve your office location. We do not own premises that are leased to you. Once established, the Office cannot be moved without our consent. We do not locate an office for you, do not negotiate the purchase or lease of your office site, do not own office locations or office space for lease to you, do not conform the office premises to local ordinances, building codes, or obtain any required permits, and do not construct, remodel, or decorate the premises.

If you lease a space for your Office, you will be solely responsible for negotiation of the terms of your lease and performance under the lease. Our acceptance of the lease is solely based on the site and lease satisfying our minimum site selection criteria. Our acceptance will be based upon many factors, including the then-current viability of the proposed location and demographics, traffic patterns, competition, and similar factors.

Advertising Programs

National Advertising Fund. All franchisees must contribute the Advertising Contribution to the National Advertising Fund (the “Ad Fund”). As of the date of this Disclosure Document, the Advertising Contribution is the greater of 3% of the monthly Gross Receipts of each Franchised Business or \$160 (except the \$160 minimum does not apply until 90 days after opening the Franchised Business). We may adjust this contribution amount upon written notice to you, but it shall not exceed 3% of Gross Receipts. We do not contribute to the Ad Fund. Although there are no company-owned stores, all company-owned stores would contribute to the Ad Fund on the same basis as other franchisees. Any amounts in the Ad Fund that are not spent in any fiscal year are kept in the Ad Fund for use in the following year. Upon written request, we will provide a written statement of the financial condition of the Ad Fund, certified by one of our executive officers. We are not obligated to audit the Ad Fund.

We do not use any portion of the Ad Fund in a way that is principally aimed at helping us sell franchises.

We shall have sole discretion over the methods of advertising, selection of media, locale of advertising, and contents, terms and conditions of advertising campaigns and promotional programs. Currently, the source of advertising material comes primarily from in-house, but we also may use outside advertising sources.

In 2025, the Ad Fund was spent on: digital media (1%); assets (14%); continuing education (6%); contributions to the Co-Op (as defined below) (18%); and administrative and miscellaneous costs (61%).

Advertising from the Ad Fund is intended to maximize the public's awareness of the franchise system. We are not obligated to ensure that any individual franchisee benefits directly, on a pro rata basis or at all, from the placement, if any, of such advertising in its local market. We are not required to spend any amount on advertising in your Territory.

Although we do not have an advertising council, we have a National Franchise Council consisting of members from various regions of the country. The members are nominated and elected by their peers and are consulted regarding new ideas for use of the Ad Fund, as well as departures from any existing programs. We may add or remove members and dissolve this council at any time, and we retain control over all decisions related to the Ad Fund.

Besides the Ad Fund, neither franchisees nor company-owned outlets are required to participate in any other advertising funds. However, we retain the right, in our sole discretion, to require participation in other advertising funds in the future.

Cooperatives. Franchisee may participate in a voluntary cooperative advertising program (the “**Co-Op**”) that is intended to encourage AmeriSpec franchisees to increase local advertising and marketing programs by supplementing some of the expenses associated with these marketing efforts. While the Ad Fund mostly focuses on expenses for marketing initiatives on a national level, Co-Op funds provide the additional support needed to increase local marketing efforts. The Co-Op program is fully funded by the Ad Fund and administered by us. The Co-Op is available for all AmeriSpec franchisees that contributed to the Ad Fund and are in compliance with the rules and guidelines. To qualify for the Co-Op, franchisee must meet and maintain certain performance standards and requirements, such as the following: being current on reporting and paying all fees due to us; maintaining current all applicable accounts receivable with us or our affiliates; having live answering available Monday through Friday during business hours; being in compliance with its obligations as a franchisee; and timely submitting receipts to the Co-Op.

In 2025, each franchisee's Co-Op funds were based on their 2025 customer level revenue (CLR). A franchisee is eligible for a 1-1.5% Co-Op allocation rate depending on its CLR threshold or a minimum of \$400. For calculating the 2025 allocations, the franchisee's total Gross Receipts reported from 2025 is multiplied by the applicable NAF Co-Op rate in which it falls. For example, a business that generated \$35,000 in CLR in 2025 would be eligible for a Co-Op allotment of $\$35,000 \times .01$ (the allocation rate for this threshold of CLR) = \$350. However, any owner that contributed to 2025 NAF is eligible for a minimum of \$400. We currently permit participants in Co-Ops to submit receipts of such shared expenses to us, and we may, in turn, use the Ad Fund to reimburse such participants for a portion of such shared expenditures. We shall determine the percentage of such Co-Op expenditures that may be reimbursed from the Ad Fund, if any. The Co-Op will not have prepared annual financial statements. We have the sole right to form, change, dissolve, and merge Co-Ops and to create and amend any organizational and governing documents of any Co-Op.

Local Advertising. In addition to making contributions to the Ad Fund, you must conduct your own local advertising to promote your business. You may use any of the advertising and marketing materials we make available to you in promoting your business, or you may create your own materials. If you create your own materials, we must approve them before their use. In addition, we have the right to review and make suggested changes and approve internal advertising efforts, such as web-site advertising and electronic mail, and to provide standards for all internet advertising.

As disclosed above, some of your expenses for local advertising may be reimbursable through our Ad Fund reimbursement program. You are not required to participate in any local or regional advertising cooperative or in any other advertising fund.

Our Advertising. We will provide you with appropriate marketing tools necessary to implement a local marketing plan. We may make available to you advertising materials and services at scheduled prices. We are not obligated to conduct any advertising or to spend any amount on advertising anywhere, including in your Territory. If we do conduct any advertising, we are not obligated to ensure that any individual franchisee benefits directly, on a pro rata basis or at all, from the placement, if any, of such advertising in its local market. We may engage the professional services of advertising agencies, including advertising agencies affiliated with us.

Computer System

You must acquire and use the computer systems we specify for the operation of your Franchised Business. The annual costs for computer and equipment services ranges from \$1,100 to \$1,750. This estimate includes the printer, computer, software, and Internet that are not included in the Marketing and Technology Bundle. We may develop computer systems and specifications for certain components of the computer systems in the future and may modify those specifications and the components of the computer systems. As part of the computer systems, we may require you to obtain, update, and use specified computer hardware and/or software including, without limitation, a license to use proprietary software developed by us or others. Your computer systems must be compatible with our computer systems, must be connected to our facilities by high-speed Internet with minimum requirements specified by us, and must be updated, maintained, and used in compliance with our specifications. We may require you to electronically upload or transmit information on a periodic basis (including daily). Also, we have the right to independently access sales information and other data produced by the computer systems and there are no contractual limitations on our right to access and use that information and data, even if the data is maintained by a third party.

We do not provide any support for computer hardware/software operated on computer systems that do not meet our current specifications or for outdated (not current version) software. As the required software is updated, you may need to upgrade or supplement hardware and related items in order to continue to use it. You must upgrade your computer equipment and purchase any additional equipment we specify to accommodate our software or to improve the overall effectiveness and competitiveness of your Franchised Business. We do not expect the cost of these upgrades to be more than \$4,000 per full-time inspector used by you, in any 24-month period. There are no contractual limitations on the frequency and costs of your obligations to upgrade or update any system during the term of the franchise.

The AIS (AmeriSpec Inspection Software) is a software program that allows home inspectors to collect data while performing a home inspection and generate a home inspection report. The AIS is typically operated on hand-held devices and will require installation to operate on laptop or desktop computers. We will assist you with Level 1 inspection software support and assist vendors with major bug fixes for the AIS. We charge an initial license fee of \$1,000 per license for the first year that is included within the Marketing and Technology Bundle that you purchase when you sign your Franchise Agreement. For each year thereafter, an annual services fee that varies per license per inspector must be paid to our approved vendor, depending on the method of payment. Additional licenses for your Franchised Business may be purchased directly from our approved vendor. You must sign the approved vendor's then-current software license agreement. New releases of the software may be provided from time to time.

At our discretion, existing franchisees may have the option, upon renewal of their Franchise Agreement, to continue using AmeriSpec Home Inspector software ("**AHI Software**"). If approved by us, existing franchisees must sign the Software License Agreement included in this Disclosure Document as an exhibit to the Franchise Agreement and pay the then-current license renewal fee associated with the AHI Software.

The AMS (AmeriSpec Management System) is an online business management tool that allows you to have all your needed information and automated processes in place. The AMS allows us to market, schedule, and communicate with your customers. You must sign a license agreement with us for use of this software, which is

included as Exhibit F to the Franchise Agreement. Currently, you will pay us an initial license fee of \$300 per license (which is included in your Marketing and Technology Bundle) and an annual technology fee of \$55 per month, not to exceed \$150 per month, for this software. The fee will be pro-rated for your first year of operation. For each year thereafter, the fee will be payable on June 1.

We are not obligated to provide specific software required by state licensing agencies. It is your responsibility to be in full compliance with your state(s) license requirements, including specific software requirements.

We independently have access to the information and data generated by our software described above. There are no contractual limitations on our right to access the information and data.

We have a private, secure site on the Internet, which is available to our franchisees. This intranet site, AmeriSpec Connection or a comparable site, allows a franchisee to send electronic mail to our corporate staff and other franchisees, post and respond to questions and view other responses in question and answer forums, view and print news items, view and print the Operations Manual, and download files and software updates.

Training

Initial Training. As described earlier, we offer a two-week Initial Training (also referred to as AmeriSpec® Academy) that consists of a one-week technical training on the performance of home inspections and a one-week management training on operating a business. We hold Initial Training at our training facility located in Memphis, Tennessee approximately six times per year, but we may hold our Initial Training virtually when travel or in-person meetings are restricted.

The person who will actually manage your business (whether it is you (if you are an individual) or a manager) and new franchise owners must attend and successfully complete Initial Training. You (if you are an individual), your owners, and/or your manager will typically attend Initial Training approximately 30 to 60 days from signing the Franchise Agreement. You, your owners, or your manager must successfully pass an exam at the end of the technical part of Initial Training.

All individuals conducting home inspection services for you must be certified as a Certified Inspector. An individual may become certified as Certified Inspector by completing the online Study Course that we designate, completing the technical week of Initial Training, and successfully passing the final exam that we provide or by successfully completing a training course provided by a third-party that we approve.

In our sole discretion, existing AmeriSpec franchisees who are acquiring an additional Franchised Business, either via a new purchase or a transfer, may be required to go through our current Initial Training. If you are purchasing a Franchised Business from an existing franchise owner, you must attend the first scheduled Initial Training following the purchase of the franchise.

If you are a new franchise owner, you may have a total of three trainees per Franchised Business attend Initial Training during the first 12 months of business operations as part of the Initial Franchise Fee, unless we, in our sole discretion, allow you to have more attend as a result of your business volume. We charge a fee for additional or subsequent trainees to attend Initial Training, as described in Item 6, and the program is subject to availability. When you or your trainees attend Initial Training, you are responsible for all related costs of training, such as travel and hotel expenses, some meals and other out-of-pocket expenses and compensation.

The following table summarizes our Initial Training:

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.

TRAINING PROGRAM

Subject (Note 1)	Hours of Classroom Training	Hours of On- the-Job Training (Note 2)	Location
<i>AmeriSpec Pre-Academy</i> (Note 2):			
Study Guide and Workbook for Online Self-Study Course	Approx. 40 self study	0	In your home, prior to attending Academy
<i>AmeriSpec Academy:</i>			
<i>Management Training</i>			
Risk Management	3	0	Franchisor Training Center, Memphis, TN
Marketing	5	0	
Administration/Operations	10		
Financial Management	4		
Sales/Management	4		
Computer Training	10		
<i>Technical Training (Inspector Training)</i>			
Roofing	4	0	Franchisor Training Center, Memphis, TN
Electrical Systems	4	0	
Structure	4	0	
Heating Systems	4	0	
AC/heat pumps	3	0	
Exterior	4	0	
Plumbing	8	0	
Appliances	2	0	
Fireplaces/Chimneys	3	0	
Interiors	3	0	
Insulation/Ventilation	3	0	
Contracts and Industry	4	0	
Report Writing	3	0	
Standards	0	9	Classroom hours at the Franchisor’s Training Center, Memphis, Tennessee; On-the-job training will be within the Territory
In-Field Practice Inspections	2	6	
Final Test and Graduation	1.5	0	Franchisor Training Center, Memphis, TN
<i>Post Academy Training (Note 3):</i>			
In-Field Practice Inspections and Inspection Reports	3	15	Within the Territory
TOTAL	91.5 (131.5 including self- study hours)	30	

Notes to Item 11, Training Program:

1: We will use our Operations Manual and the Home Reference Book of Home Inspection as the instructional

materials for these training programs. Training sessions and materials are in English. The management training of the Academy is presented by the Development Managers and the Marketing Department along with our other staff members. The technical training at the Academy is conducted by our Manager of Technical Training, Michael Hughes. Mr. Hughes was an AmeriSpec® franchisee from 1998 to 2000 and has been on our and our Immediate and Indirect Predecessors' technical training staff since January 2001.

2: You must complete the 40-hour Home Reference On-Line Study Course prior to attending the two-week Academy. We will monitor the on-line Home Reference Study Course to ensure completion prior to attending Academy class.

3: After Academy, you and any inspectors must complete three to four practice inspections and submit inspection reports for evaluation by the Technical Department.

You should be aware that there are specific statutory requirements in many states that apply to home inspector licensing, registration or certification, or otherwise regulate the operation of a home inspection business. Some states require attendance at their training sessions and passing a test before you can be licensed in that state. It is your responsibility to determine whether these requirements may apply to your Franchised Business and to comply with any applicable laws, rules or regulations.

Additional Training and Assistance. We may, but are not required, to provide or make available to franchisees training on the performance of other residential and commercial building inspections.

All franchisees wishing to perform commercial inspections must meet our standards as specified in the Operations Manual, obtain our approval, and become certified in commercial property inspections from a program that we approve. Currently, the approved commercial inspection training program is conducted by an independent third party, which charges a fee, and is separate from our Initial Training.

We offer additional regional training programs and refresher courses to our franchisees and their inspectors from time to time for additional and continuing technical education. The number of regional sessions held may vary from year to year at our discretion. We may charge a fee for such programs.

We generally hold a franchisee convention approximately once every 12 to 24 months. Currently, we may charge a Convention Fee that ranges between \$700 to \$1,000 per person, and this fee is subject to increase from year to year. If you fail to attend the convention, you must pay us a fee of \$500.

Pricing

You may set and determine your own pricing structure for the Franchised Services sold and rendered. You may request suggested pricing from us but all prices charged shall be solely at your discretion.

Item 12: Territory

We will designate a Territory in which your Franchised Business will provide services. We consider total population, relative affluence, and, if available, the number of recent Real Estate Transactions (“RETs”) to determine a territory in our sole discretion. We use the current United States Census Bureau figures, or other sources we determine within our sole discretion, when considering population estimates. Your Territory will be listed as Exhibit A to your Franchise Agreement.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we or our affiliates control.

Performance Criteria

Your Territory will remain unchanged as long as you comply with all your obligations under the Franchise Agreement and meet the following performance criteria (the “**Performance Criteria**”):

For a new Franchised Business, you must have complied with the Franchise Agreement and achieved (a) revenue growth over the trailing 3 years; (b) at least 3% market share; and (c) a revenue percentage increase from Year 2 to Year 3 that is either (i) equal to or greater than the percentage increase of RETs in your Territory or (ii) equal to or less than the percentage decrease of RETs in your Territory.

For an existing Franchised Business, you must have complied with the Franchise Agreement and achieved (a) at least 3% market share and (b) a revenue percentage increase over a 5-year period that is either (i) equal to or greater than the 5-year average increase in the RET(s) in the Territory or (ii) equal to or less than the 5-year average decrease of RETs in your Territory.

Market share will be calculated by multiplying the number of RETs in the Territory for a 12-month period by the average percentage of RETs that obtain home inspections as determined by ASHI (American Society of Home Inspectors) and dividing that number by the number of home inspections performed by you during that same period.

If you fail to meet the Performance Criteria or fail to comply with any term of the Franchise Agreement, then in addition to any other remedies we may have, including the right to terminate the Franchise Agreement, we will have the right to reduce and/or restructure the size of or eliminate the protected rights in your Territory. In addition, if you are an existing franchisee and are transferring your Franchised Business to a transferee, we may modify or re-define your territory to be consistent with then current standards for issuing new territories, however we will not reduce the geographical scope of your territory for the aforementioned reasons except for failure to meet Performance Criteria.

Marketing and Other Activities in the Territory

You may market to and solicit customers only within your Territory. Our business is a referral business; therefore, you may also perform services for a customer outside your Territory only if an agent and/or customer initiates the request. Directing marketing or solicitation activities to agents or customers outside of your Territory is prohibited. Otherwise, we do not prevent any of our franchisees from advertising their business, or soliciting customers through the internet, direct mail and other direct marketing. We do not pay for soliciting or accepting orders from inside your Territory.

You may operate and market your Franchised Business within the Territory, subject to certain rights reserved by us (as set forth below). We reserve the right to:

- (a) establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Territory and on any terms and conditions we deem appropriate;
- (b) offer and sell, and grant rights to other franchise owners to offer and sell, any products or services that you do not or will not offer in the Territory, whether identified by the Marks or other trademarks or service marks, through any distribution channels we deem best, without any obligation to compensate you for selling such products or services in your Territory;
- (c) purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located within the Territory, without any obligation to

- compensate you for any business lost to new franchises in your Territory as a result of the consummation of such transaction;
- (d) to be acquired (regardless of the form of transaction) by a business identical or similar to Franchised Businesses; and
 - (e) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

Office Location

Your Office must be at a location that we approve within your Territory. You may not move your Office outside of your Territory, nor may you advertise an Office location that is outside of your Territory. Our consent is required, but will not be unreasonably withheld, if you want to move your Office, so long as your new proposed Office is within your Territory. If you own multiple Franchised Businesses, the designated territories of which are contiguous, you are required to establish only one full-time Office. You do not have any option or right of first refusal to purchase any areas outside of your Territory.

Affiliated Programs

Although neither we nor our affiliates are restricted by this disclosure or the Franchise Agreement from operating a franchise or company-owned outlet for inspection services under any other trade name or trademark other than what has already been discussed in this Disclosure Document, except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Eagle Merchant Partners, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell.

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

Item 13: Trademarks

If we grant you a Franchised Business, we will grant you the right to operate such Franchised Business under the Marks that we specify in your Franchise Agreement or otherwise in writing from time to time. We may add to, change, or remove Marks from time to time.

In the Acquisition, we acquired the Marks from Immediate Predecessor. Immediate Predecessor registered the Marks listed below on the Principal Register of the United States Patent and Trademark Office (the "USPTO") and Immediate Predecessor and Franchisor filed all necessary affidavits and renewals for such Marks.

Mark	Registration No.	Date of Registration
AMERISPEC	1,497,266	July 19, 1988

Mark	Registration No.	Date of Registration
	1,968,902	April 16, 1996
 AMERISPEC® INSPECTION SERVICES	2,524,568	January 1, 2002
PROTECTION BEYOND THE INSPECTION	3,860,652	October 12, 2010
PROTECTION BEYOND THE INSPECTION	3,918,093	February 8, 2011
ASK THE INSPECTOR	3,958,321	May 10, 2011
 AMERISPEC® INSPECTION SERVICES	4,066,523	December 6, 2011
AMERISPEC (word mark)	4,066,524	December 6, 2011
	4,066,525	December 6, 2011

There are no agreements significantly limiting our right to use or license the use of the Marks. If you learn of an infringement or challenge to your use of the Marks, you must immediately notify us. We will take the action we think is appropriate. We are not obligated, by the Franchise Agreement or otherwise, to protect your right to use any Marks. However, we will protect you against claims of infringement or unfair competition that might be made against you from your use of the Marks as long as you are properly using them. We may, in this situation, take any action we think is appropriate to handle the claim.

There are currently no effective determinations of the U.S. Trademark Office, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court, or any pending infringement, opposition or cancellation proceedings, or any material litigation, involving our principal Marks. We know of no superior rights or infringing use that could materially affect your use of the principal Marks listed above in the United States. We may adopt new Marks at any time, or to change our existing Marks. If we adopt new Marks, or change our existing Marks, you must use the new or modified Marks, and discontinue the use of any Marks we decide to change or discontinue, but we will either give you sufficient notice to allow you to use any trademarked stationery and marketing materials you bought in the last 90 days that will become obsolete or, at our option, we will purchase those materials from you at your cost.

Item 14: Patents, Copyrights and Proprietary Information

We do not own rights in, or licenses to, patents, pending patent applications or copyrights that are material to the Franchised Business. We or our affiliates claim copyright protection of our Manuals, and to advertising and promotional materials, inspection agreements, forms, and related materials that we produce, although these materials may not have been registered with the Copyright Office of the Library of Congress. The materials are proprietary and confidential and are considered our or our affiliates' property. You may use them only as long as you are a franchisee, and only as provided in the Franchise Agreement.

In the Acquisition, we acquired from Immediate Predecessor ownership of the following copyrights that had been registered by our Indirect Predecessor's former affiliates with the Copyright Office of the Library of Congress, which you may use as long as you are a franchisee:

Title of Copyright	Registration No.	Date Registered
AmeriSpec Inspection Agreement(s)	TX000952385	May 8, 2000

Title of Copyright	Registration No.	Date Registered
Basic Energy Assessment Report	TX0004141627	November 1, 1995
Dream home or nightmare? / AmeriSpec	TX0002652537	September 20, 1989

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

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

Item 15: Obligation To Participate in the Actual Operation of the Franchise Business

While we recommend that you participate personally in the operation of your business, you are under no obligation to do so. A manager who has successfully completed Initial Training, however, must always directly supervise the Franchised Business. The manager is not required to have any ownership interest in your Franchised Business. We hold you personally responsible for the day-to-day management of the business, and you are responsible for restricting your managers from improperly using or disclosing our confidential information. You will sign a Guaranty that will individually bind you and all other owners of your entity to all covenants, obligations and commitments contained in the Franchise Agreement. Your spouse, if you are an individual, is not required to sign a Guaranty if the spouse has no ownership interest in the business entity. However, the spouse will be required to sign a Spouse Acknowledgement in the form attached to the Guaranty, by which the spouse acknowledges that we are relying on all assets of the guarantor, including jointly owned marital property, in accepting the guarantor's obligations. The spouse also agrees to be bound by the non-competition and non-disclosure restrictions, dispute resolution provisions, and governing law provision contained in the Franchise Agreement.

Item 16: Restrictions on What the Franchisee May Sell

You must offer and sell only those goods and services that we have approved (see Item 8). We limit you to performing inspections and other related services on single-family residences and certain multi-family buildings and commercial buildings in the Territory. You must be certified by us to inspect residential properties, and must be certified by our approved third-party vendor to inspect commercial buildings. The certification for residential inspections is separate and distinct from certification for commercial inspections. We may prescribe certain goods and related services that must be sold by your business, and certain products that may not be sold in your business. We may change these items at any time.

Item 17: Renewal, Termination, Transfer and Dispute Resolution.

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise agreement	Summary
a. Length of the franchise term	Paragraph 3.3	5 years
b. Renewal or extension of the term	Paragraph 3.4	If you meet the conditions in Row C., you may enter into a renewal term for an additional, consecutive 5-year term.
c. Requirements for franchisee to renew or extend	Paragraphs 3.4 and 3.5	In order to enter into a renewal term, you must satisfy, in our sole discretion, the following conditions: you have (i) notified us of your intent to renew not less than 6 months before the end of the term, (ii) complied with all the provisions of the Franchise Agreement, (iii) operated the Franchised Business utilizing and conforming to the System of Operation, (iv) utilized exclusively the Names and Marks in the operation of the Franchised Business, (v) upgraded the office of the Franchised Business to meet our then-current standards, (vi) executed our then-current form of Franchise Agreement (which may have materially different terms from your current one) and other related agreements, (vii) executed, along with your owners and affiliates, a general release, and (viii) submitted to an audit (if required by us) and paid the cost of such audit (not to exceed \$2,000). No renewal fee is payable. If you have not signed the new Franchise Agreement and general release at the end of the term, we may, in our sole discretion, extend your franchise on a month-to-month basis, but, if you have not signed such agreements after 60 days, your Royalty Fee will be increased by 2.5% of Gross Receipts.
d. Termination by franchisee	Paragraph 19.1	You may terminate only if we default and do not cure the default within 30 days after written notice is delivered to us, unless otherwise specified under applicable state laws.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Paragraph 19	We may terminate only if you default or commit one of several violations.
g. “Cause” defined – curable defaults	Paragraphs 19.2, 19.3 and 19.4	We may terminate the Franchise Agreement for any reason constituting good cause, after providing you with 30 days to cure the default, other than the defaults in Section 19.2. In addition, you have 10 days to cure any noncompliance with federal, state or local regulations applicable to your business, 5 days to cure any levy on your Franchise Agreement, and 5 days to cure any late payment and fees to us.
h. “Cause” defined – non-curable defaults	Paragraph 19.2	Non-curable defaults include: failure to satisfactorily complete Initial Training; abandonment of the Franchised Business;

Provision	Section in franchise agreement	Summary
		conviction of a felony or other criminal misconduct; failure to cure a default that materially impairs the goodwill associated with our marks; bankruptcy or assignment of your assets for the benefit of creditors or admitting you cannot pay your debts as they come due; repeated default of the same provision of the Franchise Agreement; unauthorized assignment of the Franchise Agreement, the Franchised Business, or your entity; any material misrepresentation relating to the purchase of the Franchised Business; if you engage in conduct that reflects unfavorably on the reputation or operation of your business or ours; if we believe your operation will result in imminent danger to the public health or safety; if you fail to submit required financial statements to us; if you, your owners, or your affiliates default under an agreement with us or our affiliates or an agreement related to the Franchised Business; if you fail to pay any amounts due to a vendor; or if you receive four or more default notices during the term.
i. Franchisee's obligations on termination/non-renewal	Paragraphs 19.5 through 19.11	Obligations include: (i) complete de-identification and payments of amounts owed (also see R below); (ii) cancellation of assumed names or equivalent registrations relating to the use of our trade names and trademarks; (iii) assign your phone number(s) to us; (iv) cease to identify yourself or any business as being associated with us, use any of the System of Operation, concepts and methods of promotion, or Marks; (v) return all loaned and confidential materials to us; (vi) relinquish all interest in the Franchised Business including goodwill established prior to or during the operation of the Franchised Business; (vii) agree that the customer list of the Franchised Business reverts to us; and (viii) comply with the surviving obligations of the Agreement after termination or expiration.
j. Assignment of contract by franchisor	Paragraph 16.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Paragraph 16.2	Includes assignment, conveyance, giving away, or encumbering to any person, company or partnership or other legal entity, your interest in the Franchise Agreement, the Franchised Business, or ownership of the business entity who owns any interest in the Franchised Business.
l. Franchisor approval of transfer by franchisee	Paragraphs 16.2 and 16.4	We have the right to approve all transfers, but we will not unreasonably withhold approval. Any assignment not having the necessary consent shall be null and void and shall constitute a materials default of the Franchise Agreement.
m. Conditions for franchisor approval of transfer	Paragraphs 16.2 and 16.3	New franchisee must meet current standards for our franchisees, sign an assignment document, assume the existing Franchise Agreement or sign our then-current Franchise Agreement, and must (or its manager must) complete Initial Training. You must sign a general release and pay the transfer fee specified in your Franchise Agreement if one-half or more of the franchise is assigned. You cannot transfer business to a competitor of us.

Provision	Section in franchise agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Paragraph 17	If you have an offer you are willing to accept, you must communicate in writing to us the full terms of the offer and the name of the offeror. We will give you written notice within 20 days after we receive your communication of the offer if we wish to accept. If we do not respond within the 20 days, you may sell to the offeror on the terms offered, subject to the provisions of transfer. The sale must be completed within 60 days of the 20-day notice period; otherwise, an additional notice must be given to us and an additional option period must expire prior to any such assignment. Should we elect to purchase, we have the right to substitute equivalent cash for any non-cash consideration included in the bona fide offer to purchase, and the parties will use their best efforts to complete the purchase within 60 days from the date of our notice of election to purchase.
o. Franchisor's option to purchase franchisee's business	Paragraph 17	Only as described above in "n. Franchisor's right of first refusal to acquire franchisee's business."
p. Death or disability of franchisee	Paragraphs 16.2 and 16.2.4.4 or 16.2.4.6	Your heirs can assume the Franchised Business, but they must meet the same conditions as a transferee or assignee, except no transfer fee is charged if transferred to the spouse of the deceased. If transferred to an adult child, a transfer fee equal to one half of the then current transfer fee must be paid.
q. Non-competition covenants during the term of the franchise	Section 15	You may not be involved in a competing business that offers programs and services similar to any Franchised Businesses during the term of the Franchise Agreement (subject to state law) and may not divert business to competitors.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 15	You may not be involved for 1 year in a competing business within the Territory and a 75-mile radius of the Territory (subject to state law).
s. Modification of the agreement	Paragraph 23.8	No modifications without the written consent of all parties.
t. Integration/merger clause	Paragraph 23.2	The terms of the Franchise Agreement are binding (subject to state law), and the representations of the Disclosure Document are not disclaimed. Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Paragraph 21	In certain circumstances arbitration is mandatory (subject to state law).
v. Choice of forum	Paragraph 21	Subject to applicable state laws, all claims must be arbitrated or litigated in the city in which our principal place of business is located (currently, Memphis, Tennessee).
w. Choice of Law	Paragraph 21	Subject to applicable state laws, Tennessee law applies.

Item 18: Public Figures

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

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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Chris Gammill at 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018 and 844-326-5292, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchisee Information

As noted in Item 1, Immediate Predecessor was the franchisor of the AmeriSpec® system prior to the closing of the Acquisition in March 2023.

An outlet as used in these Item 20 Tables is defined as a franchise territory.

Table No. 1
Systemwide Outlet Summary for Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	155	139	-16
	2024	139	102	-37
	2025	102	96	-6
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	155	139	-16
	2024	139	102	-37
	2025	102	96	-6

Table No. 2
Transfer of Franchised Outlets for Years 2023 to 2025

State	Year	Number of Transfers
CO	2023	0
	2024	0
	2025	0
FL	2023	0
	2024	0
	2025	0
GA	2023	0
	2024	1
	2025	0
MI	2023	0
	2024	0
	2025	1
MN	2023	1
	2024	2
	2025	0
MS	2023	1
	2024	0
	2025	0

PA	2023	0
	2024	0
	2025	0
TN	2023	0
	2024	1
	2025	0
WI	2023	0
	2024	0
	2025	0
Total	2023	2
	2024	4
	2025	1

Table No. 3
Status of Franchised Outlets for Years 2023 to 2025

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at the End of the Year
AL	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
AR	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
AZ	2023	3	0	0	0	0	0	3
	2024	3	1	1	0	0	0	3
	2025	3	0	0	0	0	0	3
CA	2023	20	0	2	0	0	0	18
	2024	18	0	7	0	0	0	11
	2025	11	0	0	0	0	0	11
CO	2023	6	0	0	0	0	0	6
	2024	6	0	0	2	0	0	4
	2025	4	0	0	2	0	0	2
DE	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
FL	2023	7	0	0	1	0	0	6

	2024	6	3	0	0	0	1	8
	2025	8	0	0	0	0	0	8
GA	2023	7	0	0	1	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
IA	2023	4	0	0	0	0	0	4
	2024	4	0	1	0	0	0	3
	2025	3	0	0	0	0	0	3
IL	2023	6	0	0	0	0	0	6
	2024	6	0	0	1	0	0	5
	2025	5	0	0	0	0	0	5
KS	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
KY	2023	3	0	0	2	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	1	0	0	0
LA	2023	4	0	0	1	0	0	3
	2024	3	0	0	1	0	0	2
	2025	2	0	0	0	0	0	2
MD	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
ME	2023	2	0	0	1	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MI	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
MN	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
MO	2023	8	0	0	0	0	0	8
	2024	8	0	0	1	0	0	7
	2025	7	0	2	0	0	0	5
MS	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

NC	2023	4	0	0	2	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NE	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
NJ	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1
NM	2023	3	0	0	1	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1
	2022	3	0	0	0	0	0	3
NV	2023	3	0	0	0	0	0	3
	2024	3	0	3	0	0	0	0
	2025	0	0	0	0	0	0	0
OH	2023	4	0	0	0	0	0	4
	2024	4	0	1	1	0	0	2
	2025	2	0	0	0	0	0	2
OK	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
OR	2023	6	0	0	0	0	0	6
	2024	6	0	3	0	0	0	3
	2025	3	0	0	0	0	0	3
PA	2023	3	0	0	1	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
RI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
SC	2023	3	0	0	0	0	0	3
	2024	3	0	0	1	0	0	2
	2025	2	0	0	1	0	0	1
TN	2023	6	0	0	2	0	0	4
	2024	4	1	1	0	0	0	4
	2025	4	0	0	0	0	0	4
TX	2023	11	0	0	0	0	0	11

	2024	11	0	9	0	0	0	2
	2025	2	0	0	0	0	0	2
UT	2023	4	0	0	0	0	0	4
	2024	4	0	1	0	0	2	1
	2025	1	0	0	0	0	0	1
VA	2023	3	0	0	0	0	0	3
	2024	3	0	1	1	0	0	1
	2025	1	0	0	0	0	0	1
WA	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
WI	2023	3	0	0	0	0	0	3
	2024	3	0	0	1	0	0	2
	2025	2	0	0	0	0	0	2
Totals	2023	155	0	3	13	0	0	139
	2024	139	5	30	9	0	3	102
	2025	102	0	2	4	0	0	96

Table No. 4
Status of Company-Owned Outlets for Years 2023 to 2025

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets sold to Franchisee	Outlets at the End of the Year
All States	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2025
For Fiscal Year Ending on December 31, 2026

State	Franchise Agreement Signed but Outlet Not Open	Projected New Franchised Outlets In The Next Fiscal Year	Projected Company-Owned Outlets in Next Fiscal Year
--------------	---	---	--

Georgia	0	1	0
Iowa	0	1	0
North Carolina	0	1	0
Ohio	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	0	2	0
Totals	0	8	0

The name, business address, and business telephone number of each current franchisee as of December 31, 2025, is attached to this Disclosure Document as Exhibit D. The name, last known home address, and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recent fiscal year or has not communicated with us or our affiliates within 10 weeks of the issuance date of this Disclosure Document, is attached as Exhibit E. Please note, if you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

We or Immediate Predecessor have entered into confidentiality clauses with former franchisees during the past three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We have not created, sponsored or endorsed any trademark-specific franchisee organization associated with our franchise system. No independent franchise organization has requested to be included in our disclosure document.

Item 21: Financial Statements

Attached to this Disclosure Document as Exhibit B is the consolidated audited financial statements of Guarantor for the period from March 31, 2023 to December 31, 2023 and as of December 31, 2025 and December 31, 2024. We began offering franchises in March 2023 and therefore cannot yet include three full years of our audited financials. Because Guarantor was organized on February 24, 2023 and began operating on March 31, 2023, it does not yet have available, and we cannot yet include, three full years of audited financial statements for Guarantor.

Guarantor has absolutely and unconditionally guaranteed all of our obligations under the terms of any Franchise Agreement or related agreement issued under this Disclosure Document. A copy of Guarantor's Guaranty of our obligations to you under the Franchise Agreement is included in Exhibit B to this Disclosure Document.

Item 22: Contracts

This Disclosure Document contains the following contracts:

Exhibit A – Franchise Agreement

Exhibit B to Franchise Agreement – Guaranty and Spousal Acknowledgement
Exhibit C to Franchise Agreement – Website Account License Agreement
Exhibit D to Franchise Agreement – Email Account License Agreement
Exhibit E to Franchise Agreement – Telephone Number Assignment
Exhibit F to Franchise Agreement – AmeriSpec® Management Software License Agreement
Exhibit F – State Addenda to Disclosure Document and Franchise Agreement
Exhibit H – General Release
Exhibit I – State Effective Dates and FDD Receipts

Item 23: Receipts

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

FDD EXHIBIT A

FRANCHISE AGREEMENT AND EXHIBITS

TCB AMERISPEC, LLC FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

TABLE OF CONTENTS

<u>Section</u>	<u>Description</u>	<u>Page</u>
1.	INTRODUCTION.....	4
2.	DEFINITIONS	4
3.	GRANT OF FRANCHISE AND RENEWAL OF FRANCHISE	5
4.	INITIAL FRANCHISE FEE	9
5.	ROYALTIES	9
6.	ADVERTISING AND PROMOTION	10
7.	SITE SELECTION AND ESTABLISHMENT OF BUSINESS PREMISES	12
8.	TRAINING AND ASSISTANCE	12
9.	OPERATION OF THE FRANCHISED BUSINESS	14
10.	NAMES AND MARKS.....	17
11.	SUPPLIES	19
12.	FINANCIAL INFORMATION, DEPOSITS, REPORTS, AND AUDITS.....	19
13.	INSURANCE.....	20
14.	CONFIDENTIALITY AND IMPROVEMENTS BY THE FRANCHISEE	21
15.	COVENANTS.....	22
16.	ASSIGNMENT.....	23
17.	RIGHT OF FIRST REFUSAL	25
18.	PRE-TERMINATION OPTIONS OF THE COMPANY	26
19.	TERMINATION	26
20.	ENFORCEMENT	29
21.	DISPUTE RESOLUTION.....	30
22.	INDEPENDENT CONTRACTORS/INDEMNIFICATION	34
23.	BINDING EFFECT/CONSTRUCTION/WAIVER/ NOTICES	36
24.	REPRESENTATIONS BY FRANCHISEE	38

EXHIBITS

A – DESIGNATED TERRITORY

B – GUARANTY AND SPOUSE ACKNOWLEDGEMENT

C – WEBSITE ACCOUNT AGREEMENT

D – E-MAIL ACCOUNT LICENSE AGREEMENT

E – TELEPHONE NUMBER ASSIGNMENT

F – AMERISPEC® MANAGEMENT SYSTEM LICENSE AGREEMENT

TCB AMERISPEC, LLC
FRANCHISE AGREEMENT

FRANCHISE NUMBER: _____

THIS AGREEMENT is signed this ____ day of _____, 20__ and made effective this ____ day of _____, 20__, by and between

TCB AmeriSpec, LLC,
57 Germantown Ct.
Suite 201
Cordova, Tennessee 38018
(the “Company”)

and

doing business as

with its address at

(the “Franchisee”).

1. INTRODUCTION

The Company has acquired experience in the development, opening, operation, and promotion of businesses that provide a variety of single family and multifamily commercial building inspection services. The Company has developed a marketing plan for the marketing of these and other services under the trade name and service mark “AmeriSpec” and other “Names and Marks” (as defined herein) and desires to grant to qualified persons franchises to use its concepts, programs, and methods of marketing in the operation of an inspection business utilizing exclusively the Names and Marks selected, used, and promoted by the Company. The Franchisee has made application to the Company for a franchise to operate an AmeriSpec home inspection business and the application has been approved by the Company in reliance upon the representations made in the application.

2. DEFINITIONS

The terms and phrases specified below shall have, for purposes of this Agreement, the following meanings:

2.1 Franchise shall mean the right granted to the Franchisee by the Company to use the System of Operation and to use the Names and Marks selected, used, and promoted by the Company.

2.2 Term of the Franchise shall mean the initial term of the Franchise and all renewal terms if the Franchise is renewed.

2.3 Gross Receipts shall mean the total amount of revenues received by the Franchisee or any affiliates from all products and services offered by the Franchised Business or offered from the premises of

the Franchised Business, and all other services or products sold under the Names and Marks, or using any branded systems (including any branded software) or tools, or otherwise related to the Franchised Business or sold to customers of the Franchised Business, whether payment is received by cash or credit, plus the fair market value of goods delivered and services rendered to the Franchisee, or its designee, in consideration for goods and services provided in, from, or in conjunction with the Franchised Business. There shall be excluded from "Gross Receipts" bona fide refunds, credits given or allowed by the Franchisee to customers, uncollectible checks, and amounts collected from customers and remitted by the Franchisee to any governmental taxing authority in satisfaction of sales taxes. There shall also be excluded from Gross Receipts any revenues received from businesses operated by the Franchisee prior to the date of this Agreement at the premises of the Franchised Business, provided such existing businesses have been disclosed to the Company and Company has provided a written amendment to this Agreement for the exclusion of such revenue

2.4 Names and Marks shall mean the commercial trade names, trademarks, service marks and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by the Company in connection with its franchised system offering commercial building inspection services or related products and/or services.

2.5 System of Operation shall mean the business plans and methods licensed by the Company to be used in connection with the operation of the Franchised Business. The "System of Operation" includes standards, specifications, methods, procedures, techniques, management systems, approved home inspection software, identification schemes and information, all of which may be changed, improved and further developed from time to time by the Company.

2.6 Franchised Business shall mean the business franchised under this Agreement to operate utilizing the System of Operation and the Names and Marks.

2.7 Designated Territory shall mean the geographic area described in Paragraph 3.1 of this Agreement. The Company will designate a territory within which the Franchisee will perform services. The Franchisee's Designated Territory will consist of a contiguous area. We consider total population and relative affluence to determine a territory. The Company uses the current United States Census Bureau figures when considering population estimates.

2.8 Office. Whenever the term "office" is used in this Agreement in reference to the office of the Franchised Business, that term shall refer to the principal business office initially established by the Franchisee under this Agreement except in Paragraph 15, where the term office shall mean any office used by the Franchisee during the two (2) year period prior to the termination or expiration of this Agreement, or the assignment of this Agreement or of the Franchised Business.

3. GRANT OF FRANCHISE AND RENEWAL OF FRANCHISE

3.1 Protected Territory Appointment. The Company hereby grants to the Franchisee, and the Franchisee undertakes the obligation, upon the terms and conditions contained in this Agreement, a protected right and a license to operate a business offering the System of Operation (the "Franchised Business"), and to use solely in connection with the Franchised Business the Company's System of Operation, and to use the Names and Marks of the Company in the conduct of a variety of single family and multifamily commercial building inspection services, as those services may be changed, improved, and further developed from time to time, within the territory described in Exhibit A (the "Designated Territory" or "Territory"). "Protected" means that the Company will not enter into a Franchise Agreement licensing another Franchisee inside the

Designated Territory; except as provided for in Paragraph 3.1.1, Paragraph 3.1.2 and Paragraph 3.1.6 of this Agreement. The Franchisee may retain “protected” status of its Designated Territory upon meeting the performance and other criteria set forth in Paragraph 3.1.1 and Paragraph 3.1.2 below. Notwithstanding the foregoing, the provisions of Paragraph 3.1.1 and Paragraph 3.1.2 shall not be enforced during any 12-month period if the Franchisee, its principal manager, or its majority shareholder, member, or partner dies during such 12-month period.

3.1.1 For new Territory, Franchisee must have achieved (a) revenue growth over the trailing 3 years; (b) at least 3% market share and either (c) a revenue percentage increase from Year 2 to Year 3 that is equal to or greater than the percentage increase of Real Estate Transactions (“RETs”) in Franchisee’s assigned Designated Territory for this Agreement or (d) a revenue percentage increase from Year 2 to Year 3 that is equal to or less than the percentage decrease of RETs in Franchisee’s Designated Territory for this Agreement, as well as maintained good standing as a brand ambassador by timely payment of monthly fees, proper use of Company trade names, trademarks and system of operations, and compliance with all other obligations of the Franchise Agreement.

3.1.2 For existing Territory, Franchisee must have achieved: (a) at least 3% market share, and (b) a revenue percentage increase over a 5-year period that is equal to or greater than the 5-year average increase in the RETs in the assigned Designated Territory for this Agreement or (c) a revenue percentage increase over a 5-year period that is equal to or less than the 5-year average decrease of RETs in Franchisee’s Designated Territory for this Agreement, as well as maintained good standing as a brand ambassador by timely payment of monthly fees, proper use of Company tradenames, trademarks and system of operations, and compliance with all other obligations of the Franchise Agreement.

3.1.3 For purposes of this Agreement, market share will be calculated by multiplying the number RETs in the Territory for a 12-month period by the average percentage of RETs that obtain home inspections as determined by ASHI (American Society of Home Inspectors) and dividing that number by the number of home inspections performed by Franchisee during that same period. For clarification, the 12-month period will be immediately prior to the period that the Company performs its review of the Franchised Business.

Market Share Example: 6,500 RETs x 70% = 4,550 inspections; 4,550 inspections ÷ 137 inspections performed by the Franchisee = 3% market share.

3.1.4 The Franchisee may perform services for a customer outside the Designated Territory only if an agent and/or customer initiates the request. The Franchisee may market and solicit customers within the Designated Territory for the license. Directing marketing or solicitation activities to agents or customers outside of Franchisee’s designated territory is prohibited.

3.1.5 The Franchisee will operate the Franchised Business within the Territory at an office location set forth on Page 1 of this Agreement. The Franchisee may relocate to another office location within the Territory with the written approval of the Company before relocating. The Franchisee will request this approval by notifying the Company in writing of any planned change in the location of the Franchised Business no later than 30 days prior to any such relocation. At the Franchisee’s request, the Company will provide the Franchisee a copy of a map indicating the geographic area of the Designated Territory.

3.1.6 The parties acknowledge and understand the Company shall have the right to operate a similar business or grant rights to other franchisees to operate a similar business, anywhere outside the Designated Territory, even if that business competes for customers located in the Designated Territory. If

Franchisee does not meet the criteria to maintain protected status, then the parties acknowledge and understand that the Company shall have the right to operate a similar business or grant rights to other franchisees to operate a similar business, anywhere inside the Designated Territory, even if that business competes for customers located in the Designated Territory. The Company (for itself and its affiliates, including without limitation its Parent) reserves any and all rights to acquire, to be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not) located anywhere. Such transactions may include (but are not limited to) arrangements involving competing businesses and brand conversations (to or from the AmeriSpec Marks and System). Such transactions are expressly permitted under this Agreement.

3.2 Operation as a Corporation. The Franchisee agrees that its authorization to operate as a corporation or limited liability company shall be conditioned upon the following requirements:

3.2.1 Its shareholders and/or members shall at all times be personally bound by the terms of this Agreement.

3.2.2 Each stock certificate of the Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to the Company that it is held subject to this Agreement, and that any assignment or transfer of the stock certificate is subject to all restrictions imposed upon assignments by this Agreement.

3.2.3 Certified copies of the Franchisee's Articles of Incorporation, By-Laws, and other governing documents, including the resolutions of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to the Company.

3.2.4 If the Franchisee is an individual or a partnership and wishes to incorporate, the Franchisee shall obtain prior written approval of the Company for the assignment of the rights and duties under this Agreement to the new corporation and the Company shall assign this Agreement and the Franchised Business at no additional monetary consideration for the remainder of the term of this Agreement, at the Company's discretion, in accordance with the provisions of Paragraph 16 of this Agreement, provided that the corporate entity assumes all duties of the Franchisee and that the Franchisee and all shareholders remain personally bound by the terms of this Agreement and enter into a written agreement, in the form attached hereto as Exhibit B, jointly and severally guaranteeing the full payment and performance of the corporate entity's obligations to the Company and agreeing to be personally bound by all covenants and restrictions imposed upon the corporate entity under the terms of this Agreement. If Franchisee is an individual, then its spouse is not required to sign the guaranty attached hereto as Exhibit B. However, the spouse of the individual Franchisee will be required to sign a Spouse Acknowledgement in the form attached to the guaranty attached hereto as Exhibit B, by which the spouse acknowledges that the Company is relying on all assets of the guarantor, including jointly owned marital property, in accepting the guarantor's obligations. The spouse also agrees to be bound by the non-competition and non-disclosure restrictions, dispute resolution provisions, and governing law provisions contained in this Agreement.

3.2.5 If the Franchisee is a corporation or limited liability company, then the individuals named in Paragraph 3 of Exhibit A shall remain the owner of not less than 50% of the total voting capital stock of the corporate Franchisee during the entire term of this Agreement, with the effective unencumbered right to vote the capital stock. The loss or surrender of the ownership or effective unencumbered right to vote the capital stock, by any means whatever, shall constitute a breach of the terms of this Agreement. Ownership of the corporation, limited liability company or other entity, by a private equity group, an ESOP

trust, or any similarly structured entity, is not permitted without the prior express written permission of the Company.

3.3 Term of Franchise. Subject to the provisions of this Agreement, the Company grants to the Franchisee a Franchise for a term of 5 years commencing on the date of this Agreement.

3.4 Renewal of License. Upon expiration of the initial term or any renewal term of the Franchise, the Franchisee shall have the option to renew the license to operate the Franchised Business for an additional consecutive 5-year term; provided that by the end of the term of this Agreement (including any Extensions), the Franchisee has, in the Company's sole discretion, (i) notified the Company not less than 6 months prior to the renewal date of the Franchisee's intent to renew, (ii) complied with all the provisions of the Franchise Agreement which is then expiring, (iii) operated the Franchised Business utilizing and conforming to the System of Operation, (iv) utilized exclusively the Names and Marks in the operation of the Franchised Business, (v) upgraded the office of the Franchised Business to meet the Company's then-current standards, (vi) executed the Company's then-current form of Franchise Agreement (the "Renewal Franchise Agreement") and all other agreements and legal instruments and documents then customarily employed by the Company in the grant of Franchises, (vii) executed, along with its owners and affiliates, a general release in a form prescribed by the Company, and (viii) (if required by the Company, in its sole discretion) submitted to an audit of its operations at a cost not to exceed \$2,000, subject to the provisions of paragraph 12.5. No renewal fee shall be charged in connection with the renewal of the Franchise.

3.4.1 If (a) the Franchisee notifies the Company of the Franchisee's intent to not renew at least 6 months prior to the renewal date or (b) the Company determines, in its sole discretion, that Franchisee cannot satisfy the renewal conditions, this Agreement shall expire at the end of the then-current term.

3.4.2 If Franchisee fails to execute the Renewal Franchise Agreement and general release and complete the renewal process by the expiration of the then-current term and Franchisee intends to continue operating the Franchised Business, then, in the Company's sole discretion, the term shall continue on a month-to-month basis provided, however, that the Company shall have the right at any time to terminate this Agreement upon its issuance of a written Notice of Termination (the "Termination Notice") to Franchisee, which termination shall be effective immediately upon Franchisee's receipt of, or refusal to accept, such Termination Notice (or on the termination date specified in the Termination Notice, if different). If Franchisee fails to fully and completely execute the Renewal Franchise Agreement and general release and complete the renewal process within sixty (60) days of the commencement of a month-to-month holdover, then effective immediately thereafter, the monthly Royalties payable under Paragraph 5.1 shall increase by an amount equal to 2.5% of Gross Receipts during each month that Franchisee does not renew until the Agreement is either renewed or terminated. By accepting any increased Royalties, the Company does not waive any of its rights and remedies under this Agreement including, without limitation, the right to terminate this Agreement pursuant to its terms and all such rights and remedies shall be cumulative of every other right or remedy.

3.5 Renewal License Terms. If the Franchise is renewed, the Renewal Franchise Agreement may contain terms inconsistent with those in this Agreement. To the extent that it is impossible for the renewing Franchisee to comply with any such terms immediately upon renewal, the Company shall provide the Franchisee a reasonable period of time, as defined by the Company, unless specifically otherwise provided in the agreement, for the Franchisee to comply with any terms that are in fact inconsistent with those in this Agreement. All such terms and time periods will be addressed in writing at the time of renewal. In the

event of a contract change, modification of an obligation, extension of time to pay or perform any other obligation, Franchisee and each of its owners and/or affiliate of Franchisee must execute a general release.

4. INITIAL FRANCHISE FEE

4.1 The Franchisee shall pay to the Company an Initial Franchise Fee of Forty Thousand Dollars (\$40,000). The Initial Franchise Fee is discounted 10% if the Franchisee is either an individual who has been, or a legal entity with at least a majority owned by individual(s) who have been, honorably discharged from the U.S. Army, Navy, Air Force, Marines, or Coast Guard (Military Discount). For existing franchisees of AmeriSpec or its affiliates who are in good standing, the Initial Franchise Fee is discounted 15%. For women-owned or minority businesses, the Initial Franchise Fee is discounted 10%.

4.2 If the Franchisee is eligible for more than one discount for the reasons described above, only the largest discount for which the Franchisee is eligible will be applied to the Initial Franchise Fee.

4.3 Upon the execution of this Agreement by the Company, the Initial Franchise Fee shall be deemed fully earned and non-refundable

5. ROYALTIES

5.1 Royalties. The Franchisee shall pay to the Company, without set off, nonrefundable royalties equal to the greater of 7% of the Gross Receipts of the Franchised Business or a minimum payment of \$280 per month ("Royalties"). While Royalties are due on business generated from the date the Franchised Business commences operations, payment of the minimum fee shall commence the first full calendar month that begins 90 days after opening the Franchised Business. The Royalties are paid in consideration of the license to use the System of Operation and the Names and Marks.

5.2 Due Date; Interest. All monthly payments required by this Paragraph 5 and Paragraph 6 shall be paid to the Company by the day each month specified by the Company in the manuals or otherwise in writing for the preceding calendar month, and shall be submitted to the Company together with any monthly reports required under this Agreement. Any payment or report not actually received by the Company on or before such date shall be deemed overdue. If any payment is overdue, the Franchisee shall pay the Company, in addition to the overdue amount, interest on such amount from the date it was due until paid at the rate of 1.5% per month or the maximum rate permitted by law, whichever is less. If any report is overdue, the Franchisee shall pay to the Company a delinquency fee of \$50.00 per delinquent report. Entitlement to such interest and/or the delinquency fee shall be in addition to any other remedies the Company may have. The Franchisee understands that the Company may, at the Company's discretion, assign the payment of such fees and the submission of the monthly reports to a third party.

5.3 Required Payment Method. The Franchisee must participate in the Company's then-current electronic funds transfer and reporting program(s). Franchisee must report monthly Gross Receipts and monthly Royalties as well as National Advertising Fund Contributions due via online reporting by the dates specified by the Company from time to time in the manuals or otherwise in writing. All monthly Royalties and National Advertising Fund Contributions (the "Monthly Fees") owed and any other amounts designated by Company must be received or credited to Company's account by pre-authorized bank debit (or in any other manner as designated by the Company) by end of business on the Due Date set forth in Paragraph 5.2 above. If Franchisee fails to have sufficient funds available to pay any Monthly Fees, interest and delinquency fees will be applied to Franchisee's account as set forth in Paragraph 5.2. If Franchisee has not reported Gross Receipts for any reporting period, the Company will be authorized to debit Franchisee's

bank account (the “Account”) in an amount equal to the greater of the non-reported payment (if the Company can reasonably estimate or determine the owed amount) or one hundred twenty percent (120%) of the Monthly Fees transferred from such Account for the last reporting period for which a report of Gross Receipts was provided to the Company. If at any time the Company determines that Franchisee has underreported Gross Receipts or underpaid any fees due to the Company under this Agreement, the Company will be authorized to immediately initiate a debit to the Account in the appropriate amount, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after the Company and Franchisee determine that such credit is due. In addition, Franchisee agrees to pay any expense incurred by the Company, including court costs and attorneys’ fees, for the collection of such Monthly Fees. Any such non-payment or late payment of the actual amount due is a breach of this Agreement.

5.4 Taxes. If any sales, income, excise, use or privilege taxes are imposed or levied upon the Company (with the exception of federal income taxes) by any government or governmental agency on account of the payment of Royalties by the Franchisee under this Agreement, the Franchisee shall pay to the Company a sum equal to the amount of such tax as an additional Royalty.

6. ADVERTISING AND PROMOTION

6.1 Advertising Fund Contribution. The Franchisee shall pay to the Company a monthly “Advertising Contribution” of up to 3% of the Gross Receipts of the Franchised Business in the immediately preceding month, subject to a minimum contribution of \$160 per month. These fees will commence at the same time as the Royalties described in Paragraph 5.1 and will be transmitted to the Company at the same time and in the same manner as is required of the Royalties.

6.2 Advertising Fund. Reasonable disbursements from the Advertising Fund shall be made solely for the payment of expenses incurred in connection with the general promotion of the Names and Marks and the AmeriSpec franchise system, including, but not limited to: (i) the cost of formulating, developing and implementing media advertising and public relations campaigns; (ii) the cost of formulating, developing and implementing promotional programs; (iii) the cost of monitoring and/or managing social media relating to the brand, (iv) at the option of the Company, reimbursement of all or part of each Franchisee’s cost of purchasing promotional materials used in connection with promotional programs authorized by the Company; and (v) the reasonable cost of administering the Advertising Fund, including accounting expenses and the actual cost of salaries and fringe benefits paid to the Company’s employees engaged in administration of the Advertising Fund. There shall be no requirement that all or any part of the Advertising Fund be disbursed within any accounting period. Losses sustained, or gains accrued, in the Advertising Fund shall carry over to subsequent fiscal years. All interest if any earned by the Advertising Fund shall be used for the payment of the foregoing expenses in connection with promotion of the Names and Marks, before application of any principal to those expenses. Methods of advertising, selection of media, locale of advertising, and contents, terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of the Company. The Franchisee understands that such advertising is intended to maximize the public’s awareness of the AmeriSpec franchise system. Accordingly, the Company undertakes no obligation to ensure that any individual franchisee benefits directly or on a pro rata basis from the placement, if any, of such advertising in its local market. If requested by the Franchisee, the Company shall provide the Franchisee an annual statement of the financial condition of the Advertising Fund, certified by an executive officer of the Company.

6.3 Disbursements. Disbursements from the Advertising Fund shall not be made for the payment of expenses incurred in connection with the Company’s direct marketing of franchise licenses.

Notwithstanding the foregoing, a brief statement regarding the availability of AmeriSpec franchises may be included in advertising and other items produced using the Advertising Fund.

6.4 Local Advertising. At its own expense, the Franchisee may conduct advertising campaigns and promotional programs designed primarily to promote the Franchised Business (“Local Advertising”). Prior to implementing any Local Advertising, the Franchisee shall submit to the Company for approval all advertising and promotional material proposed to be used in connection with the Local Advertising. The Company has the right to also review and approve internal advertising efforts, such as web sites and electronic mail (e-mail). The Company may, at its discretion, provide to Franchisee standards to which such internet advertising efforts must conform.

6.5 Marketing and Technology Bundle. In addition to the Initial Franchise Fee, Franchisee must purchase from the Company an opening package of marketing and technology items (the “Marketing and Technology Bundle”), which includes (i) computer equipment, including a laptop, (ii) the initial license fee for the AmeriSpec Inspection Software, which is the in-field software (the “AIS”), (iii) the initial license fee for the AmeriSpec Management System, which is an online business management tool (the “AMS”), (iv) a marketing bundle that includes an initial order of stationery supplies, business cards, and other start-up marketing materials, and (v) the admission fee for one attendee to attend Franchisee’s first franchisee convention. The Marketing and Technology Bundle currently costs \$3,900.

6.6 Use of Photographs. The Company shall have the right to photograph the Franchised Business, and to use these photographs in any advertising or promotional material. The Company shall not be obligated to compensate the Franchisee in any way for photographing the Franchised Business. The Franchisee shall cooperate in securing photographs and the consent of persons photographed. The Franchisee agrees to give the Company and those acting under its authority the right to reasonably and fairly use the Franchisee’s (or, if applicable, the Franchise’s officers’ and directors’) name, photograph or biographical material in any publication, circular or advertisement related to the business of the Company or the Franchisee in any place for an unlimited period without compensation.

6.7 Advertising Agency. The Company reserves the right to engage the professional services of an advertising agency, which is owned by, or is an affiliate of, the Company or any of its principals.

6.8 Advertising Materials. Advertising materials, forms, samples, supplies, products and services may be made available to the Franchisee at scheduled prices. The purchase price for products, supplies and services purchased by the Franchisee from the Company shall be paid in advance of shipping by the Company.

6.9 Internet Usage. The Company may provide the Franchisee with an e-mail address and internet website and website address (URL/domain name) and may require that Franchisee use them in operating the Franchised Business. This e-mail address and website and website address shall be the only e-mail address, website and website address used by the Franchisee in operating the Franchised Business unless otherwise approved, in writing, by Company. The Franchisee agrees to enter into the Website Account Agreement, in the form attached as Exhibit C to this Agreement and the E-mail Account License Agreement, in the form attached as Exhibit D to this Agreement, under which the Franchisee will receive a license to use the designated e-mail address, website, and website address.

7. SITE SELECTION AND ESTABLISHMENT OF BUSINESS PREMISES

7.1 Site Establishment. The Franchisee shall be required to establish a regular and fully operational, full-time business office within the Designated Territory from which the Franchised Business shall be operated. The office shall be located within the Designated Territory as specified in Exhibit A of this Agreement. The Franchisee shall submit the information regarding the office location to the Company for approval prior to establishment thereof. The Franchisee shall provide the Company with such information regarding any proposed site as may be reasonably requested by the Company.

7.2 Office Standards. While the Company does not prescribe specific standards for the interior or exterior of the office established by the Franchisee and permits the Franchisee to operate its office from its home, the office is expected to be tastefully decorated in a manner designed to enhance the goodwill associated with the Names and Marks. Once established, the office may not be moved without the prior consent of the Company, which consent shall not be unreasonably withheld so long as any new location selected by the Franchisee is within the Franchisee's Designated Territory and does not infringe upon any Designated Territory granted to any other franchisee.

7.3 Office Phone Number. The Franchisee shall advertise an office telephone number containing the area code and a 3-digit prefix that is assigned to the particular geographic area in which the office of the Franchised Business is located.

7.4 Office Outside Territory. The Franchisee shall not be allowed to maintain, use, or advertise an office, branch office, referral office, or any other permanent or temporary office or location outside the Designated Territory at any time.

7.5 Multiple Territory Offices. If the Franchisee owns multiple franchises, the designated territories of which are contiguous, then the Franchisee is only required to establish one regular, full-time business office pursuant to subparagraph 7.1 and thus shall not be required to have an independent office for each of the multiple franchises.

8. TRAINING AND ASSISTANCE

8.1 Initial Training. Unless Franchisee is already an AmeriSpec franchise owner, the Company shall provide initial training to the Franchisee as set forth in this paragraph at a suitable location where the Company's training facility is then located ("Academy"), or, from time to time, and at the Company's discretion, at regional locations. The initial two weeks of Academy training shall consist of: (1) management training in the marketing, administration and operation of the Franchised Business and (2) technical training in the provision of home inspection services. The technical training portion of the initial training consists of training on the performance of home inspections. The Company may, but is not required to, provide or make available to franchisees training on the performance of other commercial building inspections. Each individual franchisee must ensure that they are properly trained to perform any service offered under the Names and Marks and that the performance of any such service is approved by the Company in writing. Either the Franchisee or a manager of the Franchised Business approved by the Company shall attend and satisfactorily complete the initial training first scheduled after the execution of the franchise agreement before the Franchised Business opens. In addition, all individuals who conduct home inspection services on behalf of the Franchisee must complete the technical part of the initial training and complete and pass the final exam designated by the Company for certification, unless the Company waives this requirement in writing, not later than 60 days after being retained or employed by the Franchisee.

8.2 Training for Additional People. Unless Franchisee is already an AmeriSpec franchise owner, the Company provides the 2 weeks of initial Academy training for Franchisee or Franchisee's approved manager. Existing franchisees purchasing additional franchises will not receive the two weeks of Academy training. Franchisee must pay all of Franchisee's transportation and hotel costs, some meals and other out-of-pocket expenses incurred during or related to the Academy training, except to the extent that such expenses may be included in the initial franchise fee.

8.3 Additional Training. As the Company develops and/or approves additional commercial building inspection services to be provided under the Names and Marks, the Company may, but is not required to, develop training programs with respect to these additional services. However, it is the sole responsibility of the Franchisee to ensure that he or she is properly trained to perform any service offered under the Names and Marks and that the services are pre-approved by the Company. If the Company develops such additional training programs, it will offer the training programs to the Franchisee. If such additional training program(s) are offered, the Franchisee may be required to attend the training as a condition to being authorized to provide the service that is the subject of the training. All expenses for transportation, hotel, some meals and other out-of-pocket expenses to attend the training for the Franchisee and its employees are the sole responsibility of the Franchisee.

8.4 Business Cards. Franchisee shall purchase from the Company an initial supply of business cards, stationery, and marketing and training materials, presentation folders, and start-up marketing materials to be used in the start-up of the Franchised Business. Additional supplies shall be available for purchase from the Company.

8.5 Marketing. The Company shall provide the Franchisee with the appropriate marketing tools necessary to implement a local marketing plan. Franchisee shall be responsible for purchasing marketing materials (except those designated by the Company from proceeds of the national advertising fund). Any marketing materials and/or manuals shall be CONFIDENTIAL, shall not be copied in whole or in part (except as may otherwise be specifically indicated therein), shall remain the property of the Company and shall always be in safekeeping and in the custody of the Franchisee at the offices of the Franchised Business. The Company may from time to time add to or modify marketing materials and/or manuals to improve the System of Operation and the contents and methods of promotion contained in the materials. The Franchisee shall keep manuals up to date by inserting any such additions or modifications, such as those received via mail, e-mail or posted on the Company's intranet site.

8.6 Convention. The Company has the right to periodically conduct, and Franchisee (or an approved representative) shall attend, a convention or seminar for all AmeriSpec franchisees. Franchisee shall pay the Company a convention fee whether or not Franchisee attends the convention held by the Company.

8.7 Additional Programs. The Company may, from time to time, provide additional programs and services to the Franchisee. Unless otherwise approved by the Company, the Franchisee is required to participate in all such additional programs in accordance with procedures established from time to time by the Company.

8.8 Use of Agents. The Company may, from time to time, utilize agents and/or third parties to meet its obligations under this Agreement.

9. OPERATION OF THE FRANCHISED BUSINESS

9.1 Failure to Provide Pre-Open Services. If the Franchisee believes the Company has failed to adequately provide pre-opening services to the Franchisee in regard to the initial training, selection and purchase of equipment and supplies, or any other matter affecting the establishment of the Franchised Business, the Franchisee shall notify the Company in writing within 30 days following the start of the Franchised Business. Absent the timely provision of such notice to the Company, the Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by the Company were sufficient and satisfactory in the Franchisee's judgment.

9.2 Obligation to High Quality Service. The Franchisee shall utilize its best efforts, skill, and diligence to ensure that the Franchisee and the Franchisee's employees establish and maintain high quality service to customers. At all times, the Franchisee shall conduct its business in a manner that will preserve and enhance the goodwill associated with the Names and Marks. The Franchisee will at all times be held responsible for the day-to-day management of the Franchised Business. The Franchisee agrees to comply with all reasonable requirements of the Company to measure Franchisee's customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of the Company designed to review and improve the process of operating the Franchised Business including customer surveys.

9.3 Staffing. The office from which the Franchised Business is operated shall be staffed and open during regular business hours. The office telephone shall be answered by a live person during normal business hours. Minimally, the office telephone shall be answered by a machine or person at all times other than normal business hours identifying the business as an AmeriSpec Inspection business. The Company does not control, and does not have the right to control, decisions regarding the persons Franchisee hires, disciplines, or terminates as employees or agents. However, the Company may take any legal action necessary to enforce its rights under this Agreement. The Company also requires that Franchisee perform background checks and drug testing as allowed by law. These policies will not constitute the Company's representation of approval or disapproval of any prospective employees. In all cases Franchisee will remain solely responsible for decisions regarding hiring and maintaining Franchisee's employees, including determinations of whether the prospective employee meets Franchisee's hiring and performance standards or is suitable for the employment position.

9.4 Compliance with Rules. The Franchisee shall comply with all rules, regulations, and directives contained in this Agreement or in the confidential AmeriSpec manuals, as amended from time to time, and shall adopt and adhere to merchandising, promotion, and advertising policies of the Company. The Company specifically reserves the right to modify or change such policies, procedures, and directives including, but not by way of limitation, by changing or adding to the services to be offered by the Franchised Business. Additionally, the Franchisee shall comply with all federal, state, or local rules, regulations or directives that relate to the performance of services offered from the Franchised Business, including but not limited to those requiring licensing, registration or certification.

9.5 Inspection Documentation. All inspections conducted by the Franchised Business shall be documented on forms and in the manner as prescribed by the Company, and the Franchisee shall notify the Company of each inspection and source of revenue conducted by the Franchisee by providing such information with respect to each such inspection as, and in the manner, specified by the Company.

9.6 Qualified Inspectors. All inspections conducted by the Franchised Business shall be conducted by a qualified inspector meeting the standards prescribed by the Company or as required by local, state or

federal law. It is acknowledged this provision shall require that each such inspector shall be certified, and maintain certification, under any certification program that may be established or endorsed by the Company, or otherwise meet such standards as the Company, in its sole discretion, shall prescribe. In the absence of any certification program established or endorsed by the Company, each inspector shall be required to either successfully complete the inspector training program provided by the Company, or otherwise meet the standards prescribed by the Company.

9.7 Building Types. The Franchisee acknowledges that the AmeriSpec franchise program is designed for inspection of single family residences, multi-family dwellings designated for occupancy by up to four families, and commercial buildings. The Franchisee shall not, without the prior written consent of the Company, engage in the inspection of any other types of structures.

9.8 Use of Office. During the Term of the Franchise, the Franchisee shall use the office of the Franchised Business exclusively for the sale of goods and services associated with the Names and Marks and authorized by the Company. The Franchisee shall not permit the premises to be used for any other purpose, business, activity, use or function, unless approved in writing by the Company. If the Franchisee desires to operate any other type of business, and such business is not prohibited under the provisions of this Agreement, the Franchisee must operate that business from a separate office, unless approved in writing by the Company. If that office is adjacent to the office of the Franchised Business, there must be a separate entrance for that office and a separate telephone line for that business, and the Franchisee must take any other action required by the Company to assure customers do not believe there is any affiliation between that separate business and the Franchised Business.

9.9 Uniforms; Customer Service. All of Franchisee's inspection personnel shall wear uniforms specified by the Company while conducting business and shall at all times while on duty present a neat and clean appearance and render competent, sober, courteous and trustworthy service to the customers of the Franchised Business.

9.10 Payment for Products, Supplies and Services. The purchase price for products, supplies, and services purchased by the Franchisee from the Company shall be paid in advance of receipt by the Franchisee unless otherwise specified by the Company, in which case Company will provide an invoice therefor. Fees or charges for products, supplies, or services furnished by the Company and not paid in advance or within 10 days of receipt of an invoice therefor, as well as past-due Royalties and Advertising Contributions, shall bear interest from the due date at the maximum rate permitted by law, not to exceed 1.5% per month.

9.11 Right to Inspection. The Company and its designated representatives shall, during normal business hours, have the right to make physical inspections of the Franchised Business. If the Franchisee fails to perform its obligations specified in this paragraph, or if the Company reasonably determines that any actions taken by the Franchisee are injurious to the integrity and goodwill associated with the Names and Marks, the Company shall provide written notice to the Franchisee which shall contain a description of the Franchisee's failure to perform, and the reasonable corrective action to be taken by the Franchisee. Within 30 days after its receipt of the aforementioned notice, the Franchisee shall take the corrective action specified in the notice. If the Franchisee shall in any way fail to maintain the standards of quality or service established by the Company in the operation of the Franchised Business, the Company shall have the right to assign such person or persons that it deems necessary to provide additional training to the Franchisee (above and beyond ordinary training and support provided to most franchisees) to assure that such standards of quality and service are maintained. The Franchisee shall pay to the Company all of the Company's actual costs for such person so assigned, including wages, travel, and living expenses.

9.12 Software. Franchisee will use in the Franchised Business the software system, including business contact management software and inspection software, all other existing or future communication or data storage systems, hardware components thereof and associated service, which the Company has developed and/or selected for the System of Operation (the “Computer System”). As part of the Computer System, the Company may require Franchisee to obtain, update, and use specified computer hardware and/or software including, without limitation, a license to use proprietary software developed by us or others (the “Software”). Franchisee’s Computer System must be compatible with the Company’s computer systems, must be connected to the Company’s facilities by high-speed Internet with minimum requirements specified by the Company, and must be updated, maintained, and used in compliance with the Company’s specifications, including the Operations Manual. The Company may require Franchisee to electronically upload or transmit information on a periodic basis (including daily). The Company also has the right to independently access sales information and other data produced by the Computer System. The AIS (AmeriSpec Inspection Software) is a software program that allows home inspectors to collect data while performing a home inspection and generate a home inspection report. The Company will assist Franchisee with Level 1 inspection software support and assist vendors with major bug fixes for the AIS. Currently, the Company charges an initial license fee of \$1,000 per license for the first year that is included in the Marketing and Technology Bundle. For each year thereafter, an annual service fee that varies per license per inspector must be paid to the Company’s approved vendor, depending on the method of payment. Additional licenses for the Franchised Business may be purchased directly from the Company’s approved vendor. Franchisee must sign the approved vendor’s then-current software license agreement for the AIS. The AMS (AmeriSpec Management System) is an online business management tool that allows Franchisee to have all Franchisee’s needed information and automated processes in one place. The AMS allows the Company to market, schedule, and communicate with Franchisee’s customers. Franchisee must sign a license agreement with the Company for use of this software, the form of which is included as Exhibit G to this Agreement. Currently, the Company charges an initial license fee of \$300 per license (which is included in the Marketing and Technology Bundle) and an annual renewal fee of \$300 per year for this software. The fee will be pro-rated for your first year of operation. For each year thereafter, the fee will be payable on June 1. New releases of the Software may be provided at additional cost and may be contingent upon execution of a new software license agreement by Franchisee. The Company reserves the right to assign its rights, title and interest in the Software to a third party designated by the Company or to replace the Software. In such event, Franchisee may be required to enter into a separate computer software license agreement specified by AmeriSpec or the third-party supplier of the specific Software. The Company has the right to designate a single source from whom Franchisee must purchase the Computer System, any software or hardware components thereof or associated service, and the Company or its affiliates may be that single source. Upon 60 days written notice, Franchisee will be required to use and, at the Company’s discretion, pay for all future updates, supplements, and modifications to the Computer System.

9.13 Service Vehicle. Franchisee will have at least one AmeriSpec identified service vehicle in the Franchised Business. The vehicle must be white, red or navy blue (any exceptions must be approved by the Company) and identified with AmeriSpec approved graphics in accordance with the AmeriSpec® Vehicle Identity Program.

9.14 Compliance with System of Operation. The Franchisee shall comply with all reasonable requirements of the Company to measure Franchisee’s customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of the Company designed to review and improve the process of operating the Franchised Business.

9.15 Obligation of Franchisee to Provide Plan for Other Businesses Franchisee Desires to Establish. If Franchisee, a principal of Franchisee, and/or an affiliate of Franchisee wishes to commence

the operation of any additional business in addition to the business operated under the terms of this Agreement, Franchisee must provide the Company with a plan that describes in substantial detail how Franchisee will maintain the operation of the business authorized under this Agreement in accordance with its terms, while Franchisee, its principals, or its affiliates are simultaneously operating the additional business. Before commencing the operation of the additional business, Franchisee must obtain the Company's consent of the plan, which approval will not be unreasonably withheld. As conditions to approval of the plan the Company may require that, in addition to other reasonable conditions: (i) the additional business be kept completely separate from the business authorized under this Agreement (e.g. may not share the same location, building, or address); (ii) the additional business never be sold or transferred to another AmeriSpec franchisee; and (iii) the Company may require Franchisee and its principals and affiliates to divest themselves of the additional business if the Company determines that the additional business creates a conflict with or is competitive with the business authorized under this Agreement as this business may be modified over time. Franchisee must also give annual updates to the plan as specified by the Company. The Company may review the plan at any time after consent to the plan to determine if Franchisee, its principals, and/or its affiliates are complying with the plan. The Company may require Franchisee to modify the plan at any time. Franchisee's, its principals', and/or its affiliates' failure to comply with the plan, as determined by the Company in its sole discretion, will constitute a breach of this Agreement, entitling the Company to exercise any and all remedies authorized under this Agreement, up to and including termination.

10. NAMES AND MARKS

10.1 Proprietary Marks.

10.1.1 The Franchisee shall operate under, and prominently display, the Names and Marks in the operation of the Franchised Business. The Franchisee shall use no commercial trade names, service marks, or other commercial symbols, including associated logos, which do not satisfy the criteria established by the Company. The Franchisee shall not use any of the Names and Marks in combination with other words, letters, prefixes, suffixes, logos, or designs, other than in the manner authorized by the Company, except when in conjunction of the Franchised Business. The Franchisee may use the words "AmeriSpec Inspection Services," in its doing business as: "AmeriSpec Inspection Services Franchise No. _____{insert franchise agreement number}" and shall duly file a fictitious business name statement or similar document with all appropriate jurisdictions in which the Franchised Business is located and provides services.

10.1.2 If the Franchisee is a corporation, limited liability company, or partnership, the Franchisee may not use any of the Names and Marks, or the names and marks of any of the Company's affiliates, as part of the name of the corporation, limited liability company or partnership. The Franchisee shall file for and maintain a "Certificate of Trade Name" in the county, or other appropriate jurisdiction, in which the Franchised Business is located.

10.1.3 From time to time, upon reasonable notice to the Franchisee, the Company may elect to discontinue the use of certain Names and Marks and to commence use of new Names and Marks. The Franchisee shall pay all expenses incurred by the Franchisee in connection with discontinuing the use of existing Names and Marks in the Franchised Business and commencing the use of new Names and Marks therein; provided, however, if the Company does not give the Franchisee notice to allow for use of any trademarked stationery or marketing materials purchased by the Franchisee within 90 days preceding the date of the notice that these materials will become obsolete, the Company will purchase those materials from the Franchisee at the Franchisee's cost.

10.1.4 The Franchisee acknowledges that its right to use the Names and Marks is derived solely from this Agreement and that all such usage and any goodwill established thereby shall inure to the exclusive benefit of the Company.

10.1.5 The Franchisee agrees that, upon the termination or expiration of the Term of the Franchise for any reason whatsoever, the Franchisee shall forthwith discontinue the use of the Names and Marks, and thereafter shall no longer use, or have the right to use, the Names and Marks.

10.1.6 The Franchisee shall immediately notify the Company of any infringement of or challenge to the Franchisee's use of present and future Names and Marks and shall not communicate with any other person in connection with any such infringement, challenge, or claim. The Company may, in its sole discretion, take such action as it deems appropriate, including the exclusive control of any litigation or any Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim relating to any of the Names and Marks.

10.1.7 The Franchisee shall take all actions reasonably necessary to maintain the integrity of the Names and Marks and preserve and protect the goodwill associated with the Names and Marks. These actions shall include, without limitation, the following:

10.1.7.1 The Franchisee shall operate the Franchised Business in accordance with the standards and requirements of quality, appearance, cleanliness, and service that are associated with premium quality home inspection businesses.

10.1.7.2 At least 10 days prior to display or distribution of any promotional materials, the Franchisee shall provide the Company with copies or accurate depictions, as applicable, of any and all signs, brochures, advertisements and other proposed promotional materials relating to the Franchised Business.

10.1.7.3 The Franchisee shall refrain from using the Names and Marks in any lewd, scandalous, obscene, libelous, or defamatory manner.

10.1.7.4 Use of the Names and Marks shall in every instance be accompanied by the registration symbol "®" or the "™" symbol, placed in close proximity to the Names and Marks as directed by the Company. In addition, any and all brochures, advertisements and other promotional materials bearing the Names and Marks shall contain the following statement: "AmeriSpec® and its accompanying design is a federally registered trademark and service mark of TCB AMERISPEC, LLC," or "AmeriSpec® is a registered trademark of TCB AMERISPEC, LLC," if applicable. All such materials shall also state that each AmeriSpec® business is "An independently owned and operated franchise business".

10.1.7.5 Within 10 days after the date the Franchisee receives notice of any customer or consumer complaint about the operation of the Franchised Business, the Franchisee shall prepare and deliver to the Company a written report which provides details relating to the nature of the complaint and the corrective action taken to prevent the reoccurrence of the event giving rise to the complaint. Franchisee shall notify the Company, within 10 days, of any legal action against the Franchised Business and shall provide status reports as required by the Company.

10.1.7.6 The operation of the Franchised Business shall in all respects comply with the applicable rules and regulations of the various local, state, and federal agencies that regulate the

operation of home inspection businesses. This includes, but is not limited to, any such licensing, registration, or certification requirements.

11. SUPPLIES

11.1 Approved Suppliers. The Company shall provide the Franchisee lists of approved suppliers of forms, signs, supplies, marketing materials and other items, including computer hardware and software, and insurance necessary to operate the Franchised Business. The Company, may, in its sole discretion, revise the approved supplier lists from time to time. The approved source of supply for any individual item may be the Company, an affiliate of the Company or an independent contractor.

11.2 Supplier Approval. The Franchisee shall obtain the Company's written approval prior to the use of any supplier not previously approved by the Company. As a precondition to the Company granting any such approval, the Company may require the Franchisee to submit to the Company samples, photographs, and/or other information concerning the products and/or supplies. The Company will advise the Franchisee, in writing within a reasonable time, whether the requested supplier and/or product meets the Company's specifications. If the Company does not advise Franchisee of an approval within 60 days of the submitted request, then the request is deemed rejected. The Company may charge a fee to review, test, and evaluate such products or supplies. Updated lists of approved suppliers and products will be posted on the Company's franchisee intranet website or transmitted to the Franchisee on a periodic basis. Approval of alternative suppliers may be revoked if the Company determines that such suppliers no longer satisfy the specifications set forth in the manuals, as such manuals may be updated. Furthermore, the Franchisee shall have the right at any time to request an updated list of approved suppliers from the Company.

11.3 Limitation on Damages. The Company shall not be liable to the Franchisee for damages caused by the failure of the Company or an approved supplier to make available for purchase any item, unless the failure is the result of factors within the Company's reasonable control.

12. FINANCIAL INFORMATION, DEPOSITS, REPORTS, AND AUDITS

12.1 Maintenance of Books, Records and Accounts. The Franchisee shall maintain its books and records in the manner reasonably required by the Company. The Company has established a contact management and reporting system which shall be used by all franchisees. The Franchisee shall utilize the system in a manner approved by the Company and pay for the purchase and installation of hardware and software, which may be necessary for use with such system.

12.2 Maintenance of Bank Account. The Franchisee shall maintain a separate bank account for the Franchised Business and shall deposit in that account all revenues received by the Franchised Business in a timely manner (not less than once each week). At all times, the Franchisee shall maintain a minimum balance of \$500 in that account. The Franchisee shall notify the Company of the bank in which the account is maintained, as well as the account number, and shall notify the Company at least 10 days prior to making any material change to the account, including the name of any signatory on the account or the location of the account.

12.3 Financial Statements. The Franchisee shall provide the Company with such weekly, monthly, quarterly, and annual financial and sales information relating to the Franchised Business from time to time as may be reasonably required by the Company. All financial and sales information to be delivered to the Company shall be in the form and by the means of communication required by the Company. All monthly financial and sales information shall be prepared in accordance with generally accepted accounting

principles, in the form prescribed by the Company, and shall be received by the Company no later than the 20th day of the following month. At least annually, at such time designated by the Company, but not later than 90 days after the fiscal year end of the Franchisee, the Franchisee shall deliver to the Company annual financial statements, including statements of operation of the Franchised Business prepared in accordance with generally accepted accounting principles.

12.4 Audit Rights. The Company shall have the right to audit or inspect or cause to be audited or inspected the sales reports and financial statements delivered to the Company, including but not limited to, the books, records and sales and income tax returns of the Franchisee. If the Franchisee is a corporation, limited liability company or partnership, such audit will also include the appropriate owners, members or partners of the Franchisee. In connection with any such examination, the Franchisee will execute IRS Form 4506, or other similar form, authorizing the Company to obtain the applicable tax returns of the Franchisee, at the request of the Company. Franchisee and any personal guarantors, by signing this Agreement, hereby explicitly consent to provide copies of all personal and business tax returns specified above to the Company and hereby waive any right to refuse to provide tax return or any privilege afforded by state or federal laws, rules or regulations.

12.5 Audit Costs. The Company shall also have the right, at any time, to have an independent audit made at its cost of the books of the Franchisee. Franchisee shall pay the cost of the audit. These costs shall be capped at \$2,000, subject to the terms of this paragraph. If Franchisee fails to fully cooperate with any reasonable request by the Company for an audit or inspection, Franchisee shall reimburse the Company for any and all costs and expenses of conducting an audit or inspection including, without limitation, travel expenses, room and board, and compensation of persons employed by the Company to make the audit or inspection. If any audit discloses an understatement of the Gross Receipts of the Franchised Business for any period or periods, the Franchisee, within 10 days of receipt of the audit report, shall pay to the Company the Advertising Contributions and Royalties, if any, due on the previously unreported Gross Receipts, plus interest from the due date at the maximum rate permitted by law, not to exceed 1.5% per month. In addition, if an understatement for any period equals 3% or more of the Gross Receipts of the Franchised Business for the period, the Franchisee shall reimburse the Company for the full cost of the audit or inspection, including, without limitation, the charges of any independent accountant or attorney and the travel expenses, room and board, and compensation of persons employed by the Company to make the audit or inspection. Reimbursement to the Company for the costs of the audit or inspection shall be made upon the receipt of an invoice therefor. Such costs not reimbursed within 10 days of receipt of an invoice shall bear interest from the due date at the maximum rate permitted by law, not to exceed 1.5% per month.

13. INSURANCE

13.1 Insurance Required. At all times during the Term of the Franchise, the Franchisee shall maintain in force:

13.1.1 errors and omissions insurance with a minimum limit of liability of \$1,000,000;

13.1.2 general comprehensive public liability insurance against claims for bodily and personal injury, death and property damage caused by or incurred in conjunction with the operation of or conduct of business by the Franchisee with a limit of at least \$1,000,000;

13.1.3 business automobile liability insurance coverage for owned, hired, and non-owned or any vehicles with a minimum limit of liability of \$1,000,000 for both bodily injury and property damage; and

13.1.4 workers' compensation insurance and occupational disease insurance with an employer's limit of \$500,000 as well as such other insurance as may be required by statute or rule of the state in which the Franchisee operates the Franchised Business.

Franchisee shall maintain such additional coverage and higher policy limits as may reasonably be specified for all franchisees from time to time by the Company.

13.2 Coverage Requirements. All insurance coverage required above shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by the Company. Such coverage must be obtained from insurance companies maintaining an A rating by Alfred M. Best & Company, Inc., or such other insurance companies approved in advance by the Company. All errors and omissions, and public liability and business automobile liability insurance policies, shall name the Company as an additional insured and shall provide that the Company receive 10 days' prior written notice of termination, expiration, reduction or cancellation of any such policy. The Franchisee shall submit to the Company, annually within 30 days of the effective date of the policy, a copy of the certificate of insurance or other evidence of the renewal or extension of each such insurance policy as requested by the Company.

13.3 Failure to Maintain. If the Franchisee, at any time, fails or refuses to maintain any insurance coverage required by the Company or fails to furnish satisfactory evidence thereof, the Company, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of the Franchisee, and any costs of premiums incurred by the Company in connection therewith shall be paid by the Franchisee on demand.

14. CONFIDENTIALITY AND IMPROVEMENTS BY THE FRANCHISEE

14.1 Confidentiality. The Franchisee acknowledges that all of the information it has now or obtains in the future concerning the System of Operation and the concepts and methods of promoting the Franchised Business, including but not limited to, all information, manuals, materials, expertise, intellectual property (regardless of form), software, inspection report forms and packaging is derived from the Company pursuant to this Agreement, and that such information will be treated in confidence. The Franchisee agrees never to, directly or indirectly, engage in or abet the misappropriation, or the disclosure, divulgence, or distribution of all or any part of the System of Operation and the concepts and methods of promoting franchises hereunder, except on a need to-know basis as ordered by any regulator or judicial authority having legal jurisdiction. To protect the Company's confidential information, the Franchisee must adopt and implement reasonable procedures to prevent the unauthorized use or disclosure of the Company's confidential information, including any such procedures that may be designated by the Company from time to time.

14.2 Original Works. Franchisee acknowledges and agrees that all writings and other original works of authorship, regardless of form, including, but not limited to, Proprietary Software programs, trademarks, copyrightable works, Internet Web pages or any other documents or information pertaining or relating to the Franchised Business or the System of Operation produced or authored by Franchisee during the Term of the Franchise shall be deemed by the parties to be works made for hire and the property of the Company. The Company shall have the absolute right to obtain and hold, in its own name, rights of copyright, trademark and/or other similar protections which may be available in the documents or works. Franchisee hereby agrees to cooperate and execute all documents necessary to perfect such rights in the Company.

14.3 Obligation to Assign. Franchisee hereby assigns to the Company its entire right, title and interest in any invention, technique, process, device, discovery, improvement or know-how hereafter made or conceived by Franchisee, his agents or employees, during the Term of the Franchise which in any way relates to the actual or anticipated present or future business of the Company or as suggested by or results from any activities performed by the Franchisee during the Term of the Franchise. Franchisee shall disclose any such invention, technique, process, device, discovery, improvement or know-how promptly to the Company. Franchisee shall, upon request, promptly execute all documents necessary to assign Franchisee's right, title and interest in and to any such invention technique, process, device, discovery, improvement or know-how to the Company and cooperate and take all steps necessary to enable the Company to secure patent, trademark, copyright or any other proprietary rights in the United States, Canada or foreign countries.

14.4 Approved Vendor Status. Nothing in sub-paragraphs 14.1 or 14.2 above should preclude a franchisee utilizing a separate business entity from requesting, in writing, an approved vendor status from the Company. The Company agrees to not unreasonably restrict such approval, even where that status is sought for the purpose of developing products or offering services for sale to the franchise system.

14.5 Customer Data. The Franchisee acknowledges and agrees that all information (including all customer data) contained in databases prepared by the Franchisee in connection with the Franchised Business or by the Company, including but not limited to the Computer System, belongs to the Company, and the Company shall be allowed to access such information from Franchisee's computer databases. The Company periodically will establish policies respecting the use of such information. If requested by the Company, Franchisee shall transfer this information to the Company in the frequency, form and manner prescribed by the Company.

15. COVENANTS

15.1 Best Efforts. The Franchisee covenants that during the term of this Agreement except as otherwise approved in writing by the Company, the Franchisee shall devote their full time, energy and best efforts to the management and operation of the Franchised Business. Unless otherwise specified, the term "Franchisee" as used in this Paragraph 15 shall include, collectively and individually, all shareholders and/or members of the Franchisee, and of any corporation or other entity directly or indirectly controlling the Franchisee, if the Franchisee is a corporation, limited liability company or other similar legal entity; the general partners and any limited partner (including any corporation and the shareholders of a corporation which controls, directly or indirectly, any general or limited partner), if the Franchisee is a partnership.

15.2 In-Term Covenant Not to Compete. The Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by the Company, the Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other entity:

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

15.2.2 Own, maintain, engage in, or have any interest in any other business which performs any of the various programs and services licensed by the Company included within the System of Operation, or other systems or programs licensed by the Company under the Name and Marks, both within and outside

the Territory described in Paragraph 3.1 of this Agreement; provided, however, that this provision shall not apply to any ownership of the Franchisee of less than 1% of the outstanding equity securities of any publicly held corporation.

15.3 Post-Term Covenant Not to Compete. The Franchisee covenants that for a period of 1 year after the later of the following terminating events: (i) any transfer, repurchase or termination of this Agreement; (ii) the expiration of this Agreement (if a successor franchise or renewal term is not granted); (iii) the date on which the Franchisee stops operating a competitive business (including continued operation of the Franchised Business whether or not operated under the Names and Marks) or (iv) the last date of the use of the Names and Marks and/or System of Operation, the Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, or other entity do or engage in any act proscribed by Paragraph 15.2 of this Agreement, except that the restrictions contained in Paragraph 15.2.2 of this Agreement, shall be limited during the post term period to within the Territory described in Paragraph 3.1 of this Agreement and a 75-mile radius thereof.

15.4 Independent Covenants. The parties agree that each of the covenants contained in Paragraphs 15.2 and 15.3 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Paragraph 15 is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, the Franchisee expressly agrees to be bound by any lesser covenant subsumed with the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Paragraph 15.

15.5 Reduction of Scope. The Franchisee understands and acknowledges that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraphs 15.2 and 15.3 of this Agreement or any portion thereof, without the Franchisee's consent, effective immediately upon receipt by the Franchisee of the written notice of the reduction, and the Franchisee agrees that it shall immediately comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Paragraph 21 of this Agreement.

16. ASSIGNMENT

16.1 Transfer by Company. This Agreement is fully assignable by the Company and shall inure to the benefit of any assignee or other legal successor in interest of the Company.

16.2 Transfer by Franchisee.

16.2.1 No Franchisee, partner (if the Franchisee assigns this Agreement to a partnership), shareholder (if the Franchisee assigns this Agreement to a corporation), or member (if the Franchisee assigns this Agreement to a limited liability company) without the prior written consent of the Company, by operation of law or otherwise, shall sell, assign, convey, give away, or encumber to any person, company or partnership or other legal entity, its interest in this Agreement or its interest in the Franchise granted hereby or its interest in any proprietorship, partnership, limited liability company or corporation which owns any interest in the Franchise. Any purported assignment not having the necessary consent shall be null and void and shall constitute a material default hereunder. Franchisee's transfer of 5% or more of interest in this Agreement will require an amendment to add such 5% owner as a personal guarantor. If, as a result of **any** transfer to a person in a single transaction or series of transactions, the original Franchisee's ownership interest in this Agreement falls below 50%, then the Franchisee must sign the then-current form of franchise agreement and all of the then-current terms of that agreement will apply thereafter.

16.2.2 The Company shall not unreasonably withhold its consent to any assignment of less than one-half of the beneficial interest in the Franchise or the Franchised Business, provided such assignment is not part of a series of assignments intended to evade this provision, and further provided that:

16.2.2.1 The assignee shall enter into a written agreement with the Company, in a form satisfactory to the Company, assuming and/or guaranteeing all of the Franchisee's obligations hereunder;

16.2.2.2 Any defaults under this Agreement on the part of the Franchisee have been remedied;

16.2.2.3 The assignee shall demonstrate to the Company's satisfaction that it meets the Company's then-current standards for AmeriSpec franchisees; and

16.2.2.4 Such other reasonable conditions as may be required by the Company in connection with the assignment have been satisfied.

16.2.3 This paragraph should not be construed to provide Franchisee a right to assign a portion of the Designated Territory to a third party who will operate independent of Franchisee. An assignment of less than all of the beneficial interest in the Franchise or Franchised Business must operate under the terms of this Agreement, and with Franchisee, to fulfill the obligation herein.

16.2.4 If an assignment, alone or together with other previous, simultaneous, or proposed assignments, would have the effect of assigning one-half or more of the beneficial interest in the Franchise or the Franchised Business, the Company will not unreasonably withhold its consent to the assignment if all of the following conditions and requirements have been satisfied:

16.2.4.1 The assignee shall be of good moral character and reputation, shall have a good credit rating, financial capabilities and competent business qualifications reasonably acceptable to the Company. The Franchisee shall provide the Company with the information it may reasonably require to make a determination concerning the proposed assignee;

16.2.4.2 In addition, the assignee or a designated representative of the assignee approved by the Company to manage the Franchised Business must satisfactorily complete the Company's training program (and pay to the Company its then-current training fee) before the assignee may assume responsibility for the operation of the Franchised Business;

16.2.4.3 The assignee, including all shareholders, members or partners of the assignee, enter into a written agreement, in form satisfactory to the Company, assuming all of the Franchisee's obligations under this Agreement for the remainder of the Term of the Franchise or, at the Company's option, signs the Company's then-current version of franchise agreement, which may include materially different terms and may include a Territory that is modified in size or scope or is re-defined to meet then-current standards for newly-issued territories;

16.2.4.4 The Franchisee shall have fully paid and satisfied all of the Franchisee's obligations to the Company and the Franchisee shall fully pay to the Company the then-current assignment fee provided, however, the Franchisee shall not be required to pay an assignment fee in the event the assignee is a spouse. If the assignee is an adult child (at least 18 years old) of the Franchisee, the assignment fee is one-half of the then-current assignment fee;

16.2.4.5 If the assignee is a corporation, limited liability company or partnership, all of the shareholders, members or partners of the assignee shall enter into a written agreement, in the form attached hereto as Exhibit B, jointly and severally guaranteeing the full payment and performance of the assignee's obligations to the Company and agreeing to be personally bound by all covenants and restrictions imposed upon the assignee under the terms of this Agreement;

16.2.4.6 If the assignment is caused by the death or incapacity of the Franchisee or in the case of a partnership, limited liability company or corporation, by the death or incapacity of the one controlling more than one-half or more of the voting interest of the Franchisee, the provisions of this subparagraph must be met with regard to the heir or personal representative of the Franchisee succeeding to the Franchisee's interest hereunder; provided, however, if the heir or personal representative assigns or sells its interest in the Franchise within 90 days after the death or incapacity of the Franchisee, the person to whom the interest is assigned or sold, and not the Franchisee's heir or personal representative, must comply with the provisions of this subparagraph (16.2.4) as assignee;

16.2.4.7 The Franchisee and each of its owners and/or affiliates, and the assignee (and each owner and/or affiliate of the assignee) shall execute a general release of the Company and its officers and directors in form and substance satisfactory to the Company; and

16.2.4.8 The assignee must update the Computer System of the Franchised Business to the Company's then-current standards.

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

16.4 Acknowledgement of Restrictions. The Franchisee acknowledges and agrees that the restrictions imposed by the Company on assignments or transfers are reasonable and necessary to protect the goodwill associated with the Company's business operation and the Names and Marks, as well as the Company's reputation and image and are for the protection of the Company and all franchisees that own and operate AmeriSpec businesses. Any attempted assignment or transfer made without complying with the requirements of this Paragraph 16 will be void.

16.5 Survival of Transfer Obligations. The terms of this Paragraph 16 shall survive termination or expiration of this Agreement for a period of 12 months. The parties agree and acknowledge that such extended obligation is necessary to fulfill the intent of Franchisee and the Company and is a material term of this Agreement.

17. RIGHT OF FIRST REFUSAL

If, at any time during the Term of the Franchise, the Franchisee receives a bona fide offer to purchase the Franchise or the Franchised Business, which offer the Franchisee is willing to accept, the Franchisee shall communicate in writing to the Company the full terms of the offer and the name of the offeror. The Company may elect to purchase the Franchised Business on the terms set forth in the offer. If

the Company elects to purchase the same, it shall give the Franchisee written notice of the election within 20 days after the Company receives the Franchisee's communication of the offer. If the Company fails to give written notice of election within 20 days, the Franchisee may sell to the offeror on the terms offered, subject to the provisions relating to assignment. The sale must, however, be completed within 60 days of the termination of the 20 day period during which the Company may give written notice of election to purchase; otherwise, an additional notice must be given to the Company and an additional option period must expire prior to any such assignment. If the Company elects to purchase the Franchised Business, it shall have the right to substitute cash equivalent for any non-cash consideration included in the bona fide offer to purchase and the Company and the Franchisee will use their best efforts to complete the purchase within 60 days from the date of the Company's notice of election to purchase.

18. PRE-TERMINATION OPTIONS OF THE COMPANY

18.1 Company's Pre-Termination Rights. Prior to the termination of this Agreement, if the Franchisee fails to pay any amounts owed to the Company or its affiliates, or fails to comply with any term of this Agreement, then in addition to any right the Company may have to terminate this Agreement or to bring a claim for damages, the Company shall also have the option:

18.1.1 To cease providing AmeriSpec® Reports to the Franchisee;

18.1.2 To suspend all services provided to the Franchisee under this Agreement or otherwise, including but not limited to training, marketing assistance and the sale of marketing materials and other products and supplies;

18.1.3 Reduce and/or modify the size of Franchisee's Designated Territory or eliminate the "protected" status of the Designated Territory. If Franchisee fails to meet any of the requirements stated in Paragraph 3.1.1 and Paragraph 3.1.2, Company may reduce and/or modify the size of Franchisee's Designated Territory or eliminate the "protected" status of the Designated Territory; and

18.1.4 To remove access to the System of Operation licensed by the Company.

18.2 Non-Waiver of Claims. The Company's actions as outlined in this Paragraph 18 may continue until the Franchisee has brought its accounts current, cured any default, and complied with the Company's requirements, and the Company has acknowledged the same in writing. The taking of any of the actions permitted in this Paragraph 18 shall not suspend or release the Franchisee from any obligation that would otherwise be owed to the Company or its affiliates under the terms of this Agreement or otherwise.

19. TERMINATION

19.1 Notice of Termination. The Franchisee may terminate this Agreement and the Franchise granted hereunder effective 10 days after delivery to the Company a written notice of termination, if the Franchisee is in compliance with this Agreement and the Company breaches this Agreement and fails to cure the breach within 30 days after written notice of the breach is delivered to the Company.

19.2 Company's Termination Rights. The Company may terminate the Franchise Agreement effective immediately upon receipt by the Franchisee of a notice of termination, for any of the following reasons:

19.2.1 The Franchisee, or a person designated by the Franchisee and approved by the Company as the manager of the Franchised Business, fails to satisfactorily complete the Company's initial management training program;

19.2.2 The Franchisee voluntarily abandons the Franchise by failing to operate the business for five consecutive days during which the Franchisee is required to operate the business under the terms of the Franchise Agreement, or any shorter period after which it is not unreasonable under the facts and circumstances for the Company to conclude that the Franchisee does not intend to continue to operate the Franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the Franchisee's control; provided, however, if the Franchisee takes a vacation of 2 weeks or less during a calendar year, this shall not trigger the Company's right to terminate the Franchise Agreement if the Franchisee has made arrangements to have the phones answered and the Franchisee otherwise demonstrates an appearance of being in business; in no case, however, may the business not conduct inspections for a period exceeding two weeks;

19.2.3 The Franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the Franchise;

19.2.4 The Franchisee fails to cure a default under this Agreement which materially impairs the goodwill associated with the Names and Marks;

19.2.5 The Franchisee or the Franchised Business is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the Franchisee admits its inability to pay its debts as they come due;

19.2.6 The Company and the Franchisee agree in writing to terminate the Franchise;

19.2.7 The Franchisee, after curing any failure for which the Franchisee is given 30 days' notice and an opportunity to cure, engages in the same noncompliance, whether or not such noncompliance is corrected after notice;

19.2.8 The Franchisee makes an unauthorized assignment of the Franchise Agreement, the Franchised Business, or the Franchise;

19.2.9 The Franchisee makes any material misrepresentations relating to the acquisition of the Franchise;

19.2.10 The Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the AmeriSpec franchise system;

19.2.11 The Franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation applicable to the operation of the Franchise;

19.2.12 A levy of execution has been made upon the license granted under the Franchise Agreement and it is not discharged within 5 days of such levy;

19.2.13 The Franchisee fails to pay any Royalties or Advertising Contributions when due, or any other amounts due to the Company or to any affiliate of the Company within 5 days after receiving notice that such fees are overdue;

19.2.14 The Company makes a reasonable determination that continued operation of the Franchise by the Franchisee will result in an imminent danger to public health or safety;

19.2.15 The Franchisee fails to submit financial statements, sales information or other supporting records as set forth herein for a period of 30 days after they are due or submits to the Company 2 or more sales reports, financial statements, other information, or supporting records in any period of 12 consecutive months which understate the Gross Receipts of the Franchised Business by 3% or more or materially distort any other material information;

19.2.16 Any agreement (a) between the Franchisee (or any owner or affiliate of the Franchisee) and the Company (or any of its affiliates), including any other software licenses, loan agreements, program participation agreements, franchise agreements, or other agreements or (b) between the Franchisee (or any owner or affiliate of the Franchisee) and any other party, provided such agreement is related to the Franchised Business (including, without limitation, leases, subleases, loan or financing agreements, or vendor agreements) (collectively, "Related Agreements") is terminated as a result of a default by Franchisee, its owners, or its affiliates. Any default under a Related Agreement by Franchisee, its owners, or its affiliates shall also be considered a default under this Agreement;

19.2.17 The Franchisee fails to pay any amounts due to any third-party vendor; or

19.2.18 The Franchisee violates a material provision, term or condition of this Agreement four (4) or more times during the Term of this Agreement, without regard to whether the violations were of a similar or different nature or whether the violations were corrected within the prescribed cure period after receipt of written notice from the Company.

19.3 Termination for Good Cause. The Company may also terminate this Agreement for any other reason constituting good cause, including, but not limited to, the failure of the Franchisee to comply with any lawful requirement of this Agreement after being given notice thereof and 30 days in which to cure such failure.

19.4 In Accordance with Law. The foregoing notwithstanding, to the extent that the provisions of this Franchise Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be superseded by said law, and the Company shall comply with applicable law in connection with each of these matters.

19.5 Return of Manuals and Software. The Franchisee agrees, upon termination or expiration of the Franchise, to immediately return to the Company all copies of all manuals and software (including Proprietary Software) that have been provided, loaned or licensed to it by the Company, any marketing materials bearing the Names and Marks, and any material marked as property of the Company or as confidential.

19.6 Payment of Unpaid Amounts. Within 7 days after the effective date of termination or expiration of the Franchise, the Franchisee shall pay to the Company such Royalties and other charges as have or will thereafter become due hereunder and are then unpaid, plus damages for the right to receive Royalties for each year or portion thereof remaining in the original term of this Agreement, together with any other damages suffered by the Company, and all amounts due for printed materials, forms, advertising material, samples, supplies, products and services supplied by the Company.

19.7 Cancellation of Assumed Names and Telephone Numbers and Listings. Upon termination or expiration of the Franchise, the Franchisee shall expeditiously take such action as may be required (a) to properly cancel all assumed names or equivalent registrations relating to the use of the Names and Marks; and (b) to transfer or vest in the Company all interest in and rights to use all telephone and facsimile numbers, all listings, email addresses and all social media accounts whether or not bearing the Names and Marks (collectively “listings and accounts”) used by the Franchisee in any manner related to the operation of, or applicable to, the Franchised Business, and the Company shall thereupon have the full and exclusive right to use such listing and accounts or to authorize the use thereof by another franchisee of the Company. The Franchisee authorizes the Company, and appoints the Company its attorney-in-fact, to direct the telephone company and all listing agencies to transfer such listings and accounts to the Company or as it may in writing direct. Any amounts owing by the Franchisee on account of such listings and accounts shall be paid immediately by the Franchisee.

19.8 Removal of Name. Immediately upon termination or expiration of the Franchise, the Franchisee shall cause all interior and exterior signs identifying the business premises as an AmeriSpec business, and AmeriSpec signs or logos appearing on any vehicles, to be removed. If the Franchisee fails to remove the sign(s), the Company shall be entitled to remove the sign(s), without prior notice to the Franchisee at the expense of the Franchisee.

19.9 De-identification with the System of Operation. After the termination or expiration of the Franchise, the Franchisee shall not indicate directly or indirectly, in any manner, that it is or ever was affiliated with the Company in any capacity except as required by law and for the limited purpose of providing employment history necessary for reasons other than obtaining benefits based directly or indirectly on the former affiliation. Thereafter, the Franchisee may not identify itself or any business as an AmeriSpec business or as a franchisee of, or as otherwise associated with, the Company, or use, in any manner or for any purpose, any of the System of Operation, concepts and methods of promotion, or Names and Marks, or any other indicia of an AmeriSpec business.

19.10 Relinquishment of Goodwill. The Franchisee shall relinquish all interest of every kind and description in the Franchise upon termination or expiration of the Franchise, including any goodwill established prior to or during the operation of the Franchise. In addition, Franchisee acknowledges and agrees the customer list of the Franchised Business is an intangible asset that exists only in connection with the Franchise and, as such, reverts to the Company upon termination or expiration of this Agreement or any renewal agreement.

19.11 Compliance with Surviving Obligations. All obligations of the Company and the Franchisee that expressly or by their nature survive the expiration or termination of the Franchise shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement until they are satisfied in full or by their nature expire.

20. ENFORCEMENT/PAYMENTS/LATE CHARGES

20.1 Injunctive and/or Equitable Relief. The Company may apply for injunctive or other equitable relief (a) to enforce its right to terminate this Agreement for cause; (b) to prevent or remedy a breach of this Agreement by the Franchisee, if such breach could materially impair the goodwill associated with the Company’s Names and Marks; (c) to collect monies due to the Company; and (d) to enforce the provisions of Paragraphs 14, 15, and 17 hereof.

20.1.1 The Company may apply, without bond, for the entry of temporary restraining orders, and temporary and permanent injunctions enforcing the aforementioned provisions.

20.1.2 If the Company secures any such injunction, or any other judicial relief against the Franchisee, the Franchisee shall pay the Company an amount equal to the aggregate of the Company's costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

20.2 Franchisee May Not Withhold Payments. The Franchisee shall not withhold any payments whatsoever due to the Company. No endorsement or statement on any check or payment of any sum less than the full sum due to the Company shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and the Company may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. The Company may: (a) apply any payments received to any past due, current, future or other indebtedness of any kind in its discretion, no matter how payment is designated by Franchisee, except that Advertising Fund Contributions may only be credited to the Advertising Fund; (b) set off, from any amounts that may be owed by the Company, any amount owed to the Company or any Advertising Fund; and (c) retain any amounts received for Franchisee's account (and/or that of any affiliate of Franchisee), whether rebates from suppliers, national account or program work payments, or otherwise, as payment against any amounts owed to The Company. The Company can exercise any of the foregoing rights in connection with amounts owed to or from The Company and/or any Company affiliate.

20.3 Right to Interest and Costs. In the event the Franchisee fails to pay any amounts owed to the Company, Franchisee will pay the Company, in addition to the overdue amount, interest on that amount from the date the amount was due until it is paid at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest will be in addition to the Company's right to employ a collections agency to collect monies due to the Company. In such event, the Franchisee shall also be responsible for paying any and all fees associated with collection, including but not limited to administration costs, attorneys' fees, and cost of litigation.

20.4 Failure to Return Materials. In the event the Franchisee fails to timely return to Company the materials set forth in Paragraph 19.5 Company may charge Franchisee for the fair market value of these items and submit any unpaid sum to collections in accordance with this paragraph.

21. DISPUTE RESOLUTION.

21.1 Alternative Dispute Resolution Procedure. Except as otherwise provided in Paragraph 21.2 (Excepted Disputes), any claim, dispute, suit, action, controversy, or proceeding of any type whatsoever between (i) the Franchisee, its affiliates, or its owners, and/or the Franchisee's, its affiliates', or its owners' officers, directors, and employees (the "Franchisee Related Parties") and (ii) the Company, its affiliates, and/or its or its affiliates' officers, directors, owners, and employees (the "Company Related Parties") relating to (a) this Agreement, (b) the relationship of any of the Company Related Parties with any of the Franchisee Related Parties, or (c) the Franchised Business, including disputes related to compliance with franchise, labor, or employment laws (collectively, (a) through (c), the "Covered Disputes") must be resolved in accordance with the alternative dispute resolution procedures described in this Paragraph 21.1. The Franchisee Related Parties and any Company Related Parties shall all be considered third-party beneficiaries of this Agreement and shall be included in the term "parties" or "party" in this Paragraph 21.

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

21.1.2 Mediation. If the Covered Dispute is not resolved informally as provided in Paragraph 21.1.1 (Informal Negotiation), the party alleging the Covered Dispute must submit the Covered Dispute for non-binding mediation. All parties must attend and participate in the mediation. The mediation shall be governed by the rules of the American Arbitration Association (the “AAA”) before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the AAA. It is the intent of the parties that mediation shall be held not later than thirty (30) days after a written request for mediation shall have been served on the other parties. The mediation shall be held in the metropolitan area of Company’s then-current principal place of business (currently, Memphis, Tennessee) and shall not last more than one day, unless the parties agree otherwise. The parties will split equally the cost of any mediation. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

21.1.3 Arbitration. If the parties do not resolve the Covered Dispute after the conclusion of the mediation, such Covered Dispute must be subject to and resolved exclusively by binding arbitration. **This means that all Covered Disputes that either party would otherwise have the legal right to sue for in court shall be subject to final and binding arbitration under the arbitration provisions set forth in this Paragraph 21.1.3 and not decided by a court or a jury.** If there are any ambiguities in the terms or conditions of this Paragraph 21, it is the parties’ intent that all ambiguities be resolved in favor of arbitration. For the purposes of this Paragraph 21.1.3, Covered Disputes will not include disputes that an applicable federal statute provides cannot be arbitrated or cannot be subject to a pre-dispute agreement to arbitrate.

21.1.3.1 Arbitration Procedure. Either party may commence arbitration by sending written demand for arbitration to the other party. The arbitration proceeding shall be conducted by one arbitrator and, except as otherwise provided in this Paragraph 21, shall be conducted in accordance with the then-current Commercial Arbitration Rules of the AAA. All arbitration proceedings will be held at the offices of the AAA or other suitable offices that the Company selects in the metropolitan area in which its principal place of business is then located (currently, Memphis, Tennessee). The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.).

21.1.3.2 Scope. The arbitrator (and not a court) shall decide all issues in any Covered Dispute, including issues regarding the non-availability of class arbitration, timeliness, arbitration procedures, statute of limitations, and all other issues regarding the application, interpretation, enforceability, coverage, and implementation of this Paragraph 21.1.3, including whether the parties have entered into this Agreement. In accordance with Paragraph 21.5 (Mutual Waiver of Class or Collective Actions), the arbitrator shall have no authority to consider or resolve any claim or issue in a Covered Dispute on any basis other than on an individual basis and may not consolidate or join one or more Covered Disputes pertaining to Franchisee or another Franchisee Related Party with any other dispute(s).

21.1.3.3 Relief. The arbitrator shall have the power and authority to

award any remedy or relief available under applicable law, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with Paragraph 20.3 (Right to Interest and Costs)), except the arbitrator may not (a) declare any Name and Mark generic or otherwise invalid or (b) award any special, consequential, exemplary, or punitive damages against either party, except as expressly provided in Paragraph 21.4 (Mutual Waiver of Punitive Damages).

21.1.3.4 Binding Decision. The decision and award of the arbitrator will be final, conclusive, and binding on all parties regarding any claims, counterclaims, issues, or accountings presented or pled to the arbitrator, and judgment on the award, including any partial, temporary or interim award, may be entered in any court of competent jurisdiction (and such proceeding shall not itself be deemed a Covered Dispute).

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

21.2 Exceptions to Alternative Dispute Resolution.

21.2.1 Excepted Disputes. Unless the Company consents in writing otherwise, the following Covered Disputes will not be subject to or resolved through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Paragraph 21.1 (Alternative Dispute Resolution Procedure) and will instead be resolved through litigation: (a) disputes relating to Franchisee's use of the Name and Marks (including Lanham Act or common law claims); (b) disputes that otherwise relate to the ownership or validity of any of the Company's intellectual property or the enforcement of the Company's intellectual property rights; (c) disputes that involve protection of the Company's confidential information; (d) disputes related to the enforcement of Paragraph 15 (Covenants); and (e) disputes related to the payment of sums that any of the Franchisee Related Parties owes to any of the Franchisor Related Parties (collectively, "Excepted Disputes").

21.2.2 Injunctive Relief. Notwithstanding the parties' agreement to resolve Covered Disputes through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Paragraph 21.1 (Alternative Dispute Resolution Procedure), either party will have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual Covered Dispute that would otherwise be subject to arbitration; provided, however, that such party must contemporaneously submit the Covered Dispute for arbitration on the merits as provided in Paragraph 21.1.3 (Arbitration). In addition to any other relief available at law or equity, the Company will have the right to obtain restraining orders or temporary or permanent injunctions to, among other things: (a) enforce the provisions of this Agreement related to the use or protection of the Name and Marks, Franchisor's confidential information, other components of the System of Operation, or other intellectual property of any of the Company Related Parties; (b) enforce the non-compete covenants in Paragraph 15 (Covenants); (c) enforce the obligations of any Franchisee Related Party on termination or expiration of this Agreement; and (d) prohibit any act or omission by any Franchisee Related Party that is a violation of applicable law or that threatens to harm the Name and Marks, the System of Operation, or the business of other franchisees or the Company Related Parties. The Franchisee agrees that the Company Related Parties will not be required to prove actual

damages or post a bond in excess of \$1,000 or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance with respect to this Agreement.

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

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

21.4 MUTUAL WAIVER OF PUNITIVE DAMAGES. EXCEPT FOR (A) CLAIMS RELATED TO THE FRANCHISEE RELATED PARTIES' OBLIGATION TO INDEMNIFY FRANCHISOR AND THE FRANCHISOR INDEMNITIES FOR THIRD-PARTY CLAIMS UNDER PARAGRAPH 22 (INDEPENDENT CONTRACTORS/ INDEMNIFICATION), (B) CLAIMS RELATED TO ANY OF THE FRANCHISEE RELATED PARTIES' INFRINGEMENT OF ANY OF THE FRANCHISOR RELATED PARTIES' INTELLECTUAL PROPERTY, AND (C) CLAIMS RELATED TO ANY FRANCHISEE RELATED PARTIES' BREACH OF ITS OBLIGATIONS UNDER PARAGRAPH 14 (CONFIDENTIALITY AND IMPROVEMENTS BY THE FRANCHISEE), NEITHER PARTY WILL BE ENTITLED TO RECOVER SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES UNDER THIS AGREEMENT.

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

21.6 TWO-YEAR LIMITATION ON CLAIMS. ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR COVERED DISPUTES WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING IS COMMENCED IN THE PROPER FORUM WITHIN TWO YEARS FROM THE DATE ON WHICH THE VIOLATION, ACT, OMISSION, OR CONDUCT GIVING RISE TO THE CLAIM OCCURS, REGARDLESS OF WHEN THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM, except for claims (which may be brought by any Company Related Party against any Franchisee Related Party at any time): (a) relating to third-party claims or suits brought against any Company Related Party as a result of the operation of the Franchised Business; (b) relating to the enforcement of any intellectual property rights of any Company Related Party; (c) relating to the Franchisee's non-payment or underpayment of amounts owed to a Company Related Party; (d) concerning the obligations of any Franchisee Related Party under Paragraph 14 (Confidentiality and Improvements by the Franchisee) or Paragraph 15 (Covenants) of this Agreement; (e) related to the non-compliance of any Franchisee Related Parties with any post-termination obligations under this Agreement; and (f) regarding an assignment of this Agreement or any ownership interest

therein.

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

21.8 Remedies Not Exclusive. No right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under applicable law. Each and every such remedy will be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

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

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

21.11 Survival. This Paragraph 21 will survive termination, expiration, and/or rescission of this Agreement.

22. INDEPENDENT CONTRACTORS/INDEMNIFICATION

22.1 Independent Contractor. The Franchisee shall be conspicuously identified at the premises of the Franchised Business and in all dealings with customers and suppliers as a franchisee. All written materials given to customers of the Franchised Business, including but not limited to promotional materials and inspection reports, shall clearly identify that the Franchised Business is independently owned and operated by the Franchisee. The Franchisee shall not represent or imply to any person that this Agreement authorizes the Franchisee to act as agent for the Company. This Agreement does not create a fiduciary relationship between the parties. Nothing in this Agreement is intended to create a joint employer relationship between the parties, it being expressly understood that any personnel policies or procedures, forms, guidance or other employment related materials or information offered by the Company is provided solely for Franchisee's convenience. Franchisee's use of such information is completely optional and should not be construed as an intent or right to control Franchisee's operations, personnel decisions or relationship with its employees. Franchisee is expressly advised to consult its own independent counsel for labor and employment advice.

22.2 Indemnification by Franchisee. Neither the Company nor the Franchisee shall be obligated by any agreement, representation or warranty (except warranties specifically authorized by the Company, if any) made by the other, nor shall the Company be obligated for damages to any person or property directly or indirectly arising out of the operation of the Franchised Business or the Franchisee's business conducted hereunder, breach of contract, or caused by the Franchisee's negligence, willful action or failure to act. The Franchisee agrees to indemnify the Company in any action, suit, proceeding, demand, investigation or inquiry (formal or informal) wherein the liability of the Company is alleged or in which the Company is named as a party as a result of activities by the Franchisee. In the event that such an action or claim is made against the Company, the Franchisee shall indemnify and hold harmless the Company from all costs reasonably incurred by the Company in the defense of any such claim brought against it, or in any such action in which it is named as a party, including without limitation, reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses and travel and living expenses, and from all amounts paid or incurred by the Company arising out of such claim or action. The Company shall have the right to defend any such claim against it. Such an undertaking by the Company shall, in no manner or form, diminish the Franchisee's obligation to indemnify the Company and to hold it harmless. The Company shall not be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against the Franchisee. If a decision rendered in an action or suit covered by this Paragraph 22 is against the Franchisee or the Company, and the Company desires to appeal the decision, the Franchisee may notify the Company within 10 days of the date of the decision of its intent to abide by the decision, then, in such event, the Franchisee shall pay the Company the amount required of it under this Paragraph 22 and all future costs related to the appeal and/or settlement of the claim shall be the responsibility of the Company.

FRANCHISEE AND THE GUARANTORS, BY SIGNING THIS AGREEMENT, INDEMNIFY AND AGREE TO DEFEND AND HOLD HARMLESS THE COMPANY AND ITS RELATED PARTIES AGAINST ALL LOSSES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, LIABILITIES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION FOR LITIGATION WHETHER OR NOT THE COMPANY IS A PARTY TO THE LITIGATION) THAT THE COMPANY OR ANY OF ITS RELATED PARTIES MAY PAY OR INCUR ARISING OUT OF OR RELATING TO THIS AGREEMENT OR TO FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS EVEN IF CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), OF THE COMPANY.

22.3 Indemnification by Company. The Company agrees to indemnify the Franchisee against, and to reimburse the Franchisee for, any obligation or liability for damages payable to persons other than the Franchisee or its owners that are attributable to agreements, representations or warranties of the Company, or solely caused by the negligent or willful action of the Company, and for costs (as hereinabove defined) reasonably incurred by the Franchisee in the defense of any claim brought against it as a result of the foregoing or in any such action in which it is named as a party. The Company shall have the right to participate in and to control any litigation or proceeding which might result in liability of or expense to the Franchisee subject to indemnification by the Company.

22.4 Survival of Obligations. The indemnity and assumption of liability obligations herein shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

23. BINDING EFFECT/CONSTRUCTION/WAIVER/ NOTICES

23.1 Agreement Binding on Successors. This Agreement is binding upon the parties hereto, their respective heirs, assigns and successors in interest.

23.2 Entire Agreement. This Agreement and all exhibits to this Agreement constitute the entire agreement between the Company and the Franchisee with respect to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations, and agreements concerning the subject matter. Nothing in this or in any related agreement, however, is intended to disclaim the representations the Company made in the franchise disclosure document that the Company furnished to the Franchisee.

23.3 Reasonable Business Judgment. Whenever the Company reserves discretion in a particular area or where the Company agrees or is required to exercise its rights reasonably or in good faith, the Company will satisfy its obligations whenever it exercises “reasonable business judgment” in making its decision or exercising its rights. A decision or action by the Company will be deemed to be the result of “reasonable business judgment”, even if other reasonable or even arguably preferable alternatives are available, if the Company’s decision is intended to promote or benefit the System of Operation generally even if the decision or action also promotes a financial or other individual interest of the Company. Examples of items that will promote or benefit the System of Operation include enhancing the value of the Names and Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System of Operation. Neither Franchisee nor any third party (including a trier of fact), will substitute its judgment for the Company’s reasonable business judgment.

23.4 Provision of Goods, Products and Services. The Company and/or its affiliates periodically may make available to Franchisee goods, products and/or services for use in connection with the Franchised Business, the sale of which the Company and/or its affiliates may make a profit. The Company and its affiliates periodically may receive consideration from suppliers and manufacturers respecting such sale of goods, products or services to Franchisee or in consideration for services provided or rights licensed to such persons. Franchisee agrees that the Company and its affiliates will be entitled to such profits and consideration.

23.5 Headings. The headings of the several paragraphs above are for convenience only and do not define, limit or construe the contents thereof. The term “Franchisee” as used herein is applicable to 1 or more persons, a corporation or a partnership, as the case may be, includes the plural and the masculine and feminine usages. References to “the Franchisee” applicable to any individual shall mean the principal owner or owners of the equity or operating control of the Franchisee if the Franchisee is a corporation, limited liability company or partnership.

23.6 Construction of Provisions. The Company and the Franchisee agree that if any provision of this Agreement is capable of 2 constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed simply according to its fair meaning and not strictly against the Company or the Franchisee.

23.7 Unenforceable Provisions. It is the desire and intent of the Company and the Franchisee that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies

applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. The Company and the Franchisee shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule or other obligation of the Franchisee or the Company which is determined to be invalid or unenforceable and is not waived by the other.

23.8 No Waiver. The Company and the Franchisee, by written instrument, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by the Company of any payment by the Franchisee and no failure, refusal or neglect of the Company or the Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard or operating procedure; provided, however, that such failure, refusal or neglect to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations under this Agreement or under state or federal law, or with any specification, standard or operating procedure, shall constitute a waiver of any default arising under this Agreement or under state or federal law and shall preclude exercise or enforcement of any right or remedy arising therefrom, unless written notice of such default is provided by the non-defaulting party within twelve (12) months after such right or default occurs. No exercise or enforcement by the Company or the Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Company or of the Franchisee of any other right or remedy hereunder or which the Company or the Franchisee is entitled by law to enforce. No modification of this Agreement shall be valid unless such modification is in writing and signed by the Franchisee and the Company.

23.9 Notices. All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered (a) when delivered by hand, (b) 3 business days after placed in the mail system of the United States by registered or certified mail, return receipt requested, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified, or (c) 1 business day after sent via overnight courier, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

23.10 Variance in Standards. Because complete and detailed uniformity under many varying conditions may not be possible or practical, the Company specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchise owner based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition which the Company deems to be of importance to the successful operation of such franchise owner's business. The Franchisee shall not complain on account of any variation from standard specifications and practices granted to any other franchise owner and shall not be entitled to require the Company to grant to the Franchisee a like or similar variation thereof.

23.11 No Recourse. The Franchisee acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of the Company's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or

representatives will have any liability for (i) any of the Company's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against the Company based on, in respect of, or by reason of, the relationship between the Franchisee and the Company, or (iii) any claim against the Company based on any of the Company's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability, unless such vicarious claims are authorized by a guarantee of performance or statutory obligation. It is not meant to bar any direct contractual, statutory, or common law claim that would otherwise exist.

24. REPRESENTATIONS BY FRANCHISEE

24.1 Significant Dates. The Franchisee acknowledges having received the Company's franchise disclosure document at least 14 days or 10 business days (whichever is required by applicable laws in the Franchisee's state) prior to the execution of this Agreement. The Franchisee hereby certifies that the following information and dates are true and correct and the undersigned understands that the Company is relying on these statements in consideration of entering into this Agreement:

- ____ (1) Please write the date you personally received a copy of the Company's Franchise Disclosure Document (and all exhibits and attachments).
- ____ (2) Please write the date of your first face-to-face meeting to discuss the purchase of this franchise. (This does not apply for renewal.)
- (3) Please write the name of all individuals involved in the Sales Process:
____, _____
____, _____
- ____ (4) Please write the date you personally received a copy of the Franchise Agreement prepared for execution.
- ____ (5) Please write the date of the execution of this Franchise Agreement.
- ____ (6) Please write the date you paid the first deposit, down payment, purchase price or other payment in the form of cash, check, or other consideration for the purchase of this franchise. (This does not apply for renewal.)

24.2 Corporations. If the Franchisee is a corporation, partnership or limited liability company, please list all the names and respective title and ownership interest for all officers, shareholders, partners or members of the Franchisee.

Name	Percentage of Ownership (must equal 100%)	Office Held

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

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

(if none, the Franchisee shall write "none")

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

(if none, the Franchisee shall write "none")

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

(if none, the Franchisee shall write "none")

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

(if none, the Franchisee shall write "none")

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

24.4.1 The Franchisee acknowledges that it is entering into this Agreement as a result of its own independent investigation of the Franchised Business and not as a result of any representations about the Company or the Franchised Business made by the Company's shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any franchise disclosure document or other similar document required or permitted to be given to you pursuant to applicable law.

24.4.2 The Franchisee acknowledges and agrees that the Franchised Business may be impacted by many risks, including those outside the Company's or the Franchisee's control such as economic, political or social disruption, including COVID-19. In addition, the Franchisee acknowledges and agrees that the COVID-19 outbreak and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for the Franchised Business, and that the extent to which the COVID-19 outbreak

impacts the Franchised Business will depend on future developments which are highly uncertain and which the Company cannot predict.

For all applicable franchisees: The Franchisee has read Sec. 24.4, understands it, and agrees with it.

Your Initials: ____/____/____

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

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

IN WITNESS WHEREOF, the Company and the Franchisee have executed this Agreement the day and year first above written, effective as of the date executed by the Company.

FRANCHISEE: _____

Signature

Printed Name Officer/Member/Partner

Signature

Printed Name Officer/Member/Partner

THE COMPANY:
TCB AMERISPEC, LLC

Signature

Printed Name: _____

Title: _____

DATE ACCEPTED: _____

EXHIBIT A TO FRANCHISE AGREEMENT

DESIGNATED TERRITORY

The Designated Territory is located in the State of _____ and shall consist of
_____ {*physical description*}.

EXHIBIT B TO FRANCHISE AGREEMENT

GUARANTY

IN CONSIDERATION for, and as an inducement for TCB AMERISPEC, LLC (the "Company"), to enter into the Franchise Agreement to which this Guaranty is attached (the "Franchise Agreement"), the Franchisee, and if the Franchisee is a corporation or other legal entity, each of the owners of the corporation or other legal business entity, hereby jointly and severally guarantee to the Company and to the Company's successors and assigns the payment of all franchise fees provided for in the Franchise Agreement and the performance of all of the provisions of the Franchise Agreement for and during the term of the Franchise Agreement and all renewals thereof. The undersigned further specifically agree to be individually bound by all covenants, obligations and commitments of the Franchisee contained in the Franchise Agreement to the same extent as if each of the undersigned had individually executed the Franchise Agreement as Franchisee and consents to and agrees that they are subject to and will abide by the dispute resolution provisions contained in the Franchise Agreement.

In addition to the other Franchise Agreement provisions, each of the undersigned agree to be personally bound to the confidentiality provision in Paragraph 14.1 of the Franchise Agreement and the non-compete covenants in Paragraph 15 of the Franchise Agreement.

The undersigned understand and agree that any modification of the Franchise Agreement, including any addendum or addenda thereto, or waiver by the Company of the performance by the Franchisee of its obligations thereunder, or the giving by the Company of any extension of time for the performance of any of the obligations of the Franchisee thereunder, or any other forbearance on the part of the Company or any failure by the Company to enforce any of its rights under the Franchise Agreement, including any addendum or addenda thereto, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of the Franchisee is so released, terminated, or affected or diminished. Notice to the undersigned of any such modification, waiver, extension or forbearance under the terms thereof is hereby waived. This Guaranty shall be enforceable upon 10 days' written notice by the Company to any of the undersigned of any default by the Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda thereto.

The undersigned hereby waive any and all notice of default on the part of the Franchisee; waive exhausting of recourse against the Franchisee; and consent to any assignment of the Franchise Agreement, in whole or in part, that the Company or its assignees may make.

IN WITNESS WHEREOF each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

_____, individually
Signature

Print Name _____

Home Address _____

_____, individually
Signature

Print Name _____

Home Address _____

B-1

TCB AmeriSpec LLC FDD

June 22, 2026

#289896v4

_____, individually
Signature

Print Name _____

Home Address _____

_____, individually
Signature

Print Name _____

Home Address _____

[This document is to be used when: (a) a married individual signs a Franchise Agreement, personal guarantee, or other agreement containing financial obligations to us; and (b) that individual's spouse is NOT also signing the same agreements.]

SPOUSE ACKNOWLEDGMENT

My name is _____.

I am the spouse of _____.

I am aware that:

- my spouse is investing in a AmeriSpec franchise;
- in connection with the franchise, my spouse is signing a Franchise Agreement, personal guarantee, and/or other documents that involve financial obligations to TCB AmeriSpec, LLC and its affiliates (the “**Franchise Documents**”); and
- TCB AmeriSpec, LLC and its affiliates are relying on all assets of my spouse, including jointly owned marital property, in accepting my spouse’s obligations under the Franchise Documents.

I understand the financial obligations undertaken by my spouse in connection with the franchise, and that the Franchise Documents are being signed for the benefit of, and will be binding on, my marital community.

I understand that this Spouse Acknowledgment does not subject my separate, non-marital property to my spouse’s financial obligations under the Franchise Documents.

I understand that my spouse is bound personally by the following provisions of the Franchise Agreement, and I agree to be bound by them as well: (i) the confidentiality and non-disclosure covenants in Paragraph 14.1; (ii) the non-competition covenants in Paragraph 15; and (iii) the governing law and dispute resolution provisions in Paragraph 21.

_____, individually
Signature

Print Name _____

Home Address _____

EXHIBIT C
TO FRANCHISE AGREEMENT

LICENSE AGREEMENT
(Websites)

This License Agreement (“Agreement”) is made and effective this _____ day of _____, 20____ (“the Effective Date”) by and between TCB AMERISPEC, LLC, a Delaware limited liability company having its principal place of business located at 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018 (“AmeriSpec”), and _____, an AmeriSpec franchisee doing business as “AmeriSpec Inspection Service” and having its principal place of business located at _____ (“Franchisee”),

WITNESSETH:

WHEREAS, AmeriSpec has a license to permit AmeriSpec franchisees to operate internet websites (“Websites”) in connection with their franchise businesses, which is designed to promote uniformity in the appearance and functionality of franchisee websites;

WHEREAS, AmeriSpec desires to grant, and Franchisee desires to obtain permission to operate a Website;

NOW THEREFORE, AmeriSpec and Franchisee agree as follows:

1. AmeriSpec will provide Franchisee with access to and the right to use a Website as specified herein.
2. The Website shall be provided at no cost to Franchisee for the initial year; however, AmeriSpec reserves the right to charge Franchisee a license fee for any subsequent period of use. If Franchisee owns more than one franchise territory (as defined in the Franchise Agreement between the parties), then the Franchisee has the option of having one Website for each territory. AmeriSpec shall provide Franchisee at least 30 days’ notice prior to charging a license fee for the Website after the expiration of the initial year of use. Franchisee shall be solely responsible for any costs incurred in either the use of or obtaining access to the Website.
3. The Website URL address shall be as follows:
http://amerispec.com/locations/st/city/region. For example,
https://amerispec.com/locations/mn/minneapolis/north.
4. Either party may terminate this Agreement without good cause upon 30 days’ notice. AmeriSpec may terminate this Agreement immediately for good cause, including but not limited to violation of or failure to follow, the guidelines as set forth herein or failure to comply with material terms of the Franchise Agreement between the parties. This Agreement and all rights granted herein shall automatically terminate, without further notice, upon either the termination or expiration of the Franchise Agreement between the parties. This Agreement and all rights granted herein shall also automatically terminate, without further notice, upon Assignment (as defined in the Franchise Agreement) of the Franchisee’s AmeriSpec franchise, unless the Assignment merely transfers ownership of the AmeriSpec franchise from an individual owner(s) to a Corporation or other legal business entity and the Franchisee retains majority ownership of that entity.

5. This Agreement and the license granted herein are not assignable or transferable by Franchisee without the prior written consent of AmeriSpec.
6. This Agreement shall in no way affect any existing obligations of AmeriSpec or Franchisee created in any other agreement, including but not limited to the Franchise Agreement between the parties and any and all terms contained therein.
7. Franchisee agrees that it shall only use the Website for lawful purposes. Without limiting the foregoing, Franchisee shall not use the Website in a manner: (a) which would result in any transmission of any material in violation of any international, federal, state or local laws, including (without limitation) laws pertaining to the use of data and to the franchise and business opportunity laws; (b) which in any way would violate or infringe upon any party's privacy rights, right of publicity, or any other rights of any person or entity; or (c) which would display, transmit or store material which is unlawful, harmful, abusive, hateful, obscene, threatening, libelous, or defamatory.
8. AmeriSpec reserves the right to provide additional guidelines for use of the Website from time to time. Such additional guidelines shall be provided to Franchisee in writing and attached to and incorporated in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the day and year first above written.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____

By: _____

Its: _____

Name: _____

Title: _____

Owner 1 Name: _____

Owner 2 Name: _____

Website Address: _____

EXHIBIT D TO FRANCHISE AGREEMENT

LICENSE AGREEMENT (E-Mail Accounts)

This License Agreement ("Agreement") is made and effective as of this ____ day of ____, 20____ (the "Effective Date") by and between TCB AMERISPEC, LLC, a Delaware limited liability company, having its principal place of business located at 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018 ("AmeriSpec"), and _____, an AmeriSpec franchisee doing business as "AmeriSpec Inspection Service" and having its principal place of business located at _____ ("Franchisee"), WITNESSETH:

WHEREAS, AmeriSpec has a license to permit authorized parties to access web-based electronic mail accounts for AmeriSpec ("e-mail accounts") which are designed to facilitate communication between Franchisees, other third-parties and AmeriSpec for the purpose of, among other things, the scheduling of AmeriSpec inspections; and

WHEREAS, AmeriSpec desires to grant, and Franchisee desires to obtain permission and access to the e-mail account.

NOW, THEREFORE, AmeriSpec and Franchisee agree as follows:

1. AmeriSpec will provide Franchisee with access to and the right to use the e-mail account as specified herein. AmeriSpec will provide up to a maximum of two (2) email accounts per franchise, as follows: If Franchisee's AmeriSpec franchise is owned by more than one individual, then AmeriSpec shall provide up to two (2) separate e-mail accounts. If the franchise is owned by a corporation or other type of legal business entity and more than one individual has executed a personal guaranty relative to the terms of the Franchise Agreement, then AmeriSpec shall provide up to two (2) separate e-mail accounts. Additional e-mail accounts may be created, but the Franchisee will be billed the then current charge for the additional accounts. AmeriSpec shall retain ownership of the e-mail account and e-mail address.
2. A maximum of up to two (2) email accounts per franchise shall be provided at no cost to the Franchisee. AmeriSpec reserves the right to charge a license fee in the future, but shall provide at least 30 days' notice prior thereto. Franchisee shall be responsible for any costs incurred in either the use of or obtaining access to the e-mail account.
3. The name for the address of the e-mail account (e-mail address) shall be as follows: (Franchisee's first initial) (Franchisee's last name)@AmeriSpec.net. For example: RSkinner@AmeriSpec.net. In the event a particular e-mail address is not available (for example, an existing franchisee has the same last name and first initial), then an alternative e-mail address will be provided.
4. Access to the e-mail account is for Franchisee only. Franchisee shall not share this e-mail account with any other person or entity. Furthermore, Franchisee shall not demonstrate or give access to the e-mail account to another person or entity without the prior written approval of AmeriSpec.
5. Either party may terminate this Agreement without cause upon 30 days' notice. AmeriSpec may terminate this Agreement immediately for good cause, including but not limited to violation of, or failure to follow, the guidelines as set forth herein or for failure to comply with the material terms of the Franchise Agreement between the parties. This Agreement and all rights granted herein shall

- automatically terminate, without further notice, upon either the termination or expiration of the Franchise Agreement between the parties. This Agreement and all rights granted herein shall also automatically terminate, without further notice, upon Assignment (as defined in the Franchise Agreement) of the Franchisee's AmeriSpec franchise, unless the Assignment merely transfers ownership of the AmeriSpec franchise from an individual owner(s) to a Corporation or other legal business entity and the Franchisee retains majority ownership of that entity.
6. This Agreement and the license granted herein are not assignable or transferable by Franchisee without the prior written consent of AmeriSpec.
 7. This Agreement shall in no way affect any existing obligations of AmeriSpec or Franchisee created in any other agreement, including but not limited to the Franchise Agreement between the parties and any and all terms contained therein.
 8. Franchisee agrees that it shall only use the e-mail account for lawful purposes. Without limiting the foregoing, Franchisee shall not use the e-mail account in a manner: (a) which would result in any transmission of any material in violation of any international, federal, state or local laws, including (without limitation) laws pertaining to the use of data and to the franchise and business opportunity laws; (b) which in any way would violate or infringe upon any party's privacy rights, right of publicity, or any other rights of any person or entity; or (c) which would display, transmit or store material which is unlawful, harmful, abusive, hateful, obscene, threatening, libelous, or defamatory.
 9. AmeriSpec reserves the right to provide additional guidelines for use on the e-mail account from time to time. Such additional guidelines shall be provided to Franchisee in writing and attached to and incorporated in this Agreement.
 10. Franchisee agrees to comply with limits set by AmeriSpec for maximum disk quota for e-mail usage. Currently the maximum disk quota for email usage is 25MB per account. This limit is subject to change, and AmeriSpec will notify Franchisee of any such changes in writing. It is solely Franchisee's responsibility to not exceed this disk quota. Franchisee acknowledges that exceeding disk quotas may cause e-mails to be denied and returned to the sender as undeliverable. AmeriSpec assumes no responsibility for loss of business or any other issues that may arise from Franchisee's failure to comply with this provision. Franchisee also acknowledges that there is a maximum attachment upload size limit of 10Mb. This limit is subject to change, also, and AmeriSpec will notify the Franchisee in writing of any such changes.
 11. Franchisee acknowledges that AmeriSpec may apply an anti-spam and/or an anti-virus solution (collectively "SPAM/AV") on part or all of AmeriSpec.net e-mail accounts. The anti-spam solution applied will be the most efficient for SPAM and AV, but AmeriSpec in no way warrants or guarantees the effectiveness of the SPAM/AV solution. Franchisee acknowledges that deploying an anti-spam solution may result in the loss of e-mails. Franchisee agrees that AmeriSpec shall not be liable for any loss or damages to Franchisee's computer or damage to the operation of the franchise due to a virus, or related to deploying the SPAM/AV solution. AmeriSpec reserves the right to remove the SPAM/AV solution at any time for any reason it deems necessary.
 12. Franchisee acknowledges that AmeriSpec utilizes the services of a third-party e-mail hosting provider and AmeriSpec has no control of, and cannot make guarantees regarding, the uptime of the e-mail service. AmeriSpec will work with the third-party e-mail hosting provider in order to maximize the uptime.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the day and year first above written.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____

By: _____

Its: _____

Name: _____

Title: _____

Owner 1 Name: _____

Owner 1 E-Mail Address: _____

Owner 2 Name: _____

Owner 2 E-Mail Address: _____

EXHIBIT E TO FRANCHISE AGREEMENT

**TELEPHONE NUMBER
ASSIGNMENT**

In consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, a _____, (“Assignor”), hereby transfers, sells and assigns to TCB AMERISPEC, LLC, a Delaware limited liability company (“Assignee”), and its successors and assigns, all of Assignor’s right, title and interest in and to the phone number _____ (“The Phone Number”), which was assigned to Assignor by _____ (“The Phone Company”).

Assignor hereby authorizes and empowers Assignee as Assignor’s agent with the authority to execute and file, on behalf of Assignor, any and all authorizations, instruments, agreements and other documents that may be required by the Phone Company or any other party to effectuate the transfer, sale and assignment of all of Assignor’s right, title and interest in and to the Phone Number.

IN WITNESS THEREOF, Assignor has executed this agreement as of the _____ day of _____, 20____.

Assignor Name

Assignor Name

Assignee: TCB AMERISPEC, LLC

By:

Its:

EXHIBIT F TO FRANCHISE AGREEMENT**AMERISPEC® MANAGEMENT SOFTWARE LICENSE AGREEMENT**

This AmeriSpec® Management Software License Agreement (the “Agreement”), between TCB AMERISPEC, LLC (“AmeriSpec”), located at 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018, and _____ (“Franchisee”) located at _____, takes effect _____ (the “Effective Date”). All capitalized terms in this Agreement have the meanings set forth in the Franchise Agreement between the parties, dated _____ (the “Franchise Agreement”).

Recitals

A. AmeriSpec owns the rights to use a software program (“AmeriSpec® Management System”) that allows franchise owners to collect and manage data including but not limited to client, agents, agencies, inspections, marketing materials, and e-marketing.

B. Franchisee desires to license such software under the terms and conditions of this Agreement.

Agreement

In consideration of the above recitals and the promises set forth below, the parties agree as follows:

1. **License.** Subject to the terms and conditions of this Agreement, AmeriSpec grants to Franchisee a non-exclusive, non-transferable license to use the AmeriSpec® Management System provided by AmeriSpec (together with the associated documentation, the “Software”) for use only in the Franchised Business. Franchisee may not: (a) permit any parent, subsidiaries, affiliated entities or third parties to use the Software; (b) process or permit to be processed the data of any other party; (c) sell, license, publish, display, distribute, or otherwise transfer the Software to a third party without AmeriSpec’s prior written consent; (d) copy the Software; or (e) alter, modify, disassemble, decompile or reverse engineer the Software. AmeriSpec will deliver access to the Software upon execution of this Agreement.

2. **Software Support.** AmeriSpec will provide help desk support from 8 a.m. to 5 p.m. (CT) Monday-Friday (excluding holidays) to answer questions related to functionality of the Software, and will provide major bug fixes to the Software as deemed necessary by AmeriSpec (“Support Services”), except that AmeriSpec shall not provide Support Services if the hardware or computer system, including third party software, peripherals, internet connection and other computer equipment, used to operate the Software do not meet AmeriSpec’s then-current specifications. Franchisee is required to comply with AmeriSpec’s then-current specifications regarding computer hardware equipment, including third party software, peripherals, internet connection and other computer equipment, used to operate the Software. Training related to the Software will be provided as part of the initial franchise training program and by the software website.

3. **Fees and Payment.** Franchisee will pay AmeriSpec an initial license fee of \$300, which will be pro-rated for Franchisee’s first year of operation. On June 1 of each year, Franchisee shall pay an annual renewal fee of \$300. AmeriSpec reserves the right to periodically increase the renewal fee by a reasonable amount to reflect the Company’s increased costs of providing services (including those provided by third parties) and Software access under this Agreement.

4. Delivery and Installation. Franchisee is solely responsible for, data entry and verification of data. Franchisee is solely responsible for providing the hardware, third party software, peripherals, internet connection and other computer equipment required to run the Software and ensuring that such items meet AmeriSpec's then-current specifications.

5. Ownership. Other than the license granted, no right, title or interest in all or any portion of the Software is conveyed or assigned to Franchisee, either expressly or by implication, by virtue of this Agreement, including any patents, copyrights, trade secrets, trademarks, trade names, or other intellectual property associated with the Software. AmeriSpec retains all ownership rights in Franchisee's data.

6. Term and Termination. AmeriSpec reserves the right to terminate this Agreement if its license with the vendor terminates or if AmeriSpec adopts a different software program for the system. A breach of this Agreement by Franchisee is grounds for termination of this Agreement and/or the Franchise Agreement, if the breach remains uncured thirty (30) days after written notice of the breach was provided to Franchisee. This Agreement terminates immediately upon termination of the Franchise Agreement between the parties. Upon termination for any reason, Franchisee access to this software will be terminated by AmeriSpec.

7. WARRANTY DISCLAIMER. THE SOFTWARE IS LICENSED "AS IS" WITHOUT WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OF NON-INFRINGEMENT.

8. LIMITATION OF LIABILITY. AMERISPEC SHALL NOT BE LIABLE TO FRANCHISEE FOR ANY SPECIAL, DIRECT, INDIRECT OR CONSEQUENTIAL LOSSES WHATSOEVER OR HOWEVER CAUSED, ARISING OUT OF OR IN CONNECTION WITH THE SOFTWARE, ITS USE OR OTHERWISE. AMERISPEC'S TOTAL LIABILITY TO FRANCHISEE FOR DAMAGES RELATED TO THE SOFTWARE SHALL NOT EXCEED THE AMOUNTS PAID BY FRANCHISEE FOR SOFTWARE SUPPORT FEES IN THE PREVIOUS TWELVE-MONTH PERIOD.

9. Confidentiality. Franchisee acknowledges that the Software is proprietary to AmeriSpec and/or its licensor and has been developed as valuable intellectual property. Franchisee agrees that it will not disclose or permit any of its employees, agents or representatives to disclose to any party any data or information with respect to the Software or any information relating thereto without the prior written consent of AmeriSpec. This obligation shall continue during the term of this Agreement and thereafter, regardless of the reason for which this Agreement and/or the Franchise Agreement shall have terminated, expired or been assigned.

10. Assignment. This Agreement is only assignable by Franchisee in connection with a valid assignment of the Franchise Agreement.

11. Effect. Except as specifically amended by this Agreement, the Franchise Agreement is in full force and effect as written. Furthermore, any default under this Agreement is a default under the Franchise Agreement. The termination of the Franchise Agreement terminates your right to operate the franchised business.

12. Incorporation by Reference. The provisions of Sections 21 and 23 of the Franchise Agreement (Dispute Resolution; Binding Effect/Construction/Waiver/ Notices) are hereby incorporated by reference.

The parties have executed this Agreement as of the date first written above.

AMERISPEC:
TCB AMERISPEC, LLC

FRANCHISEE:

By: _____

By: _____

Its: _____

Its: _____

FDD EXHIBIT B

FINANCIAL STATEMENTS AND GUARANTY

(See attached).

Form E – Guarantee of Performance

GUARANTEE OF PERFORMANCE

For value received, TCB Services HoldCo, LLC, a Delaware limited liability company (the "Guarantor"), located at , 3060 Peachtree Road, NW, Suite 201, Atlanta, Georgia 30305, absolutely and unconditionally guarantees to assume the duties and obligations of TCB AmeriSpec, LLC, located at 57 Germantown Court, Suite 201, Cordova, Tennessee 38018 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its AmeriSpec Inspection Services Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

Signed at Memphis, TN, on June 22, 2026
[Insert City Above] [Insert State Above] [Insert Date Above]

Guarantor:

TCB Services HoldCo, LLC

By: 

Name: Christopher Gammill

Title: President and Chief Executive Officer



TCB Services HoldCo, LLC and Subsidiaries

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2025 and 2024



TCB Services HoldCo, LLC and Subsidiaries
Contents
December 31, 2025 and 2024

Independent Auditor’s Report..... 1

Consolidated Financial Statements

Balance Sheets 3

Statements of Comprehensive Loss 4

Statements of Members’ Equity 5

Statements of Cash Flows 6

Notes to Financial Statements 7

Independent Auditor's Report

Board of Managers
TCB Services HoldCo, LLC and Subsidiaries
Memphis, Tennessee

Opinion

We have audited the consolidated financial statements of TCB Services HoldCo, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive loss, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Forvis Mazars, LLP

**Birmingham, Alabama
April 27, 2026**

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	\$ 1,287,592	\$ 1,736,027
Accounts receivable, net	1,671,330	1,744,530
Other receivables	288,379	485,856
Contract costs	1,084,517	-
Prepaid expenses and other current assets	315,383	337,782
Total Current Assets	4,647,201	4,304,195
Property and equipment, net	916,082	1,105,077
Right-of-use assets - operating	2,040,814	1,556,153
Goodwill, net	12,077,412	13,591,343
Intangible assets, net	10,950,105	11,920,040
Deferred tax assets	126,091	94,570
Notes receivable	22,521	149,239
Total Assets	<u>\$ 30,780,226</u>	<u>\$ 32,720,617</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 956,170	\$ 1,188,298
Accrued expenses and other payables	422,383	736,452
Deferred revenue	1,565,696	484,468
Current portion of notes payable	778,571	821,429
Current portion of convertible notes payable	1,326,799	-
Line of credit	500,000	500,000
Current portion of operating lease liabilities	647,737	493,454
Total Current Liabilities	6,197,356	4,224,101
Noncurrent Liabilities		
Notes payable, net of current portion and deferred financing fees	5,987,811	6,664,418
Convertible notes payable, net of current portion	1,290,863	-
Operating lease liabilities, net of current portion	1,471,714	1,086,655
Total Liabilities	14,947,744	11,975,174
Members' Equity	15,832,482	20,745,443
Total Liabilities and Members' Equity	<u>\$ 30,780,226</u>	<u>\$ 32,720,617</u>

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Net Revenues	\$ 15,950,701	\$ 9,237,267
Operating Expenses		
Subcontractor costs	511,338	1,208,476
Salaries and wages	5,433,866	4,172,708
Depreciation and amortization	2,835,440	2,361,412
General and administrative	5,914,725	4,707,220
Company owned locations operating costs	5,987,887	2,118,173
Transaction costs	-	467,000
	<u>20,683,256</u>	<u>15,034,989</u>
Loss from Operations	(4,732,555)	(5,797,722)
Other Expense (Income)		
Interest expense	1,047,695	347,731
Other income	<u>(117,304)</u>	<u>(24,210)</u>
Loss Before Income Taxes	(5,662,946)	(6,121,243)
Income tax benefit	<u>27,468</u>	<u>137,167</u>
Net Loss	(5,635,478)	(5,984,076)
Other Comprehensive Income		
Unrealized foreign currency translation gain (loss)	<u>114,057</u>	<u>(199,120)</u>
Comprehensive Loss	<u><u>\$ (5,521,421)</u></u>	<u><u>\$ (6,183,196)</u></u>

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Statement of Members' Equity
Years Ended December 31, 2025 and 2024

	Class A Units	Class B Units	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2023	\$ 29,200,000	\$ 51,165	\$ (3,176,320)	\$ 7,688	\$ 26,082,533
Members' contribution	750,000	-	-	-	750,000
Share-based compensation	-	96,094	-	-	96,094
Unrealized foreign currency translation loss	-	-	-	(199,120)	(199,120)
Net loss	-	-	(5,984,064)	-	(5,984,064)
Balance, December 31, 2024	29,950,000	147,259	(9,160,384)	(191,432)	20,745,443
Members' contribution	500,000	-	-	-	500,000
Share-based compensation	-	108,460	-	-	108,460
Unrealized foreign currency translation gain	-	-	-	114,057	114,057
Net loss	-	-	(5,635,478)	-	(5,635,478)
Balance, December 31, 2025	<u>\$ 30,450,000</u>	<u>\$ 255,719</u>	<u>\$ (14,795,862)</u>	<u>\$ (77,375)</u>	<u>\$ 15,832,482</u>

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Activities		
Net loss	\$ (5,635,478)	\$ (5,984,064)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	2,835,440	2,361,412
Provision for credit losses	190,453	356,794
Share-based compensation	108,460	96,094
Provision for deferred taxes	(31,521)	(94,570)
Deferred financing costs amortization	63,957	22,347
Paid-in-kind interest	198,527	30,232
Non-cash operating lease expense	716,906	430,924
Changes in assets and liabilities		
Accounts receivable	(117,253)	156,840
Prepaid expenses and other current assets	22,399	(125,439)
Contract costs	(1,084,517)	-
Other receivables	197,477	-
Accounts payable	(232,131)	336,952
Accrued expenses and other payables	(314,069)	(19,372)
Deferred revenue	1,081,228	51,577
Operating lease liabilities	(662,225)	(406,968)
Net Cash Used in Operating Activities	<u>(2,662,347)</u>	<u>(2,787,241)</u>
Investing Activities		
Acquisitions	-	(3,098,429)
Purchases of property and equipment	(66,670)	(470,883)
Capitalized software development costs	-	(24,225)
Payments received on notes receivable	126,719	119,485
Net Cash Provided (Used) in Investing Activities	<u>60,049</u>	<u>(3,474,052)</u>
Financing Activities		
Borrowings on notes payable	-	5,250,000
Borrowings on convertible notes payable	2,500,000	-
Payments on notes payable	(864,286)	-
Proceeds on revolving line of credit, net	-	500,000
Financing costs	-	(316,732)
Members' contributions	500,000	750,000
Net Cash Provided by Financing Activities	<u>2,135,714</u>	<u>6,183,268</u>
Net Decrease in Cash	(466,584)	(78,025)
Effect of foreign currency exchange rate changes	18,149	(47,810)
Cash, Beginning of Period	<u>1,736,027</u>	<u>1,861,862</u>
Cash, End of Period	<u><u>\$ 1,287,592</u></u>	<u><u>\$ 1,736,027</u></u>

See Notes to Consolidated Financial Statements

Note 1. Organization and Nature of Business

TCB Services Holdco, LLC and Subsidiaries ("HoldCo") was formed on February 24, 2023 under the laws of the state of Delaware as a limited liability company, for the purpose of acquiring the membership interests of TCB Services Holdings, LLC, TCB Services LTD., and TCB Group Holdings Ltd. under the terms of the purchase agreement dated March 31, 2023 (the "Transaction"). On March 31, 2023, the members of Holdco executed the Amended and Restated Limited Liability Company Agreement and capitalized HoldCo. HoldCo through its subsidiaries (collectively, the "Company") is a franchisor of furniture repair and home inspection companies.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") on the accrual basis of accounting. The accompanying consolidated financial statements include the accounts of the Company. All significant intercompany balances and transactions have been eliminated in consolidation. The accompanying consolidated financial statements are presented for the years ended December 31, 2025 and 2024

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management in connection with the preparation of the accompanying consolidated financial statements include the fair value of long-lived assets, allowance for credit losses, goodwill and intangible asset considerations, useful lives of long-lived assets and intangible assets, and assumptions utilized in determination of equity incentive. Actual results could differ from those estimates.

Cash

The Company maintains cash depository accounts, which, at times, may exceed federally insured limits. This risk is mitigated by maintaining all deposits in high quality financial institutions. The Company has not experienced any losses in such accounts.

Accounts Receivable

The Company records accounts receivable at their estimated net realizable value. Management monitors accounts receivable for delinquency and provides for probably uncollectible amounts through a charge to earnings and a credit to the valuation allowance based on its assessment of the current status of individual accounts, any known trends or uncertainties related to customer billing and account collectability, current economic conditions, and reasonable supportable economic forecasts. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has determined that an allowance for credit losses of approximately \$268,000 and \$366,000 was necessary as of December 31, 2025 and 2024, respectively. The opening balance of accounts receivable, net totaled approximately \$1,629,000 as of January 1, 2024.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Contract Costs

The Company capitalizes incremental costs incurred to obtain new customer contract, which primarily consist of brokerage commissions paid to third parties upon successful signing of new franchise and area development agreements. Capitalized contracts are amortized over 6 months which is consistent with the transfer of the customer services to which the asset relates, primarily the initial franchise fees revenue. The Company had approximately \$1,085,000 of deferred contract costs as of December 31, 2025. Amortization of contract costs was approximately \$653,000 during the year ended December 31, 2025.

Notes Receivable

Notes receivable are carried at face value less an allowance for credit losses. Management monitors notes receivable for delinquency and provides for estimated losses for specific receivables that are not likely to be collected. When determining the collectability of specific customer accounts, management considers customer credit-worthiness, past transaction history with the customer, current economic and industry trends, changes in customer payment trends, and reasonably supportable economic forecasts. No allowance for credit losses was deemed necessary as of December 31, 2025 and 2024.

Property and Equipment

Property and equipment are remeasured to the estimated fair value for assets acquired from acquisitions, less accumulated depreciation and amortization. Property and equipment acquired in the ordinary course of business are stated at cost at the date of purchase, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized. Depreciation is determined using the straight-line method over the estimated useful lives of the assets:

Tools machinery and equipment	5 years
Vehicles	5 years
Furniture and fixtures	5 years
Computer equipment	5 years

Leasehold improvements are amortized over the lease term or the estimated useful life of the related asset, whichever is shorter.

Goodwill

The Company applies the provisions of Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*, to its acquisitions. ASC 805 provides guidance regarding the recognition and measurement of goodwill and other acquired intangible assets and requires separate recognition of intangible assets acquired if the benefit of the asset is obtained through contractual or other legal rights, or if the asset can be sold, transferred, licensed, rented, or exchanged. Goodwill is recognized to the extent that the fair value of consideration paid for the acquisition exceeds the estimated fair value of the net assets acquired, including other identifiable intangible assets.

The Company amortizes goodwill on a straight-line basis over 10 years and tests goodwill for impairment at the entity level. Goodwill is tested for impairment only when a triggering event occurs, or circumstances change that indicate the fair value of the entity may be less than the carrying value. No impairment indicators exist as of December 31, 2025 and 2024.

Intangible Assets

Identifiable intangible assets were acquired in connection with the Transaction, as disclosed in Note 3, and relate to the trade names and franchise relationships. The Company amortizes the trade names on a straight-line basis over 10 years and franchise relationships on a straight-line basis over 15 years. Intangible assets are periodically evaluated as to the recoverability of carrying values. Management determined that no impairment exist as of December 31, 2025 and 2024.

Long-Lived Assets

The Company evaluates the recoverability of long-lived assets, such as property and equipment, when events or circumstances indicate that these assets may not be recoverable. The Company determines the recoverability of such assets by comparing an asset group's respective carrying value to estimates of the sum of the undiscounted future cash flows expected to result from its asset group. No impairment charge was required during the years ended December 31, 2025 and 2024.

Deferred Financing Fees

Deferred financing fees are capitalized and amortized on a straight-line basis, which approximates the effective interest method, over the term of the related debt. Amortization of deferred financing fees is included as a component of interest expense on the consolidated statements of comprehensive loss.

Revenue Recognition

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. The principles are applied using a five-step model that includes 1) identifying the contract(s) with a customer, 2) identifying the performance obligations in the contract, 3) determining the transaction price, 4) allocating the transaction price to the performance obligations in the contract, and 5) recognizing revenue when (or as) the entity satisfies the performance obligation. ASC 606 also requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company derives its revenues from national account sales, royalties from franchisees and for services performed by its wholly owned franchisees. Revenues are recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. The Company applies the five-step model under FASB ASC Topic 606, *Revenue from Contracts with Customers*, to determine when revenue is earned and recognized.

The Company previously elected the practical expedient available to private companies under ASU 2021-02 *Franchisors-Revenue from Contracts with Customers*, to account for pre-opening activities as one distinct performance obligation. The initial franchise fees are payable based on contract terms prior to the franchise opening. The initial franchise fee is allocated to the preopening activities performance obligation using the cost plus margin approach. These fees are billed in advance and recorded as deferred revenue, then recognized on a straight-line basis over a 6-month period. The opening balance of deferred revenue was approximately \$0 as of January 1, 2024. Royalty revenues are recognized over the term of the respective franchise agreement based on the royalties earned each period as the underlying sales occur.

The Company receives a significant portion of its revenue from sales-based royalties, admin fees, advertising fees and other fees charged to franchisees. These fees are determined as a percentage of sales and are recognized in the period earned by the Company.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

The Company, as a Franchisor, negotiates contracts with national customers on behalf of the franchisees. In these relationships the company acts as the vendor for the contracted national customers and charges a price per work order to the customer based on the pre-negotiated contract. The Company acts as the principal in its national accounts program and will report revenue on a gross basis in accordance with U.S. GAAP.

The Company receives a significant portion of its revenue from its wholly owned franchisees, which primarily consists of services performed for the franchisees' customers. Revenues and the related costs of revenue are recognized upon completion of services.

Total revenue by revenue stream is as follows:

	<u>2025</u>	<u>2024</u>
Royalty and other related franchisor revenues	\$ 5,048,842	5,226,442
National Ad Fund fees	1,046,805	1,082,251
Wholly owned franchisees, service revenue	<u>9,855,054</u>	<u>2,928,574</u>
Total Revenue	<u>\$ 15,950,701</u>	<u>\$ 9,237,267</u>

General and Administrative Expenses

General and administrative expenses consist of costs associated with administration and support functions related to the Company's existing business as well as growth and development activities. These costs primarily consist of advertising, IT, and professional expenses.

Franchise Agreements

Franchise agreements are available for a territory over a specified period of time. The franchise agreement defines the territory the new franchise is able to serve. New franchisees are required to pay the Company an initial franchise fee plus a monthly royalty fee of 7%, and market and advertising fee of 2% to 3% of the franchisee's monthly gross receipts for the duration of the franchise agreement.

Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately \$515,000 and \$507,000 for the years ended December 31, 2025 and 2024, respectively. Advertising costs are included in general and administrative expenses in the consolidated statements of comprehensive loss.

Income Taxes

The Company is organized as a limited liability company that is disregarded for federal income tax purposes. The Company owns 100% of the interests in other limited liability companies that are also disregarded for federal income tax purposes.

Separately, the Company operates in Canada through its subsidiary, TCB Services Ltd., which is subject to a royalty tax on foreign entities. The related amounts are included in income tax expense within the consolidated statements of comprehensive loss within income tax expense for the years ended December 31, 2025 and 2024 and a corresponding deferred tax asset and liability of approximately \$126,000 and \$95,000, respectively is included within deferred tax assets and accrued expenses and other payables on the accompanying consolidated balance sheet as of December 31, 2025 and 2024, respectively.

Fair Value Measurements

Fair value as defined under GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. US GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1** Observable inputs such as quoted prices in active markets.
- Level 2** Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3** Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value financial instruments and their placement within the fair value hierarchy levels.

There were no Class B Units granted during the years ended December 31, 2025 and 2024.

Share-Based Compensation

Certain of the Company's employees are party to a share-based compensation arrangement established by TCB Services Management, LLC, an affiliate of the Company, as approved by the Board of Managers. Management accounts for the awards granted to employees in accordance with ASC 718 *Compensation - Stock Compensation*, which requires compensation cost related to share-based payments, classified as equity awards, to be measured based on the grant date fair value of the award. The Company recognizes compensation cost over the requisite service period. The Company's accounting policy is to recognize forfeitures as they occur.

Leases

The Company accounts for its contracts in accordance with ASC 842, *Leases*, which requires lessees to recognize the assets and liabilities on the consolidated balance sheets for the rights and obligations created by leases with lease terms of more than twelve months, amends various other aspects of accounting for leases by lessees and lessors, and requires enhanced disclosures. The Company determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right of use ("ROU") assets and lease liabilities on the consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Company determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term.

The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect lease payments made. The ROU asset is subsequently measured by reducing the carrying amount for amortization.

The Company uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Company has elected to use the risk-free rate at the commencement date to determine the present value of lease payments.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Foreign Currency Translations

The assets and liabilities of TCB Services Ltd., which are denominated in the local currency, the functional currency, are translated into U.S. dollars using rates of exchange at each balance sheet date. Revenues and expenses are translated at weighted-average rates of exchange in effect during the period earned. Exchange gains and losses on intercompany balances of a long-term nature are recorded as a translation adjustment. The cumulative effect resulting from such translation is reflected as accumulated other comprehensive income.

Note 3. Business Combinations

2024 Acquisitions

During the year ended December 31, 2024, the Company completed the acquisition of 4 of its franchisees located throughout the United States. The aggregate fair value of consideration paid was approximately \$5,113,000, consisting of \$2,613,000 in cash and \$2,500,000 in seller notes (see Note 9), and was financed primarily through proceeds from debt borrowings and cash from operations. The acquisitions were recorded in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations* and accordingly the consideration paid was allocated to the acquired net assets at their estimated fair values.

The consideration paid in 2024 was allocated to the net assets acquired based upon their estimated fair values at the dates of acquisitions as follows:

Assets acquired	
Accounts receivable	\$ 640,604
Prepaid expenses and other current assets	22,171
Property and equipment	689,918
Right-of-use asset - operating	<u>157,862</u>
Total identifiable assets acquired	<u>1,510,555</u>
Liabilities assumed	
Deferred revenue	432,891
Accounts payable	118,707
Accrued liabilities	297,126
Operating lease liability	<u>157,862</u>
Total liabilities assumed	<u>1,006,586</u>
Total identifiable net assets	503,969
Goodwill	<u>4,608,604</u>
Total net assets acquired	<u>\$ 5,112,573</u>

The fair value of assets acquired includes receivables with a fair value of \$640,604. There are no expected uncollectible receivables.

The excess of the purchase price over the amounts allocated to identifiable assets and liabilities is recorded as goodwill. Goodwill includes, but is not limited to, the value of the customer relationships, workforce in place, expected ability to generate future profits and cash flows in the marketplace, an established going concern, and other unidentifiable intangible assets.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

The Company recorded net working capital settlement receivables in the amount of \$485,856 in conjunction with the current year acquisitions which is recorded within other receivables on the accompanying consolidated balance sheet. Approximately \$76,000 of the estimated net working capital settlement at acquisition date is provisional and based on information available as of the transaction date. The Company believes that information provides a reasonable basis for estimating the net working capital receivable balance. The provisional measurements are subject to change and such changes could be significant.

Transaction related costs of \$467,000 were paid and included as operating expenses in the consolidated statements of comprehensive loss for the year ended December 31, 2024.

Note 4. Property and Equipment, net

Property and equipment consisted of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Tools machinery and equipment	\$ 482,565	\$ 465,160
Vehicles	464,734	464,103
Furniture and fixtures	86,883	79,639
Leasehold improvements	134,120	129,925
Computer equipment	<u>115,018</u>	<u>71,975</u>
	1,283,320	1,210,802
Accumulated depreciation	<u>(367,238)</u>	<u>(105,725)</u>
	<u>\$ 916,082</u>	<u>\$ 1,105,077</u>

Depreciation expense was approximately \$256,000 and \$98,000 for the years ended December 31, 2025 and 2024, respectively.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Note 5. Goodwill and Intangible Assets

The changes in the carrying value of goodwill consisted of the following as of December 31:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Beginning balance, January 1, 2024	\$ 11,090,844	\$ (832,584)	\$ 10,258,260
Goodwill related to acquisitions of businesses	4,608,604	-	4,608,604
Foreign currency translation	(50,848)	-	(50,848)
Amortization	<u>-</u>	<u>(1,224,673)</u>	<u>(1,224,673)</u>
Balance, December 31, 2024	15,648,600	(2,057,257)	13,591,343
Foreign currency translation	30,680	-	30,680
Amortization	<u>-</u>	<u>(1,544,611)</u>	<u>(1,544,611)</u>
Balance, December 31, 2025	<u>\$ 15,679,280</u>	<u>\$ (3,601,868)</u>	<u>\$ 12,077,412</u>

Amortization expense of goodwill was approximately \$1,545,000 and \$1,225,000 during the years ended December 31, 2025 and 2024, respectively. Future amortization of goodwill is expected to be approximately \$1,557,000 per year for the next five years.

Changes to gross carrying amount of goodwill due to translation adjustments were approximately \$31,000 and (\$51,000) as of December 31, 2025 and 2024, respectively.

Intangible Assets

2025			
Useful Life	Gross Value	Accumulated Amortization	Net Value
Tradenames 10 years	\$ 3,354,072	\$ (922,599)	\$ 2,431,473
Franchise Relationships 15 years	<u>10,437,563</u>	<u>(1,918,931)</u>	<u>8,518,632</u>
	<u>\$ 13,791,635</u>	<u>\$ (2,841,530)</u>	<u>\$ 10,950,105</u>
2024			
Useful Life	Gross Value	Accumulated Amortization	Net Value
Tradenames 10 years	\$ 3,334,135	\$ (588,231)	\$ 2,745,904
Franchise Relationships 15 years	10,369,555	(1,219,643)	9,149,912
Internal use software 3 years	<u>30,073</u>	<u>(5,849)</u>	<u>24,224</u>
	<u>\$ 13,733,763</u>	<u>\$ (1,813,723)</u>	<u>\$ 11,920,040</u>

Amortization expense of intangible assets was approximately \$1,034,000 and \$1,039,000 during the years ended December 31, 2025 and 2024, respectively. Future amortization is expected to be approximately \$1,028,000 per year for the next five years.

Changes to gross carrying amount of intangible assets due to translation adjustments were approximately \$88,000 and (\$106,000) as of December 31, 2025 and 2024, respectively.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Note 6. Notes Receivable

Note receivables represents company-offered financing of initial franchise fees and working capital loans to certain franchisees. The related notes are secured with the franchisee's business as pledged collateral. The notes receivable balance as of December 31, 2025 and 2024 of approximately \$23,000 and \$149,000, respectively, consisted of 5 or 7 year notes, paid monthly, which earns interest of 6.0% to 8.5% or Prime plus 2% per annum, and is classified as a non-current asset on the Company's consolidated balance sheets.

Note 7. Line of Credit

On June 15, 2023, the Company entered into a \$500,000 revolving line of credit expiring in August 2026. The line is collateralized by substantially all of the Company's assets. Interest varies with the bank's prime rate, which was 6.74% and 7.38% at December 31, 2025 and 2024, respectively, and is payable monthly.

Note 8. Notes Payable

The Company's notes payable consisted of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Note payable to a financial institution of \$5,250,000, monthly interest payments at 12% cash rate and 1.5% paid-in-kind ("PIK"), due upon maturity July 1, 2029.	\$ 5,361,098	\$ 5,280,232
Note payable of \$1,200,000, due in quarterly payments of \$42,857, including interest of 6% per annum, maturing November 2031.	985,714	1,200,000
Note payable of \$950,000, due in yearly payments of \$475,000, maturing October 2026.	475,000	950,000
Note payable of \$350,000, due in yearly payments of \$175,000, including interest of 3% per annum, maturing July 2026.	<u>175,000</u>	<u>350,000</u>
Total current and long-term notes payable	6,996,812	7,780,232
Current portion	(778,571)	(821,429)
Unamortized deferred financing costs	<u>(230,430)</u>	<u>(294,385)</u>
	<u>\$ 5,987,811</u>	<u>\$ 6,664,418</u>

Future maturities of notes payable as of December 31, 2025 are as follows:

2026	\$ 778,571
2027	171,429
2028	171,429
2029	5,532,526
2030	171,429
Thereafter	<u>171,428</u>
	<u>\$ 6,996,812</u>

Note 9. Convertible Notes Payable (Related Party)

During the year ended December 31, 2025, the Company executed convertible notes payable agreements with its members to receive two rounds of funding. The Company received \$1,250,000 and \$1,250,000 of convertible notes payable proceeds on April 4, 2025 and August 7, 2025, respectively. Under the terms of the agreements, interest accrues at a rate of 8% per annum and is considered PIK and settled at maturity. The Company recorded approximately \$118,000 of interest expense related to the convertible notes payable on the consolidated statements of comprehensive loss in the year ended December 31, 2025. The notes mature 18 months after issuance at which time all outstanding principal and interest is due. In the event the Company is unable to repay the notes at maturity date, the notes will automatically convert into units of equity that include a liquidity preference. In the event of conversion, the members holding the notes will receive total equity units in an amount equal to one share for every \$100 of total outstanding principal and interest at the conversion date. Additionally as the Company has incurred recurring losses and negative cash flows from operations, the Company has received a commitment from the same related party to provide additional funds through April 30, 2027 to meet liquidity needs not covered by operations.

Note 10. Leases

The Company leases its Company owned location restoration shops under non-cancelable lease agreements.

Lease Term and Discount Rate

	<u>2025</u>	<u>2024</u>
Weighted average lease term - operating leases	2.84 years	3.35 years
Weighted average discount rate - operating leases	4.01%	4.26%

Lease Costs

The following table provides certain information related to the lease costs for operating leases, which are included within company owned locations operating costs in the accompanying consolidated statements of comprehensive loss, during the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 981,916	\$ 403,190

Other Information

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows	\$ 708,299	\$ 300,664
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,201,567	\$ 1,829,215

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Future minimum lease payments and reconciliation to the consolidated balance sheet at December 31, 2025 are as follows:

2026	\$ 727,850
2027	645,560
2028	558,396
2029	213,055
2030	<u>121,176</u>
Total undiscounted minimum lease payments	2,266,037
Imputed interest	<u>(146,586)</u>
Present value of future minimum lease payments	<u>\$ 2,119,451</u>

Note 11. Members' Equity

The Company is a limited liability company with two classes of units, Class A and Class B. As of December 31, 2025 and 2024, the Company had issued and outstanding 30,049 and 29,669 Class A Units, respectively. Each Class A Unit has one voting right and all distributions will be made pro rata commensurate with each members' ownership interest. Class B Units issued with the equity incentive plan are nonvoting.

Equity Incentive Plan

The Company issued certain time and performance vesting Units pursuant to the TCB Services Management, LLC Equity Incentive Plan (the "Equity Plan"). The Company has accounted for the Units within its consolidated financial statements as the Unit holders are providing services directly related to the Company and its subsidiaries. The aggregate number of units that may be issued or transferred under the Equity Plan is 2,000 Units. Units granted under the plan have been allocated into two groups based on their vesting criteria: time vesting and performance vesting Units.

Time vesting Units are equity classified awards, vest over a 5-year period and will vest 20% on each anniversary date of the date of grant. The Company recognizes compensation expense over a straight-line period of 5 years and has recorded compensation expense of approximately \$108,000 and \$96,000 for the years ended December 31, 2025 and 2024. This expense is included in Salaries and wages on the statements of comprehensive loss.

Performance vesting Units are equity classified awards, and vest subject to a liquidation event in which a return amount greater than two times is achieved by the equity holders of the Company, provided that the Participant's continuous service has not terminated prior to such vesting date. A liquidation event was not considered probable at the date of issuance or as of December 31, 2025 and 2024, as a result, no compensation expense has been recorded based on this criterion.

No portion of the Units shall vest after the date the Participant's continuous service terminates for any reason, however Units vested prior to termination without cause may be purchased by the Company at fair value within a prescribed time-period. Unvested Units are forfeited in accordance with the Equity Plan upon termination of employment from the Company. The Company accounts for forfeitures in the period they occur resulting in a reversal of all previously recognized compensation expense for awards forfeited. There were no forfeitures of time or performance vesting Units during the periods ended December 31, 2025 and 2024.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Information regarding activity under the Company's Equity Plan is summarized as follows:

	Time Vesting Units		
	Number of Units	Number of Vested Units	Weighted Average Fair Value per Unit at Grant Date
Units outstanding at January 1, 2024	1,000	-	\$ 479.68
Granted	-	200	\$ -
Exercised	-	-	\$ -
Cancelled or Forfeited	-	-	\$ -
Units outstanding at December 31, 2024	1,000	200	\$ 479.68
Granted	150	200	\$ 479.68
Exercised	-	-	\$ -
Cancelled or Forfeited	-	-	\$ -
Units outstanding at December 31, 2025	1,150	400	\$ 479.68
	Performance Vesting Units		
	Number of Units		Weighted Average Fair Value per Unit at Grant Date
Units outstanding at January 1, 2024	-		\$ -
Granted	1,000		\$ 60.67
Exercised	-		\$ -
Cancelled or Forfeited	-		\$ -
Units outstanding at December 31, 2024	1,000		\$ 60.67
Granted	150		\$ 60.67
Exercised	-		\$ -
Cancelled or Forfeited	-		\$ -
Units outstanding at December 31, 2025	1,150		\$ 60.67

The fair value of each unit granted was estimated on the date of grant using the Black-Scholes option pricing model with the following average assumptions. Expected volatility was based on historical volatility for guideline public companies that operate in the Company's industry. The expected term of awards granted represents management's estimate for the number of years until a liquidity event as of the grant date. The risk-free rate for the period of the expected term was based on the U.S. Treasury yield curve in effect at the time of grant. In addition, management considered the distribution priority schedule or "waterfall calculation" in its estimation process is as follows for Units issued.

Black-Scholes option pricing model inputs	
Distribution yield	0.00%
Risk-free interest rate	3.96%
Contractual life in years	5 years
Expected volatility	23%

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

As of December 31, 2025 and 2024, there was approximately \$296,000 and \$332,000, respectively, of total unrecognized compensation cost related to non-vested time-based awards granted under the Company's Equity Plan which is expected to be recognized over a weighted average period of approximately 2.68 years.

Note 12. Related Party Transactions

The Company entered into a Management Advisory and Consulting Services Agreement with an affiliate of the Company through common ownership requiring quarterly payments. During the year ended December 31, 2025 and 2024, the Company expensed approximately \$130,000 and \$184,000 respectively.

During the year ended December 31, 2025, the Company received \$120,000 of franchise fees for two Nashville, Tennessee territories partially owned by an affiliate of the Company.

During the year ended December 31, 2024, the Company entered into the Credit Agreement (see Note 8) with a related party financial sponsor. The Company recognized interest expense of approximately \$836,000 and \$348,000 during the years ended December 31, 2025 and 2024, respectively, relating to the Senior Secured Note. The Company has approximately \$55,000 and \$47,000 in accrued interest payable for the related Note for the years ended December 31, 2025 and 2024, respectively. In connection with the Credit Agreement, the Company incurred and paid approximately \$278,000 of deferred financing fees during the year ended December 31, 2024.

Note 13. Subsequent Events

The Company has evaluated subsequent events through April 27, 2026, the date that the consolidated financial statements were available to be issued.

On April 8, 2026, the Company completed a series of financing transactions pursuant to which it issued Series A and Series B preferred equity units for aggregate consideration of approximately \$4.7 million, consisting of cash proceeds and the conversion of existing convertible notes payable including cumulative PIK interest (see note 9). In connection with these transactions, the Company entered into a Second Amended and Restated Limited Liability Company Agreement, which established new classes of preferred equity with liquidation and distribution preferences, redemption provisions, and enhanced investor consent rights.



TCB Services HoldCo, LLC and Subsidiaries

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2024 and 2023



TCB Services HoldCo, LLC and Subsidiaries
Contents
December 31, 2024 and 2023

Independent Auditor’s Report.....	1
Consolidated Financial Statements	
Balance Sheets	3
Statements of Comprehensive Loss	4
Statements of Members’ Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7

Independent Auditor's Report

Board of Managers
TCB Services HoldCo, LLC and Subsidiaries
Memphis, Tennessee

Opinion

We have audited the consolidated financial statements of TCB Services HoldCo, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive loss, changes in members' equity, and cash flows for the year ended December 31, 2024 and period from March 31, 2023 to December 31, 2023, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year ended December 31, 2024 and period from March 31, 2023 to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other-Matter

In our report dated April 29, 2024, we expressed an opinion that the 2023 consolidated financial statements did not fairly present the financial position, results of operations, and cash flows of the Company in accordance with accounting principles generally accepted in the United States of America because of the departure from such principles: the Company previously did not identify and analyze the value of intangible assets acquired separately from goodwill. As described in Note 2, the Company has changed its method of accounting for this item and restated its 2023 consolidated financial statements to conform with accounting principles generally accepted in the United States of America. Accordingly, our present opinion on the restated 2023 consolidated financial statements, as presented herein, is different from that expressed in our previous report.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Forvis Mazars, LLP

**Birmingham, Alabama
April 30, 2025**

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

	2024	2023 As Restated
ASSETS		
Current Assets		
Cash	\$ 1,736,027	\$ 1,861,862
Accounts receivable, net	1,744,530	1,617,560
Other receivables	485,856	-
Prepaid expenses and other current assets	337,782	190,172
Total Current Assets	4,304,195	3,669,594
Property and equipment, net	1,105,077	42,500
Right-of-use asset - operating	1,556,153	-
Goodwill, net	13,591,343	10,258,260
Intangible assets, net	11,920,040	13,034,791
Deferred tax assets	94,570	-
Notes receivable	149,239	268,724
Total Assets	<u>\$ 32,720,617</u>	<u>\$ 27,273,869</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1,188,298	\$ 732,638
Accrued expenses and other payables	736,452	458,698
Deferred revenue	484,468	-
Current portion of notes payable	821,429	-
Line of credit	500,000	-
Current portion of operating lease liabilities	493,454	-
Total Current Liabilities	4,224,101	1,191,336
Noncurrent Liabilities		
Notes payable, net of current portion and deferred financing fees	6,664,418	-
Noncurrent portion of operating leases	1,086,655	-
Total Liabilities	11,975,174	1,191,336
Members' Equity	20,745,443	26,082,533
Total Liabilities and Members' Equity	<u>\$ 32,720,617</u>	<u>\$ 27,273,869</u>

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Statements of Comprehensive Loss
Year Ended December 31, 2024 and Period from March 31, 2023 to December 31, 2023

	2024	2023 As Restated
Net Revenues	<u>\$ 9,237,267</u>	<u>\$ 6,168,933</u>
Operating Expenses		
Subcontractor costs	1,208,476	1,614,785
Salaries and wages	4,172,708	2,161,298
Depreciation and amortization	2,361,412	1,615,291
General and administrative	4,707,220	2,611,604
Company owned locations operating costs	2,118,173	-
Transaction costs	<u>467,000</u>	<u>1,293,018</u>
	<u>15,034,989</u>	<u>9,295,996</u>
Loss from Operations	(5,797,722)	(3,127,063)
Other Expense		
Interest expense	347,731	-
Other (income)	<u>(24,222)</u>	<u>(3,900)</u>
Loss Before Income Taxes	(6,121,231)	(3,130,963)
Income tax provision (expense)	<u>137,167</u>	<u>(45,357)</u>
Net Loss	(5,984,064)	(3,176,320)
Other Comprehensive Income		
Unrealized foreign currency translation gain	<u>(199,120)</u>	<u>7,688</u>
Comprehensive Loss	<u><u>\$ (6,183,184)</u></u>	<u><u>\$ (3,168,632)</u></u>

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Statement of Members' Equity
Year Ended December 31, 2024 and Period from March 31, 2023 to December 31, 2023

	Class A Units	Class B Units	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, March 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ -
Members' contribution	29,200,000	-	-	-	29,200,000
Share-based compensation	-	51,165	-	-	51,165
Unrealized foreign currency translation gain	-	-	-	7,688	7,688
Net loss	-	-	(3,176,320)	-	(3,176,320)
Balance, December 31, 2023, As Restated	29,200,000	51,165	(3,176,320)	7,688	26,082,533
Members' contribution	750,000	-	-	-	750,000
Share-based compensation	-	96,094	-	-	96,094
Unrealized foreign currency translation loss	-	-	-	(199,120)	(199,120)
Net loss	-	-	(5,984,064)	-	(5,984,064)
Balance, December 31, 2024	<u>\$ 29,950,000</u>	<u>\$ 147,259</u>	<u>\$ (9,160,384)</u>	<u>\$ (191,432)</u>	<u>\$ 20,745,443</u>

TCB Services HoldCo, LLC and Subsidiaries
Consolidated Statements of Cash Flows
Year Ended December 31, 2024 and Period from March 31, 2023 to December 31, 2023

	2024	2023 As Restated
Operating Activities		
Net loss	\$ (5,984,064)	\$ (3,176,320)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	2,361,412	1,615,291
Provision for credit losses	356,794	4,167
Share-based compensation	96,094	51,165
Deferred financing costs amortization	22,347	-
Paid-in-kind interest	30,232	-
Non-cash operating lease expense	430,924	-
Changes in assets and liabilities		
Accounts receivable	156,840	(973,448)
Prepaid expenses and other current assets	(125,439)	(190,170)
Deferred tax assets	(94,570)	-
Accounts payable	336,952	451,075
Accrued expenses and other payables	(19,372)	402,500
Deferred revenue	51,577	-
Lease liabilities	(406,968)	-
Net Cash Used in Operating Activities	(2,787,241)	(1,815,740)
Investing Activities		
Acquisitions	(3,098,429)	(25,646,102)
Purchases of property and equipment	(470,883)	-
Capitalized software development costs	(24,225)	-
Payments received on notes receivable	119,485	116,016
Net Cash Used in Investing Activities	(3,474,052)	(25,530,086)
Financing Activities		
Borrowings on notes payable	5,250,000	-
Proceeds on revolving line of credit, net	500,000	-
Financing costs	(316,732)	-
Members' contributions	750,000	29,200,000
Net Cash Provided by Financing Activities	6,183,268	29,200,000
Net Increase in Cash	(78,025)	1,854,174
Effect of foreign currency exchange rate changes	(47,810)	7,688
Cash, Beginning of Period	1,861,862	-
Cash, End of Period	\$ 1,736,027	\$ 1,861,862

Note 1. Organization and Nature of Business

TCB Services Holdco, LLC ("HoldCo") was formed on February 24, 2023 under the laws of the state of Delaware as a limited liability company, for the purpose of acquiring the membership interests of TCB Services Holdings, LLC, TCB Services LTD., and TCB Group Holdings Ltd. under the terms of the purchase agreement dated March 31, 2023 (the "Transaction"). On March 31, 2023, the members of Holdco executed the Amended and Restated Limited Liability Company Agreement and capitalized HoldCo. HoldCo through its subsidiaries (collectively, the "Company") is a franchisor of furniture repair and home inspection companies.

Note 2. Restatement of Prior Years' Consolidated Financial Statements

In prior year, the Company did not separately identify and value intangible assets in conjunction with business combination accounting on March 31, 2023. During 2024, the Company retroactively recorded the acquired intangible assets as of March 31, 2023.

The following financial statement line items for 2023 were affected by the correction.

	<u>As Restated</u>	<u>As Previously Reported</u>	<u>Effect of Change</u>
Statement of Comprehensive Loss			
Depreciation and Amortization	\$ 1,615,291	\$ 1,876,768	\$ (261,477)
Loss from operations	\$ (3,127,063)	\$ (3,388,540)	\$ 261,477
Loss before income taxes	\$ (3,130,963)	\$ (3,392,440)	\$ 261,477
Net Loss	\$ (3,176,320)	\$ (3,437,797)	\$ 261,477
Comprehensive Loss	\$ (3,168,632)	\$ (3,430,109)	\$ 261,477
Balance Sheet			
Intangible assets, net	\$ 13,034,791	\$ -	\$ 13,034,791
Goodwill, net	\$ 10,258,260	\$ 23,031,574	\$ (12,773,314)
Total assets	\$ 27,273,869	\$ 27,012,392	\$ 261,477
Total Liabilities and Members' Equity	\$ 27,273,869	\$ 27,012,392	\$ 261,477
Members' Equity	\$ 26,082,533	\$ 25,821,056	\$ 261,477
Statement of Members' Equity			
Net loss	\$ (3,176,320)	\$ (3,437,797)	\$ 261,477
Accumulated Deficit	\$ (3,176,320)	\$ (3,437,797)	\$ 261,477
Members' Equity	\$ 26,082,533	\$ 25,821,056	\$ 261,477
Statement of Cash Flows			
Net loss	\$ (3,176,320)	\$ (3,437,797)	\$ 261,477
Depreciation and amortization	\$ 1,615,291	\$ 1,876,768	\$ (261,477)

Note 3. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") on the accrual basis of accounting. The accompanying consolidated financial statements include the accounts of the Company. All significant intercompany balances and transactions have been eliminated in consolidation. The accompanying consolidated financial statements are presented for the year ended December 31, 2024 and the period from March 31, 2023 through December 31, 2023 (the "period ended December 31, 2023").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management in connection with the preparation of the accompanying consolidated financial statements include the fair value of long-lived assets, goodwill and intangible asset considerations, useful lives of long-lived assets and intangible assets, and assumptions utilized in determination of equity incentive. Actual results could differ from those estimates.

Cash

The Company maintains cash depository accounts, which, at times, may exceed federally insured limits. This risk is mitigated by maintaining all deposits in high quality financial institutions. The Company has not experienced any losses in such accounts.

Accounts Receivable

The Company records accounts receivable at their estimated net realizable value. Management monitors accounts receivable for delinquency and provides for probably uncollectible amounts through a charge to earnings and a credit to the valuation allowance based on its assessment of the current status of individual accounts, any known trends or uncertainties related to customer billing and account collectability, current economic conditions, and reasonable supportable economic forecasts. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has determined that an allowance for credit losses of approximately \$366,000 and \$11,500 was necessary as of December 31, 2024 and 2023, respectively. The accounts receivable balance was \$648,278 as of March 31, 2023.

Notes Receivable

Notes receivable are carried at face value less an allowance for credit losses. Management monitors notes receivable for delinquency and provides for estimated losses for specific receivables that are not likely to be collected. When determining the collectability of specific customer accounts, management considers customer credit-worthiness, past transaction history with the customer, current economic and industry trends, changes in customer payment trends, and reasonably supportable economic forecasts. No allowance for credit losses was deemed necessary as of December 31, 2024 and 2023.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Property and Equipment

Property and equipment are remeasured to the estimated fair value for assets acquired from acquisitions, less accumulated depreciation and amortization. Property and equipment acquired in the ordinary course of business are stated at cost at the date of purchase, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized. Depreciation is determined using the straight-line method over the estimated useful lives of the assets:

Tools machinery and equipment	5 years
Vehicles	5 years
Furniture and fixtures	5 years
Computer equipment	5 years

Leasehold improvements are amortized over the lease term or the estimated useful life of the related asset, whichever is shorter.

Goodwill

The Company applies the provisions of Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*, to its acquisitions. ASC 805 provides guidance regarding the recognition and measurement of goodwill and other acquired intangible assets and requires separate recognition of intangible assets acquired if the benefit of the asset is obtained through contractual or other legal rights, or if the asset can be sold, transferred, licensed, rented, or exchanged. Goodwill is recognized to the extent that the fair value of consideration paid for the acquisition exceeds the estimated fair value of the net assets acquired, including other identifiable intangible assets.

The Company amortizes goodwill on a straight-line basis over 10 years and tests goodwill for impairment at the entity level. Goodwill is tested for impairment only when a triggering event occurs, or circumstances change that indicate the fair value of the entity may be less than the carrying value. No impairment indicators exist as of December 31, 2024 and 2023.

Intangible Assets

Identifiable intangible assets were acquired in connection with the Transaction, as disclosed in Note 4, and relate to the trade names and franchise relationships. The Company amortizes the trade names on a straight-line basis over 10 years and franchise relationships on a straight-line basis over 15 years. Intangible assets are periodically evaluated as to the recoverability of carrying values. Management determined that no impairment exist as of December 31, 2024 and 2023.

Long-Lived Assets

The Company evaluates the recoverability of long-lived assets, such as property and equipment, when events or circumstances indicate that these assets may not be recoverable. The Company determines the recoverability of such assets by comparing an asset group's respective carrying value to estimates of the sum of the undiscounted future cash flows expected to result from its asset group. No impairment charge was required during the year ended December 31, 2024 and period ended December 31 2023.

Deferred Financing Fees

Deferred financing fees are capitalized and amortized on a straight-line basis, which approximates the effective interest method, over the term of the related debt. During the year ended December 31, 2024 the Company incurred financing fees of approximately \$317,000. Amortization of deferred financing fees is included as a component of interest expense on the consolidated statements of comprehensive loss.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Revenue Recognition

The Company derives its revenues from national account sales, royalties from franchisees and for services performed by its wholly owned franchisees. Revenues are recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. The Company applies the five-step model under FASB ASC Topic 606, *Revenue from Contracts with Customers*, to determine when revenue is earned and recognized.

The Company has elected the practical expedient available to private companies under ASU 2021-02, *Franchisors - Revenue from Contracts with Customers*, to account for pre-opening activities as one distinct performance obligation for new franchise sales. The initial franchise fees are payable based on contract terms prior to the franchise opening. The transaction price is recognized as revenue on a straight-line basis based on timing of when services are satisfied for pre-opening activities. Franchise renewals and existing franchise sales are recognized as revenue upon execution of the franchise agreement.

The Company receives a significant portion of its revenue from sales-based royalties, admin fees, advertising fees and other fees charged to franchisees. These fees are determined as a percentage of sales and are recognized in the period earned by the Company. The deferred revenue balance as of March 31, 2023 was \$0.

The Company, as a Franchisor, negotiates contracts with national customers on behalf of the franchisees. In these relationships the company acts as the vendor for the contracted national customers and charges a price per work order to the customer based on the pre-negotiated contract. The Company acts as the principal in its national accounts program and will report revenue on a gross basis in accordance with U.S. GAAP.

The Company receives a significant portion of its revenue from its wholly owned franchisees, which primarily consists of services performed for the franchisees' customers. Revenues and the related costs of revenue are recognized upon completion of services.

Total revenue by revenue stream is as follows:

	<u>2024</u>	<u>2023</u>
Royalty and other related franchisor revenues	\$ 5,226,442	5,155,550
National Ad Fund Fees	1,082,251	1,013,383
Wholly owned franchisees, service revenue	<u>2,928,574</u>	<u>-</u>
Total Revenue	<u>\$ 9,237,267</u>	<u>\$ 6,168,933</u>

General and Administrative Expenses

General and administrative expenses consist of costs associated with administration and support functions related to the Company's existing business as well as growth and development activities. These costs primarily consist of advertising, IT, and professional expenses.

Franchise Agreements

Franchise agreements are available for a territory over a specified period of time. The franchise agreement defines the territory the new franchise is able to serve. New franchisees are required to pay the Company an initial franchise fee plus a monthly royalty fee of 7%, and market and advertising fee of 2% to 3% of the franchisee's monthly gross receipts for the duration of the franchise agreement.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately \$525,000 and \$615,000 for the year ended December 31, 2024 and the period ended December 31, 2023, respectively. Advertising costs are included in general and administrative expenses in the consolidated statements of comprehensive loss.

Income Taxes

The Company is organized as a limited liability company that is disregarded for federal income tax purposes. The Company owns 100% of the interests in other limited liability companies that are also disregarded for federal income tax purposes.

Separately, the Company through its subsidiary, TCB Services Ltd, operates in Canada, which imposes a royalty tax on foreign entities. The amounts are reported on the consolidated statements of comprehensive loss within income tax expense during the year ended December 31, 2024 and the period ended December 31, 2023 and a corresponding deferred tax asset and liability of approximately \$95,000 and \$45,000, respectively is included within deferred tax assets and accrued expenses and other payables on the accompanying consolidated balance sheets as of December 31, 2024 and 2023, respectively.

Fair Value Measurements

Fair value as defined under GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. US GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1** Observable inputs such as quoted prices in active markets.
- Level 2** Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3** Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value financial instruments and their placement within the fair value hierarchy levels.

Certain Class B Units were granted during the period ended December 31, 2023. The fair value is determined as of the grant date using significant unobservable inputs (see Note 11) and is categorized as Level 3. There were no Class B Units granted during the year ended December 31, 2024.

Share-Based Compensation

Certain of the Company's employees are party to a share-based compensation arrangement established by TCB Services Management, LLC, an affiliate of the Company, as approved by the Board of Managers. Management accounts for the awards granted to employees in accordance with ASC 718 *Compensation - Stock Compensation*, which requires compensation cost related to share-based payments, classified as equity awards, to be measured based on the grant date fair value of the award. The Company recognizes compensation cost over the requisite service period. The Company's accounting policy is to recognize forfeitures as they occur.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Leases

The Company accounts for its contracts in accordance with ASC 842, *Leases*, which requires lessees to recognize the assets and liabilities on the consolidated balance sheets for the rights and obligations created by leases with lease terms of more than twelve months, amends various other aspects of accounting for leases by lessees and lessors, and requires enhanced disclosures. The Company determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right of use ("ROU") assets and lease liabilities on the consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Company determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term.

The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect lease payments made. The ROU asset is subsequently measured by reducing the carrying amount for amortization.

The Company uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Company has elected to use the risk-free rate at the commencement date to determine the present value of lease payments.

Foreign Currency Translations

The assets and liabilities of TCB Services Ltd., which are denominated in the local currency, the functional currency, are translated into U.S. dollars using rates of exchange at each balance sheet date. Revenues and expenses are translated at weighted-average rates of exchange in effect during the period earned. Exchange gains and losses on intercompany balances of a long-term nature are recorded as a translation adjustment. The cumulative effect resulting from such translation is reflected as accumulated other comprehensive income.

Note 4. Business Combinations

2024 Acquisitions

During the year ended December 31, 2024, the Company completed the acquisition of 4 of its franchisees located throughout the United States. The aggregate fair value of consideration paid was approximately \$5,113,000, consisting of \$2,613,000 in cash and \$2,500,000 in seller notes (see Note 9), and was financed primarily through proceeds from debt borrowings and cash from operations. The acquisitions were recorded in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations* and accordingly the consideration paid was allocated to the acquired net assets at their estimated fair values.

The consideration paid in 2024 was allocated to the net assets acquired based upon their estimated fair values at the dates of acquisitions as follows:

Assets Acquired	
Accounts receivable	\$ 640,604
Prepaid expenses and other current assets	22,171
Property and equipment	689,918
Right-of-use asset - operating	<u>157,862</u>
Total identifiable assets acquired	<u>1,510,555</u>

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Liabilities Assumed	
Deferred revenue	432,891
Accounts payable	118,707
Accrued liabilities	297,126
Operating lease liability	<u>157,862</u>
Total liabilities assumed	<u>1,006,586</u>
Total identifiable net assets	503,969
Goodwill	<u>4,608,604</u>
Total net assets acquired	<u>\$ 5,112,573</u>

The fair value of assets acquired includes receivables with a fair value of \$640,604. There are no expected uncollectible receivables.

The excess of the purchase price over the amounts allocated to identifiable assets and liabilities is recorded as goodwill. Goodwill includes, but is not limited to, the value of the customer relationships, workforce in place, expected ability to generate future profits and cash flows in the marketplace, an established going concern, and other unidentifiable intangible assets.

The Company recorded net working capital settlement receivables in the amount of \$485,856 in conjunction with the current year acquisitions which is recorded within other receivables on the accompanying consolidated balance sheet. Approximately \$76,000 of the estimated net working capital settlement at acquisition date is provisional and based on information available as of the transaction date. The Company believes that information provides a reasonable basis for estimating the net working capital receivable balance. The provisional measurements are subject to change and such changes could be significant.

Transaction related costs of \$467,000 were paid and included as operating expenses in the consolidated statements of comprehensive loss for the year ended December 31, 2024.

2023 Transaction, As Restated

As discussed in Note 1, the Company purchased all the membership interests in the Operating Company in conjunction with the Transaction on March 31, 2023. The total purchase price was approximately \$25,646,000, which was funded by equity contributions.

The Transaction was recorded in accordance with ASC 805: *Business Combinations*, except for as described in Note 2 related to the separately identifiable intangible assets. Accordingly, the Company has recorded all assets acquired and liabilities assumed at the acquisition date fair values with any excess recognized as goodwill. The purchase price allocation process was complete as of December 31, 2023.

The consideration paid was allocated to the assets acquired and liabilities assumed according to their estimated fair values at the time of acquisition as follows:

Assets Acquired	
Accounts receivable	\$ 648,278
Notes receivable	384,740
Property, plant, and equipment	50,000
Intangible assets	<u>13,810,000</u>
Total assets, excluding goodwill	<u>14,893,018</u>

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Liabilities Assumed	
Accounts payable and accrued expenses	(281,562)
Other current liabilities	<u>(56,198)</u>
Total liabilities assumed	<u>(337,760)</u>
Total identifiable net assets	14,555,258
Goodwill	<u>11,090,844</u>
Total consideration	<u>\$ 25,646,102</u>

The fair value of the assets acquired includes receivables with a fair value of \$997,018.

The estimated fair values of significant acquired intangible assets were based on commonly accepted valuation techniques management believes to be appropriate in the circumstances. The Company used the Relief-from-Royalty method to value the trademark and used the Multi-Period Excess Earnings Method to value the franchise relationships. Both methods are a variation of the income approach. The income approach evaluates the present value of the future economic benefits accruing from these assets over their estimated useful life, discounted to the present at a rate of return commensurate with the asset's inherent risk. This approach requires significant judgments, including those related to the projected net cash flows and the weighted average cost of capital ("WACC") used to discount the cash flows. The Company derived the assumptions related to cash flows primarily from its internal budgets and forecasted results of operations. The Company amortizes the trade names over 10 years and franchise relationships over 15 years.

Transaction related costs of \$1,293,018 were paid and included as operating expenses in the consolidated statements of comprehensive loss for the period ended December 31, 2023.

Note 5. Property and Equipment, net

Property and equipment consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Tools machinery and equipment	\$ 465,160	\$ 50,000
Vehicles	464,103	-
Furniture and fixtures	79,639	-
Leasehold improvements	129,925	-
Computer equipment	<u>71,975</u>	<u>-</u>
	1,210,802	50,000
Accumulated depreciation	<u>(105,725)</u>	<u>(7,500)</u>
	<u>\$ 1,105,077</u>	<u>\$ 42,500</u>

Depreciation expense was approximately \$98,000 and \$7,500 for the year ended December 31, 2024 and the period ended December 31, 2023, respectively.

Note 6. Goodwill and Intangible Assets, As Restated

The changes in the carrying value of goodwill consisted of the following as of December 31:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Beginning balance	\$ -	\$ -	\$ -
Goodwill related to acquisitions of businesses	11,090,844	-	11,090,844
Amortization	-	(832,584)	(832,584)
Balance, December 31, 2023	11,090,844	(832,584)	10,258,260
Goodwill related to acquisitions of businesses	4,608,604	-	4,608,604
Amortization	-	(1,224,673)	(1,224,673)
Foreign currency adjustments	(50,849)	-	(50,849)
Balance, December 31, 2024	<u>\$ 15,648,599</u>	<u>\$ (2,057,257)</u>	<u>\$ 13,591,342</u>

Amortization expense of goodwill was approximately \$1,225,000 and \$833,000 during the year ended December 31, 2024, and period ended December 31, 2023, respectively. Future amortization of goodwill is expected to be approximately \$1,570,000 per year for the next five years.

Intangible Assets

2024			
Useful Life	Gross Value	Accumulated Amortization	Net Value
Tradenames 10 years	\$ 3,334,135	\$ (588,231)	\$ 2,745,904
Franchise Relationships 15 years	10,369,555	(1,219,643)	9,149,912
Internal use software 3 years	30,073	(5,849)	24,224
	<u>\$ 13,733,763</u>	<u>\$ (1,813,723)</u>	<u>\$ 11,920,040</u>
2023			
Useful Life	Gross Value	Accumulated Amortization	Net Value
Tradenames 10 years	\$ 3,360,000	\$ (252,230)	\$ 3,107,770
Franchise Relationships 15 years	10,450,000	(522,979)	9,927,021
	<u>\$ 13,810,000</u>	<u>\$ (775,209)</u>	<u>\$ 13,034,791</u>

Amortization expense of intangible assets was approximately \$1,039,000 and \$775,000 during the year ended December 31, 2024 and period ended December 31, 2023, respectively. Future amortization is expected to be approximately \$1,039,000 per year for the next five years.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 7. Notes Receivable

Note receivables represents company-offered financing of initial franchise fees and working capital loans to certain franchisees. The related notes are secured with the franchisee's business as pledged collateral. The notes receivable balance as of December 31, 2024 and 2023 of approximately \$149,000 and \$269,000, respectively, consisted of 5 or 7 year notes, paid monthly, which earns interest of 6.0% to 8.5% or Prime plus 2% per annum, and is classified as a non-current asset on the Company's consolidated balance sheets.

Note 8. Line of Credit

On June 15, 2023, the Company entered into a \$500,000 revolving line of credit expiring in June 2025. The line is collateralized by substantially all of the Company's assets. Interest varies with the bank's prime rate, which was 7.38% and 8.15% at December 31, 2024 and 2023, respectively, and is payable monthly.

Note 9. Notes Payable

The Company's notes payable consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Note payable to a financial institution of \$5,250,000, monthly interest payments at 12% cash rate and 1.5% paid-in-kind ("PIK"), due upon maturity July 1, 2029.	\$ 5,280,232	\$ -
Note payable of \$1,200,000, due in quarterly payments of \$42,857, including interest of 6% per annum, maturing November 2031.	1,200,000	-
Note payable of \$950,000, due in yearly payments of \$475,000, maturing October 2026.	950,000	-
Note payable of \$350,000, due in yearly payments of \$175,000, including interest of 3% per annum, maturing July 2026.	<u>350,000</u>	<u>-</u>
Total current and long-term notes payable	7,780,232	-
Current portion	(821,429)	-
Unamortized deferred financing costs	<u>(294,385)</u>	<u>-</u>
	<u>\$ 6,664,418</u>	<u>\$ -</u>

Future maturities of notes payable as of December 31, 2024 are as follows:

2025	\$ 821,429
2026	821,429
2027	171,429
2028	171,429
2029	5,451,660
Thereafter	<u>342,856</u>
	<u>\$ 7,780,232</u>

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 10. Leases

The Company leases its Company owned location restoration shops under non-cancelable lease agreements.

Lease Term and Discount Rate

Weighted average lease term - operating leases	3.35 years
Weighted average discount rate - operating leases	4.26 %

Lease Costs

The following table provides certain information related to the lease costs for operating leases, which are included within company owned locations operating costs in the accompanying consolidated statements of comprehensive loss, during the year ended December 31, 2024 and period ended December 31, 2023:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 403,190	\$ -

Other Information

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows	\$ 300,664	\$ -
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,829,215	\$ -

Future minimum lease payments and reconciliation to the consolidated balance sheet at December 31, 2024 are as follows:

2025	\$ 549,148
2026	416,595
2027	324,393
2028	332,346
2029	<u>84,954</u>
Total undiscounted minimum lease payments	1,707,436
Imputed interest	<u>(127,327)</u>
Present value of future minimum lease payments	<u>\$ 1,580,109</u>

Note 11. Members' Equity

The Company is a limited liability company with two classes of units, Class A and Class B. As of December 31, 2024 and 2023, the Company had issued and outstanding 29,669 and 29,200 Class A Units, respectively. Each Class A Unit has one voting right and all distributions will be made pro rata commensurate with each members' ownership interest. Class B Units issued with the equity incentive plan are nonvoting.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Equity Incentive Plan

The Company accounts for stock-based awards in accordance with ASC 718 - *Stock Compensation* ("ASC 718"). ASC 718 requires compensation costs related to share-based payments, including profits interest units ("Units") and other equity awards, to be measured based on the grant date fair value of the award.

The Company issued certain time and performance vesting Units pursuant to the TCB Services Management, LLC Equity Incentive Plan (the "Equity Plan"). The Company has accounted for the Units within its consolidated financial statements as the Unit holders are providing services directly related to the Company and its subsidiaries. The aggregate number of units that may be issued or transferred under the Equity Plan is 2,000 Units. Units granted under the plan have been allocated into two groups based on their vesting criteria: time vesting and performance vesting Units.

Time vesting Units are equity classified awards, vest over a 5-year period and will vest 20% on each anniversary date of the date of grant. The Company recognizes compensation expense over a straight-line period of 5 years and has recorded compensation expense of approximately \$96,000 and \$51,000 for the year ended December 31, 2024 and period ended December 31, 2023. This expense is included in Salaries and wages on the statements of comprehensive loss.

Performance vesting Units are equity classified awards, and vest subject to a liquidation event in which a return amount greater than two times is achieved by the equity holders of the Company, provided that the Participant's continuous service has not terminated prior to such vesting date. A liquidation event was not considered probable at the date of issuance or as of December 31, 2024 and 2023, as a result, no compensation expense has been recorded based on this criterion.

No portion of the Units shall vest after the date the Participant's continuous service terminates for any reason, however Units vested prior to termination without cause may be purchased by the Company at fair value within a prescribed time-period. Unvested Units are forfeited in accordance with the Equity Plan upon termination of employment from the Company. The Company accounts for forfeitures in the period they occur resulting in a reversal of all previously recognized compensation expense for awards forfeited. There were no forfeitures of time or performance vesting Units during the period ended December 31, 2024 and 2023.

Information regarding activity under the Company's Equity Plan is summarized as follows:

	Time Vesting Units		
	Number of Units	Number of Vested Units	Weighted Average Fair Value per Unit at Grant Date
Units outstanding at March 31, 2023	-	-	\$ -
Granted	1,000	-	479.68
Exercised	-	-	-
Cancelled or Forfeited	-	-	-
Units outstanding at December 31, 2023	1,000	-	\$ 479.68
Granted	-	-	-
Exercised	-	-	-
Cancelled or Forfeited	-	-	-
Units outstanding at December 31, 2024	<u>1,000</u>	<u>-</u>	<u>\$ 479.68</u>

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	Performance Vesting Units	
	Number of Units	Weighted Average Fair Value per Unit at Grant Date
Units outstanding at March 31, 2023	-	\$ -
Granted	1,000	60.67
Exercised	-	-
Cancelled or Forfeited	-	-
Units outstanding at December 31, 2023	1,000	\$ 60.67
Granted	-	-
Exercised	-	-
Cancelled or Forfeited	-	-
Units outstanding at December 31, 2024	<u>1,000</u>	<u>\$ 60.67</u>

The fair value of each unit granted was estimated on the date of grant using the Black-Scholes option pricing model with the following average assumptions. Expected volatility was based on historical volatility for guideline public companies that operate in the Company's industry. The expected term of awards granted represents management's estimate for the number of years until a liquidity event as of the grant date. The risk-free rate for the period of the expected term was based on the U.S. Treasury yield curve in effect at the time of grant. In addition, management considered the distribution priority schedule or "waterfall calculation" in its estimation process is as follows for Units issued during the period ended December 31, 2023.

Black-Scholes option pricing model inputs

Distribution yield	0.00%
Risk-free interest rate	3.96%
Contractual life in years	5 years
Expected volatility	23%

As of December 31, 2024 and 2023, there was approximately \$332,000 and \$429,000, respectively, of total unrecognized compensation cost related to non-vested time-based awards granted under the Company's Equity Plan which is expected to be recognized over a weighted average period of approximately 3.5 years.

Note 12. Related-Party Transactions

The Company entered into a Management Advisory and Consulting Services Agreement with an affiliate of the Company through common ownership requiring quarterly payments. During the year ended December 31, 2024 and period ended December 31, 2023, the Company expensed approximately \$184,000 and \$124,000 respectively, and paid approximately \$140,000 and \$124,000 of management fees, respectively.

In connection with the Acquisition during the period ended December 31, 2023, the Company expensed and paid approximately \$281,000 of acquisition related expense to an affiliate of the Company through common ownership. Such fees are included as a component of acquisition costs on the accompanying consolidated statements of comprehensive loss.

TCB Services HoldCo, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

As of December 31, 2023 the Company had accounts receivable from a member and officer of the Company of approximately \$115,000 and is included as a component of accounts receivable on the accompanying consolidated balance sheet.

As of December 31, 2024, the Company had accounts payable to an affiliate of the Company for approximately \$13,000 and is included as a component of accounts payable on the accompanying consolidated balance sheet.

During the year ended December 31, 2024, the Company entered into the Credit Agreement (see Note 9) with a related party financial institution and recognized interest expense of approximately \$348,000 relating to the Senior Secured Note. The Company has approximately \$47,000 in accrued interest payable for the related Note. In connection with the Credit Agreement, the Company incurred and paid approximately \$278,000 of deferred financing fees.

Note 13. Subsequent Events

The Company has evaluated subsequent events through April 30, 2025, the date that the consolidated financial statements were available to be issued.

Subsequent to year end, the Company executed a notes payable agreement with one of its members to receive funding. The Company received \$1,250,000 of convertible notes payable proceeds on April 3, 2025. Under the terms of the agreement, interest accrues at a rate of 8% per annum and is considered paid-in-kind ("PIK") and paid in full at maturity date. The note matures 18 months after issuance at which time all outstanding principal and interest is due. In the event the Company is unable to repay the note at its maturity date, the note will automatically convert into units of equity that include a liquidity preference. In the event of conversion, the member holding the note will receive total equity units in an amount equal to one share for every \$100 of total outstanding principal and interest at the conversion date.

FDD EXHIBIT C

STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 or (866) 275-2677	Commissioner of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, California 90013
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
INDIANA	Indiana Securities Division Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202 (410) 576-7042	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division 525 West Ottawa Street Williams Building, 6th Floor Lansing, MI 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau 525 West Ottawa Street Williams Building, 6th Floor Lansing, MI 48933
MINNESOTA	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East Suite 280 St. Paul, MN 55101-2198

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State of New York 99 Washington Avenue Albany, NY 12231 (518) 473-2492
NORTH DAKOTA	North Dakota Insurance and Securities Department 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-2910	North Dakota Insurance Commissioner North Dakota Insurance and Securities Department 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-2910
RHODE ISLAND	Securities Division Department of Business Regulations 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9585	Director of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of the Division of Insurance South Dakota Department of Labor and Regulation Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501
VIRGINIA	State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk, Virginia State Corporation Commission Tyler Building, First Floor 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	Director of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
WISCONSIN	Division of Securities Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703 608-266-8557	Division of Securities, Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703

FDD EXHIBIT D**CURRENT FRANCHISEES
AS OF DECEMBER 31, 2025**

First Name	Last Name	Address	City	State	Zip	Phone
Christopher	Hufham	112 Kilmarnock Street	Mobile	Alabama	36604	(517) 420-0083
Grant	Rodney	P.O. Box 25812	Yuma	Arizona	85367	(800) 308-2876
Richard	Exley	4611 E Chandler Blvd, Suite 112-132	Phoenix	Arizona	85048	(480) 518-3589
Terrence	Bass III	143 Lily Drive	Maumelle	Arkansas	72113	(501) 681-8554
Todd	Franke	3903 SW Gibson Ave.	Bentonville	Arkansas	72712	(479) 270-8652
Chris	Rutledge	33951 Sage Road	Hemet	California	92544	(951) 303-1713
Darren	Holland	501 - I S. Reino Rd. Unit 399	Newbury Park	California	91320	(619) 787-1868
Colleen	Brand	8939 S Sepulveda Blvd, Ste 110 #787	Los Angeles	California	90045	(323) 467-4400
David	Ferguson	11 Town Square, Suite E	Vacaville	California	95696	(707) 624-6133
Joe	Lockhart	27496 Walfred Way	Moreno Valley	California	92555	(951) 243-5000
Lou	Conte	3244 Alexander Way	Broomfield	Colorado	80023	(303) 494-1188
Peter	Knepper	594 31& 1/2 Road	Grand Junction	Colorado	81504	(970) 852-5333
Cheryl	Myers	108 Isaacs Shore Drive	Milford	Delaware	19963	(302) 996-0405
Charles	Lyday	100 S Military Trail Suite 13 #4414	Deerfield Beach	Florida	33442	(954) 630-9593
Nicolas	Luongo	333 SE 2nd Ave. Suite 2000	Miami	Florida	33131	(786) 658-8984
Regina	Barber	1032 Oak View Dr	Pensacola	Florida	32506	(850) 492-9120
Derrek	Denard	1600 River Park Boulevard Suite 102	Woodstock	Georgia	30188	(770) 919-0577
Jess	Hodges	2945 Cooper Woods Lane	Loganville	Georgia	30052	(770) 935-4990
Jeffrey	Hein	160 Faithland Drive	Hinesville	Georgia	31313	(912) 255-0722
Tyler	Arnold	2200 Braswell Road	Braswell	Georgia	30153	(678) 448-8033
Cal	Ramirez	430 East 162nd Street	South Holland	Illinois	60473	(219) 718-9886
Ron	Robins	6 E Monroe Street Suite 400	Chicago	Illinois	60602	(708) 600-8925
Bill	Muckler	2459 Sheehan Drive Unit 204	Naperville	Illinois	60564	(630) 554-5900
Neal	Peter	2008 Winding Creek Circle	Polk City	Iowa	50226	(612) 802-0410
Terry	Hardouin	909 St. Julien Drive	Kenner	Louisiana	70065	(225) 205-9916
Tim	Oland	98 Maine Street	Brunswick	Maine	04011	(207) 557-0967

Julian	Stuart Hall	28799 Three Notch Road	Mechanicsville	Maryland	20659	(301) 943-9960
Vern	Reaume	410 Sanders	Oxford	Michigan	48371	(248) 420-1610
John	Kaiser	7850 Metro Pkwy, Suite 122	Bloomington	Minnesota	55425	(952) 854-5110
John	Loomans	321 West Diamond Lake Road	Minneapolis	Minnesota	55419	(612) 281-1001
Todd	Bird	20833 70th Ave	North Corcoran	Minnesota	55340	(612)402-7754
Daniel	Lara Jr	201 Wexford Ct	Brandon	Mississippi	39047	(719) 310-0171
Daniel	Richey	1094 County Road 152	New Albany	Mississippi	38652	(662) 316-6626
Kenneth	Grupe	4803 NW 71st Street	Kansas City	Missouri	64151	(816) 718-7338
Sam	Herndon	P.O. Box 4248	Scott City	Missouri	63780	(573) 651-5444
Edward	Mitchell	19 Marter Ave	Mount Laurel	New Jersey	08054	(856) 649-5946
James	Parra	5310 Homestead Rd NE, Ste 100,	Albuquerque	New Mexico	87110	(505) 880-0444
Greg	Pomykata	8712 Lindholm Dr. Suite 300	Huntersville	North Carolina	28078	(704) 525-9411
Stuart	Vick	6041 Otter Tail Trail	Wilmington	North Carolina	28412	(910) 392-3132
Doug	Haynes	PO Box 339	Loveland	Ohio	45140	(513) 341-1489
Stephen	Carter	P.O. Box 219	Powell	Ohio	43065	(614) 554-5946
Richard	Engle	123 Woodlands Drive	Harrah	Oklahoma	73045	(405) 640-9219
Clare	Langford	70 SW Century Drive, #100-492	Bend	Oregon	97702	(541) 797-7593
Matt	Waddell	93862 Prairie Rd	Junction City	Oregon	97448	(541) 998-3508
Terry	Wilder	265 Holder Lane SE	Salem	Oregon	97306	(503) 371-9725
Jeffrey	Ronzel	1248 Greenway Lane	Kunkletown	Pennsylvania	18058	(610) 951-4262
Tom	Watson	17 Lori Ellen Drive	Smithfield	Rhode Island	02917	(401) 232-5445
Cameron	Smith	379 Shadowbrook Lane, Bldg 4, Apt. #307	Ridgeland	South Carolina	29936	(803) 242-9875
James D.	Munns	631 Bunker Hill Rd	Clarksville	Tennessee	37042	(706)450-3190
Matthew	Beickert	1910 Madison Avenue #208	Memphis	Tennessee	38104	(901) 725-9988
JR	Ramirez	18715 Forest Bend Creek Way	Spring	Texas	77379	(361) 944-9916
Michael	Altilio	415 N Guadalupe St. Suite #368	San Marcos	Texas	78666	(512) 878-9427
Joseph	Helmsderfer	610 Windemere Road	Newport News	Virginia	23602-6124	(757) 927-0891
Brad	Francis	2026 Rambling Lane	Rhineland	Wisconsin	54501	(715) 493-0185
Katherine	Murrain	6441 Enterprise Lane	Madison	Wisconsin	53719	(608) 354-3343

FDD EXHIBIT E

Terminations, Transfers, Cancellations and Non-Renewals In the Fiscal Year Ending December 31, 2025

# of Licenses	Entity Name	City	State / Province	Phone	Category
1	Charles B. Bostic, Jr. and Charles B. Bostic	Wedgefield	South Carolina	(803) 464-7700	Non-Renewal
1	Nathan Francis	Henderson	Kentucky	(270) 831-0205	Non-Renewal
1	Lou Conte*	Broomfield	Colorado	(303) 494-1188	Non-Renewal
1	Colorado Springs Home Inspectors, LLC	Colorado Springs	Colorado	(719) 922-1249	Non-Renewal
2	C&M Inspections, LLC	Wildwood	Missouri	(636) 458-5300	Termination
1	Vern Reaume	Oxford	Michigan	(248) 420-1610	Transfer

*Individual still owns a franchise license and is included on Exhibit D.

FDD EXHIBIT F

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

FOR THE STATES OF

CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN

The following provision applies only to franchisees and Franchised Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and/or Wisconsin:

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

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

The following information applies to franchises and Franchisees subject to the California Franchise Investment Act. Item numbers correspond to those in the main body:

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Item 3. Item 3 is amended to provide that neither AmeriSpec nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. Item 6. Item 6 is amended to note that the highest interest rate permitted by law in California is 10%.

4. Item 10. Item 10 is amended to note that before offering financing in California, AmeriSpec will obtain any licenses required under the California Financing Law, if any.

5. Item 17. The following disclosures are added to Item 17:

A. The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

B. California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

C. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES AMERISPEC TO GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT, IN A FORM AND CONTAINING SUCH INFORMATION AS THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec.101 et seq.

E. The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516).

Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

- F. The Franchise Agreement requires application of the laws of the State of Tennessee. This provision may not be enforceable under California law.
 - G. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
 - H. The Franchise Agreement requires binding arbitration to be conducted in the metropolitan area of our then-current principal place of business (currently, Memphis, Tennessee). You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.
 - I. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.
 - J. No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.
6. Item 19. The following disclosures are added to Item 19:
- A. The financial performance figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

This California Addendum is entered into concurrently with that certain Franchise Agreement of even date herewith by and between TCB AMERISPEC, LLC (“Franchisor”) and _____ (“Franchisee”). Unless otherwise defined herein, capitalized terms shall have the same meaning as described in the Franchise Agreement. **The terms of this Addendum shall survive the termination or expiration of the Agreement.**

In consideration of the execution of the Franchise Agreement (the “Agreement”), Franchisor and Franchisee agree to amend the Agreement as follows:

1. To the extent that Section 19 (“Termination”) or any other terms of the Agreement are inconsistent with the California Franchise Relations Act (CA. Bus. & Prof. Code § 20020, et. seq.), the terms of the statute will control and the applicable Section shall be modified only to the extent required to comply with such law. The parties agree that in no event shall a reasonable opportunity to cure to the extent required under such statute be greater than seventy five (75) days.

2. Notwithstanding anything to the contrary contained in the Franchise Agreement, all written notices related to any proposed transfer or assignment by you as contained in Section 16, must be delivered by business courier or receipted U.S. mail.

3. The parties agree that if Franchisee or any its owners commit any of the breaches of this Agreement identified in Section 19.2, each such breach shall be deemed to be a failure by Franchisee to substantially comply with the Franchise Agreement requirements. The parties further agree that a breach by Franchisee or any of its owners under Section 19.2, of a material provision of this Agreement, or of any other agreement with Franchisor or any Franchisor Affiliate, or any mandatory requirement prescribed in any Manual shall be deemed to be a failure by Franchisee to substantially comply with the Franchise Agreement requirements.

4. Section 15.3 is amended by the addition of the following language at the end of the paragraph:

“The Franchisee’s obligations stated in this Section 15.3 shall apply only where the fulfillment of such obligations would inherently call upon the Franchisee to disclose and/or use any portion of the Franchisor’s trade secrets or other confidential information. All other provisions of this agreement apply and will be fully enforced to the maximum extent permitted by law whether or not California law applies.

5. The following language is added as new Section 19.12:

Franchisor shall have the right upon termination or non-renewal of the Franchise to purchase from Franchisee at the value of price paid by Franchisee, minus depreciation, Franchisee’s inventory, supplies, equipment, fixtures and furnishings (the “Items”) purchased or paid for under the terms of this Agreement or an agreement ancillary hereto by Franchisee to Franchisor or to its approved suppliers that are possessed or used by Franchisee in the franchised business at the time of termination or non-renewal. For the

purposes of this provision and compliance under and construction of the California Franchise Relations Act (CFRA), the parties agree that such depreciation shall be calculated based on whichever of the two (2) methods prescribed results in a lower valuation of the Items: i) the Modified Accelerated Cost Recovery System (MACRS) method applied in accordance with the applicable standard U.S. Internal Revenue Service (IRS) schedules effective for the calendar year immediately preceding the calendar year in which the Franchise Agreement terminated or expired and was not renewed; or ii) depreciation schedules included by Franchisee in the IRS income tax return for the franchised business filed for the calendar year immediately preceding the calendar year in which the Franchise Agreement terminated or expired and was not renewed. Franchisee shall provide Franchisor a true and complete copy of such income tax return and related schedules within five (5) business days of Franchisor's request. Franchisee shall further provide Franchisor clear title to and possession of any such Items. Franchisor can offset against the amounts owed to Franchisee any amounts owed by Franchisee to Franchisor.

In the event a court or arbitrator finds that Franchisor has terminated or failed to renew this Agreement in violation of the CFRA, the parties agree that the fair market value of the franchised business and franchise assets (the "FMV") for purposes of compliance with the CFRA shall be established in accordance with the following procedure: Franchisor and Franchisee shall mutually select an independent Certified Business Appraiser within thirty (30) days of such court/arbitrator finding. If unable to identify a mutually agreeable Certified Business Appraiser, Franchisor and Franchisee each shall select a person within forty-five (45) days of such court/arbitrator finding who is an independent Certified Business Appraiser (the "Designees") and such Designees promptly shall mutually agree to a third independent Certified Business Appraiser whose determination of the FMV shall be final and binding on the parties. This provision shall survive the termination or expiration of the Franchise Agreement.

6. The following language is added as new Section 3.6:

Market Withdrawal. If Franchisor publishes an announcement that it has determined that continued franchising in the state or in the standard metropolitan statistical area (as established by the United States Office of Management and Budget) within the state in which Franchisee's Market is located is not appropriate for reasons that relate to Franchisor's economic or other interests and that it is completely withdrawing from all franchise activity in such state/area (provided that Franchisor can continue to service existing Franchisees under outstanding agreements), then Franchisor will be considered to have made a general market area withdrawal, will have no liability to Franchisee therefore and will not be required to offer Franchisee any renewal Franchise or similar rights (a "Market Withdrawal"). In that event and if Franchisee is not in default of this Agreement, Franchisee will not be required to comply with its non-competition obligations under Section 15.3. Franchisor shall not prevent Franchisee from retaining control of the principal place of the Franchised Business in the event of a market withdrawal. Franchisee agrees that if any statute or court decision requires "good cause" (or any similar standard) for non-renewal, Franchisor's compliance with the provisions of this clause will be deemed to be good cause.

7. To the extent a proper judicial body determines that this Addendum is in conflict with any term or condition of the Franchise Agreement, the terms of this Addendum shall control.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII**

The following information applies to franchises and Franchisees subject to the Hawaii statutes. Item numbers correspond to those in the main body:

1. Cover Page

Risk Factors:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

REGISTERED AGENT IN THE STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS:
COMMISSIONER OF SECURITIES OF STATE OF HAWAII, DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS, 335 MERCHANT STREET, ROOM 203, HONOLULU, HAWAII 96813.

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

The following information applies to franchises and Franchisees subject to Illinois statutes and regulations. Item numbers correspond to those in the main body.

1. Item 17. The following statements are added to Item 17:

A. Illinois law governs the Agreements.

B. 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.

C. Section 41 of the Illinois Franchise Disclosure Act provides that 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.

D. Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

E. Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

F. 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.

2. Item 21.

Item 21 is amended by adding the following language:

“You have not been provided with financial statements of the Franchisor. Therefore, you do not have knowledge of how this specific company has performed. The guarantor unconditionally guarantees the performance of the Franchisor, however, and a copy of the Guaranty of Performance is on file with the Attorney General.”

3. **Spousal Liability** Your spouse must sign a document that makes your spouse liable for certain financial obligations under the Franchise Agreement. This Acknowledgement will place both your and your spouse’s marital assets (perhaps including your house) at risk if your franchise fails.

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

This Addendum relates to franchises sold in the state of Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), TCB AMERISPEC, LLC (the “Company”) and Franchisee agree to amend the Agreement as follows:

1. Illinois law governs the Agreements.
2. 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.
3. Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.
4. Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.
5. 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.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. **Spousal Liability** Your spouse must sign a document that makes your spouse liable for certain financial obligations under the Franchise Agreement. This Acknowledgement will place both your and your spouse’s marital assets (perhaps including your house) at risk if your franchise fails.
8. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

The following information applies to franchises and Franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body:

1. Item 17.

A. The Franchise Agreement provides for termination if you are insolvent under any applicable state or federal law. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.).

B. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

C. “The Maryland Franchise Registration and Disclosure Law allows a Franchisee to bring a lawsuit in Maryland for claims arising under this law.”

D. Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the three (3) year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

E. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

2. Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

ADDENDUM TO FRANCHISE AGREEMENT FOR THE
STATE OF MARYLAND

This Addendum relates to franchises sold in the state of Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), TCB AMERISPEC, LLC (the “Company”) and Franchisee agree to amend the Agreement as follows:

5. Section 21 of the Agreement is amended by adding the following language:

“The Maryland Franchise Registration and Disclosure Law allows a Franchisee to bring a lawsuit in Maryland for claims arising under this Law.”

6. Section 16(04)(h) of the Agreement is amended by adding the following language:

“Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, assignment and/or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

7. Section 20 of the Agreement is amended by adding a new paragraph (11):

“Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the three (3) year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.”

8. Section 20 of the Agreement is amended by adding a new paragraph (12):

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.”

9. Section 24 of the Agreement is amended by adding the following language:

“The acknowledgments or representations of the franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to, nor shall they act as a release, estoppels or waiver of, any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

10. Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

11. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

The following information applies to franchises and Franchisees subject to Minnesota statutes and regulations. Item numbers correspond to those in the main body:

1. Cover Page

Risk Factors:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OF AGREEMENT SHOULD BE REFERRED TO FOR UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

2. Item 6.

Item 6 is amended by the addition of the following language:

“NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.”

3. Item 13.

Item 13 is amended by the addition of the following language:

“The Franchisor will protect the Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.”

4. Item 17.

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive

compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

With respect to franchises governed by Minnesota law, we will comply with Minnesota Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, (1) that you will be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J, prohibit franchisor from requiring litigation, to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce: (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Statutes § 80C.21 and Minnesota Rule 2860.4400D provide that a Franchisee cannot be required to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22; provided, however, that these laws do not bar the voluntary settlement of disputes.

Minn. Rules 2860.4400J permits a franchisor to seek injunctive relief; however, a franchisee cannot consent to the franchisor obtaining injunctive relief. A Court will determine if a bond is required.

Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

**ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

This Addendum relates to franchises sold in the state of Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), TCB AMERISPEC, LLC (the “Company”) and Franchisee agree to amend the Agreement as follows:

1. Section 21 of the Agreement is amended by adding the following language:

“Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J, prohibit the Company from requiring litigation, to be conducted outside Minnesota. In addition, nothing in the DISCLOSURE DOCUMENT or agreement can abrogate or reduce any of the Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s right to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

2. Sections 3(04), 16, and 19(02) of the Agreement are amended by adding the following language:

“With respect to franchises governed by Minnesota law, the Company will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, (1) that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Section 10 of the Agreement is amended by the addition of the following language:

“The Company will protect the Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. Section 20 of the Agreement is amended by the addition of the following language:

“The franchisor may seek injunctive relief; however, franchisee cannot consent to the franchisor obtaining injunctive relief. A Court will determine if a bond is required.”

“The Limitations of Claims must comply with Minnesota Statutes, Section 80C.17, Subd.5.”

5. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

The following information applies to franchises and Franchisees subject to New York statutes and regulations. Item numbers correspond to those in the main body:

1. Cover Page

Risk Factors:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3

Item 3 is amended by the deletion of “Other than these actions, no litigation is required to be disclosed in this Item” and replacing it with the following language substituted in order to conform with 13 NYCRR 200.4 (iii):

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree

relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4

Item 4 is amended by the deletion of the language contained therein and the following language substituted in order to conform with 13 NYCCR 200.4 (iii):

Neither Franchisor, its affiliate, its predecessor, officers or general partner during the ten-year period immediately before the date of the DISCLOSURE DOCUMENT: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. Item 5

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. Item 17

The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

The following is added to the Summary section of Item 17(j): No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

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

Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the Rev. April 2, 2024 time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

This Addendum relates to franchises sold in the state of New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), TCB AMERISPEC, LLC (the “Company”) and Franchisee agree to amend the Agreement as follows:

1. Section 19, Termination, is amended by adding the following language to the original language that appears therein:

“Franchisee may terminate this agreement on any grounds available by law.”

2. Section 16, Assignment, is amended by the addition of the following language to the original language that appears therein:

“However, no assignment will be made except to an assignee who, in the good faith and judgment of the Franchisor is willing and able to assume the Franchisor’s obligations under the Franchise Agreement.”

3. Section 21, Dispute Resolution, paragraph 21.10, Governing Law, is amended by the addition of the following language to the original language that appears therein:

“The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business law of the state of New York.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

The following information applies to franchises and Franchisees subject to North Dakota statutes and regulations. Item numbers correspond to those in the main body.

1. Item 17. Item 17 is amended to read as follows:

A. Any provision of the Franchise Agreement requiring the Franchisee to sign a release in a format designated by AmeriSpec is unenforceable.

B. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

C. Any provision of the Franchise Agreement requiring you to consent to waiver of exemplary and punitive damages is unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

D. Any provision of the Franchise Agreement requiring you to consent to liquidated damages is hereby made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

E. Arbitration and mediation proceedings will be conducted at a site agreeable to all parties.

F. The venue of any litigation arising out of the franchise relationship between you and AmeriSpec will be within the state of North Dakota.

G. The North Dakota Securities Commissioner has held that requiring franchisees to consent to waiver of a trial by jury unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

H. Notwithstanding anything in the Disclosure Document, covenants not to compete may be subject to Section 9-08-06 of the North Dakota Century Code and unenforceable in the state of North Dakota if contrary to Section 9-08-06.

**ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

This Addendum relates to franchises sold in the state of North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), TCB AMERISPEC, LLC (the “Company”) and Franchisee agree to amend the Agreement as follows:

1. North Dakota Century Code Section 9-08-06 states “Every contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except: 1) One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business within a specified county, city, or a part of either, so long as the buyer or any person deriving title to the goodwill from him carries on a like business therein and 2) Partners, upon or in anticipation of a dissolution of the partnership business has been transacted, or within a specified part thereof.”
2. Section 3 of the Agreement is amended to read as follows:

“Any provision of this Agreement requiring the Franchisee to execute a release in a format designated by the Company is unenforceable.”
3. Section 19.6 of the Agreement is amended by adding the following language:

“Any provision of this Agreement requiring you to consent to liquidated damages is hereby made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.”
4. Section 20 of the Agreement is amended by adding the following language:
 - A. Any provision of the Franchise Agreement which requires the Franchisee to consent to waiver of exemplary and punitive damages unenforceable pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
 - B. Arbitration and mediation proceedings will be conducted at a site agreeable to all parties.
 - C. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys’ fees.
 - D. The venue of any litigation arising out of the franchise relationship between Franchisee and the Company will be within the state of North Dakota.
 - E. Both Franchisor and Franchisee will be allowed the option of a jury trial.
5. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

**ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

This Addendum relates to franchises sold in the state of Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), TCB AMERISPEC, LLC (the “Company”) and Franchisee agree to amend the Agreement as follows:

1. Section 21 of the Agreement is amended by adding the following language:
Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.”
2. In all other respects, the License Agreement will be construed and enforced according to its terms.

TCB AMERISPEC, LLC

By: _____
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

The following information applies to franchises and Franchisees subject to Virginia statutes and regulations.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Section 15.3 of the Franchise Agreement shall be enforceable to the extent permitted under the applicable laws of Virginia.

The laws of the Commonwealth of Virginia apply to the Franchise Agreement to the extent required under the applicable laws of the Commonwealth of Virginia.

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent

with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Section 4 of the Franchise Agreement is revised to add the following: The Washington Department of Financial Institutions Securities Division requires the franchisor to defer collection of the initial franchise fee until the franchisor has fulfilled its initial pre-opening obligations under this Agreement and the franchisee is open for business.

20. Section 15.3 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

15.3 Post-Term Covenant Not to Compete. The Franchisee covenants that for a period of 1 year after the later of the following terminating events: (i) any transfer, repurchase or termination of this Agreement; (ii) the expiration of this Agreement (if a successor franchise or renewal term is not granted); (iii) the date on which the Franchisee stops operating a competitive business (including continued operation of the Franchised Business whether or not operated under the Names and Marks) or (iv) the last date of the use of the Names and Marks and/or System of Operation, the Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, or other entity do or engage in any act proscribed by Paragraph 15.2 of this Agreement, except that the restrictions contained in Paragraph 15.2.2 of this Agreement, shall be limited during the post term period to within the Territory described in Paragraph 3.1 of this Agreement and a 25-mile radius of such Territory and any then-existing AmeriSpec franchisee’s Territory.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20_____.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

**ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

This Addendum relates to franchises sold in the state of Wisconsin and is intended to comply with Wisconsin statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), TCB AMERISPEC, LLC (the “Company”) and Franchisee agree to amend the Agreement as follows:

1. The Wisconsin Fair Dealership Law supersedes any provisions of the Franchisee’s Franchise Agreement inconsistent with that law.
2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

TCB AMERISPEC, LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Name: _____
Title: _____

FDD EXHIBIT G

AMERISPEC®

FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

1	INTRODUCTION TO THE MANUAL	1-1
1.1	Manual Organization.....	1-1
1.2	Ownership of the Manual	1-1
1.3	Purpose of this Manual	1-1
1.4	Importance of Confidentiality	1-2
1.5	Keeping the Manual Current	1-2
1.6	Submitting Suggestions.....	1-2
1.7	Disclaimer.....	1-3
2	INTRODUCTION TO THE FRANCHISE SYSTEM.....	2-1
2.1	History of the Company	2-1
2.2	SVM Commitment – Mission and Vision	2-1
2.2.1	Our Foundation.....	2-2
2.3	Resources and Tools.....	2-5
2.3.1	Franchise Intranet/Online Training	2-5
2.3.2	Business Development Consultants	2-5
2.3.3	Additional Training	2-6
2.3.4	Annual Convention	2-6
2.3.5	Franchise Council	2-6
2.3.6	Approved Vendors	2-6
2.3.7	Marketing	2-6
2.3.8	Internet	2-7
2.4	Fees.....	2-7
3	UNDERSTANDING FRANCHISING	3-1
3.1	Unified Thinking.....	3-1
3.2	Purpose of Franchising.....	3-1
3.3	Purpose of Business	3-2
3.4	Purpose of A Franchise Company	3-2
3.5	Function of Brand	3-2
3.6	Function of the Operating System	3-3
3.7	Importance of Language	3-3
3.7.1	Effect on the Operating System	3-3
3.7.2	Effect on the Brand	3-4
3.7.3	Effect on Field Support	3-4
3.8	Who Owns What?	3-4
3.9	Strategic Partners – Partners in Strategy.....	3-5
3.10	Understanding Fees.....	3-6
3.10.1	Initial Franchise Fee	3-6
3.10.2	Royalty Fees	3-6
3.11	Customer-Driven Company.....	3-7

4 PRE-OPENING PROCEDURES	4-1
4.1 Introduction.....	4-1
4.2 Establishment of Business Form	4-1
4.2.1 Business Structure	4-1
4.2.2 Overview of Entity Choices	4-1
4.2.3 Liability Protection	4-2
4.2.4 Income Taxation	4-3
4.2.5 Administration	4-3
4.2.6 Other Factors in Entity Choice	4-3
4.2.7 Where to Form Your Entity	4-4
4.2.8 Naming Your Entity	4-4
4.2.9 Assumed Name Certificate	4-4
4.3 Site Selection Process	4-5
4.3.1 Site Selection Criteria	4-5
4.4 Licenses, Permits and Taxes	4-5
4.4.1 Introduction.....	4-5
4.4.2 Business Licenses and Permits	4-5
4.4.3 Optional Certifications	4-6
4.4.4 Tax Registrations and Payments	4-7
4.4.5 State Information Web Sites	4-7
4.4.6 Additional Resources	4-7
4.5 Training.....	4-8
4.5.1 Home Reference Online Study Guide.....	4-8
4.5.2 Scheduling Initial Training	4-8
4.5.3 Initial Training Program (Academy).....	4-9
4.5.4 Post Academy.....	4-10
4.5.5 Additional Training	4-10
4.5.6 Franchisee Convention	4-10
4.5.7 AmeriSpec Learning Management System (LMS).....	4-10
4.6 Setting Up Your Facility	4-11
4.6.1 Required Equipment and Services.....	4-11
4.6.2 Computer System	4-11
4.6.3 Sign Requirements	4-13
4.6.4 Signage Approval	4-13
4.6.5 Vehicle Wrap	4-13
4.6.6 Recommended Tool List.....	4-14
4.7 Starter Kits	4-15
4.7.1 AIS (Inspection Software)	4-15
4.7.2 Laptop / Tablet.....	4-15
4.7.3 Marketing Materials	4-15
4.8 Utilities / Services	4-16
4.8.1 AMS	4-16
4.9 Bank Accounts.....	4-16
4.9.1 Main Business Account.....	4-16

4.9.2 Operating Account	4-16
4.9.3 Merchant Services	4-17
4.10 Insurance Coverage	4-20
4.10.1 General Insurance Requirements	4-20
4.10.2 E&O Policy	4-20
4.10.3 Minimum Coverage Amounts	4-21
4.10.4 Insurance Company Requirements	4-21
4.11 Grand Opening	4-22
4.11.1 Notification / Press Release	4-22
4.11.2 Open House Event	4-22
4.11.3 Pop Bys at Realtor Offices	4-22
4.11.4 Inspection Coupons at Grand Opening	4-23
4.11.5 Connecting with Agents	4-23
4.12 Pre-Opening Checklist	4-23
4.12.1 Insurance Requirements:	4-24
4.12.2 Days 1-7	4-24
4.12.3 Days 8-30	4-28
4.12.4 Days 31-90	4-30
4.12.5 Ongoing Tasks	4-31
5 HUMAN RESOURCES	5-1
5.1 Introduction	5-1
5.1.1 Non-Joint-Employer Status	5-1
5.2 Employment Law Basics	5-2
5.2.1 Employee Rights / Employer Responsibilities	5-2
5.2.2 Federal Regulations on Employment Relationships	5-3
5.2.3 State Employment Laws	5-5
5.3 OSHA	5-6
5.3.1 Federal Standards	5-6
5.3.2 State OSHA Programs	5-7
5.4 Preparing to Hire Your First Employee	5-7
5.4.1 Hiring versus Outsourcing	5-8
5.4.2 Employee versus 1099	5-9
5.4.3 Sales Versus Operations (Compliment Your Strengths)	5-11
5.4.4 Working with Family	5-12
5.5 Job Responsibilities and Ideal Employee Profiles	5-13
5.5.1 Profiles	5-14
5.5.2 Job Descriptions	5-16
5.6 Recruiting Employees	5-25
5.6.1 Sources of Employee Candidates	5-25
5.6.2 Job Advertisements	5-27
5.6.3 Requirement to Advertise Open Positions	5-28
5.7 Job Applications	5-29
5.7.1 Application Form	5-29
5.7.2 Confidentiality of Applications	5-29

5.8	Interviewing Job Applicants	5-29
5.8.1	Preparing For Interviews	5-29
5.8.2	Understanding the Job.....	5-29
5.8.3	Identify the Technical Skills Needed	5-29
5.8.4	Identify the Performance Skills Needed	5-30
5.8.5	Reviewing Resumes	5-30
5.8.6	Conducting Successful Interviews	5-30
5.8.7	Discriminatory Questions	5-33
5.8.8	Questions to Avoid.....	5-34
5.9	The Selection Process.....	5-37
5.9.1	How Do I Evaluate and Select?	5-37
5.9.2	Complete Your Reference Checks.....	5-37
5.9.3	Review Your Notes and Make Your Evaluation	5-37
5.9.4	Notify Candidates.....	5-38
5.10	Interview Question Guideline.....	5-38
5.11	Background Checks on Job Applicants.....	5-40
5.11.1	General Tips on Background Checks.....	5-40
5.11.2	Special Rules for Certain Records	5-41
5.12	Miscellaneous Hiring Issues	5-42
5.13	New Employee Paperwork.....	5-43
5.14	Additional Steps in Hiring Process	5-45
5.15	New Employee Orientation	5-45
5.16	New Employee Training.....	5-46
5.16.1	Academy	5-46
5.16.2	In Field Certification Process.....	5-46
5.16.3	Outsource to Approved Provider	5-49
5.16.4	Sales / Marketing / Office Manager	5-49
5.17	Personnel Policies	5-49
5.17.1	Introduction	5-49
5.17.2	Communicating Work Rules.....	5-50
5.18	Paying Your Employees	5-51
5.18.1	Wages	5-51
5.18.2	Minimum Wage	5-54
5.18.3	Benefits	5-55
5.19	Employee Scheduling	5-55
5.20	Employee Management Forms	5-56
5.21	Employee Morale / Motivation	5-56
5.21.1	Introduction	5-56
5.21.2	Factors of Good Morale.....	5-56
5.21.3	Signs of Bad Morale	5-56
5.21.4	Improving Morale and Motivation	5-57
5.22	Performance Evaluations	5-58
5.23	Employee Discipline	5-59
5.24	Resignation / Termination	5-61
5.24.1	Resignation	5-61

5.24.2	Termination	5-61
5.24.3	Post-Separation Procedures	5-62
5.24.4	Final Paychecks	5-62
5.24.5	Explaining Termination to Other Employees	5-62
5.24.6	Giving References	5-62
5.25	Summary of Good Employee Management Practices	5-63
5.26	Getting Legal Help with Employment Law Issues	5-63
6	DAILY OPERATING PROCEDURES	6-1
6.1	Introduction	6-1
6.2	Required Days / Hours of Operation	6-1
6.3	Customer Service Procedures	6-2
6.3.1	Customer Service Philosophy	6-2
6.3.2	Customer Surveys	6-2
6.3.3	Our Customer Complaint Policy	6-5
6.3.4	Call Backs (Refund Requests)	6-8
6.4	Inspection Scheduling Procedures	6-12
6.4.1	Answering the Telephone	6-12
6.4.2	Understanding the Service Offerings	6-12
6.4.3	Processing the Order in AMS (AmeriSpec Management System)	6-16
6.4.4	Collection / Billing	6-17
6.5	Pre-Inspection Procedures	6-17
6.5.1	Prepping the Vehicle	6-17
6.5.2	Greeting Customers "Driveway Presentation"	6-18
6.5.3	Pre-Inspection Best Practices	6-20
6.5.4	Exceeding ASHI Standards	6-21
6.6	Inspection Sequence	6-21
6.6.1	Multitasking	6-21
6.6.2	Exterior Foundation	6-21
6.6.3	Roof	6-22
6.6.4	Garage / Carports	6-22
6.6.5	Electrical	6-22
6.6.6	Fireplaces	6-24
6.6.7	Plumbing	6-25
6.6.8	Water Heater	6-25
6.6.9	Heating/AC	6-27
6.6.10	Kitchen	6-28
6.6.11	Bathroom	6-28
6.6.12	Interior Areas	6-29
6.6.13	Attic/Insulation/Ventilation	6-30
6.6.14	Structure/Basement/Crawl Space	6-30
6.7	Post Inspection Procedures	6-31
6.7.1	Inspection Recap	6-31
6.7.2	Report Generation	6-31
6.7.3	Delivery	6-32

6.7.4 Tell AmeriSpec (Survey)	6-32
6.8 Pricing / Payment Methods	6-32
6.8.1 Payment Methods	6-32
6.8.2 Pricing Considerations / Competition	6-32
6.9 Required Cleaning and Maintenance	6-33
6.9.1 Office Cleaning and Maintenance	6-33
6.9.2 Vehicle Cleaning and Maintenance.....	6-33
6.9.3 Equipment Cleaning and Maintenance	6-34
6.9.4 Clothing.....	6-35
6.9.5 Personal Grooming.....	6-37
6.10 Safety Procedures.....	6-37
6.10.1 Preventing Accidents and Injuries	6-37
6.10.2 Minors / Children	6-37
6.10.3 Pet Safety.....	6-38
6.10.4 Insect / Pests.....	6-38
6.10.5 Driver Safety	6-38
6.10.6 Ladder Safety.....	6-39
6.10.7 Attic Safety	6-40
6.10.8 Roof Safety	6-41
6.10.9 Crawl Space Safety.....	6-41
6.10.10 Electrical Safety	6-41
6.10.11 Crisis Management Policy	6-42
6.10.12 Reporting Accidents.....	6-42
6.10.13 Worker's Compensation Issues	6-42
7 FINANCIAL.....	7-1
7.1 QuickBooks Online.....	7-1
7.1.1 Chart of Accounts	7-1
7.2 Operational and Financial Reporting	7-1
7.2.1 Features of AMS Reports	7-1
7.2.2 Financial Statements	7-1
7.2.3 Generating Reports.....	7-14
7.3 Franchise Fees and Reporting Requirements.....	7-15
7.3.1 Royalty Fee	7-15
7.3.2 How to Enter and Submit a Royalty Report	7-16
7.3.3 Accessing Royalty Management.....	7-16
7.3.4 National Ad Fund	7-27
7.3.5 Required Reports.....	7-28
7.3.6 Audits	7-28
8 SALES PROCEDURES	8-1
8.1 Presenting to Realtors.....	8-1
8.1.1 Board of Realtors	8-1
8.1.2 Keeping Track of Sales Leads.....	8-2
8.2 Closing the Deal (Call Controller).....	8-2
8.3 Understanding Your Competition	8-3

8.3.1 Competitive Advantages.....	8-3
8.4 National Accounts	8-4
9 MARKETING	9-1
9.1 Guidelines for Using Marks	9-1
9.2 Brand Positioning and Target Audience.....	9-1
9.3 Marketing Standards	9-2
9.4 Obtaining Marketing Approval.....	9-2
9.5 Logo Specifications.....	9-3
9.6 Required Marketing Expenditures.....	9-3
9.7 Co-Op Program	9-4
9.8 System Marketing	9-4
9.8.1 Local Marketing Requirements.....	9-4
9.8.2 Associations/Memberships.....	9-6
9.8.3 Cold Calling and Telemarketing	9-8
9.8.4 Community Outreach and Partnerships.....	9-9
9.8.5 Cross Selling	9-10
9.8.6 Direct Mail – Letters or Postcards.....	9-11
9.8.7 Direct Mail – Shared Mail.....	9-13
9.8.8 Display (Digital Banner) Advertising	9-14
9.8.9 Door Hangers.....	9-16
9.8.10 Email Marketing	9-17
9.8.11 Facebook	9-19
9.8.12 Instagram.....	9-22
9.8.13 Giveaways	9-23
9.8.14 LinkedIn	9-24
9.8.15 Networking.....	9-26
9.8.16 Pay Per Click (PPC) Ads (Paid Search).....	9-28
9.8.17 Printed Materials (brochures, flyers, leave-behinds).....	9-30
9.8.18 Promotions.....	9-31
9.8.19 Public Relations	9-33
9.8.20 Preferred Vendor Program.....	9-34
9.8.21 Reputation Management.....	9-35
9.8.22 Television (TV) Ads.....	9-37
9.8.23 Twitter	9-38
9.8.24 Search Engine Optimization (SEO)	9-40
9.8.25 Sponsorships	9-41
9.8.26 Trade Publications.....	9-42
9.8.27 Tradeshows.....	9-44
9.8.28 YouTube.....	9-45
9.9 Public Relations / Community Involvement	9-46
9.9.1 Press Releases.....	9-47
9.9.2 Media Interviews	9-47
9.9.3 Better Business Bureau/Local Chamber of Commerce.....	9-47
9.9.4 Corporate Social Responsibility	9-48

9.10 Vendors and Resources	9-48
9.10.1 Local Marketing Vendors.....	9-48
9.11 Marketing Resources.....	9-49
9.11.1 Free Google Resources	9-49
9.11.2 Tips and Tricks for Using Marketing Resources from the Franchise Support Center	9-50
10 ADDITIONAL RESOURCES	10-1
10.1 Websites For Small Businesses	10-1
10.2 Websites For Organizations	10-1
10.3 Websites For Employment Laws	10-2
10.4 Website For Tax Information.....	10-3
TOTAL PAGES FOR OPERATIONS MANUAL: 261 Pages	

FDD EXHIBIT H

GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is executed on _____ by:

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

RECITALS

- A. TCB AMERISPEC, LLC (“**Franchisor**”) and Franchisee are parties to the following Franchise Agreements (collectively, the “**Franchise Agreements**”):

Franchise Agreement Number(s)	Date of Agreement

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

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

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

AGREEMENT

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

H-1

TCB AmeriSpec LLC FDD
June 22, 2026

#289896v4

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

2. Risk of Changed Facts. Franchisee, Transferee, and Owners (on behalf of all Releasors) (a) understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true and (b) hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

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

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

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

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

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

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

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

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

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

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

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

OWNER:

Print Name: _____

Date: _____

TRANSFeree:

By: _____

Print Name: _____

Title: _____

Date: _____

OWNER:

Print Name: _____

Date: _____

OWNER:

Print Name: _____

Date: _____

FDD EXHIBIT I

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If TCB AmeriSpec, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sales or sooner if required by applicable state law.

New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If TCB AmeriSpec, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency list in Exhibit C.

The franchise seller(s) for this offering is (are):

() Mike Pearce () _____
() _____ () _____

at TCB AmeriSpec, LLC, 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018, Telephone: 844-326-5292.

See Exhibit C for AmeriSpec's agent for service of process in your state.

Issuance Date: June 22, 2026

I have received a franchise disclosure document dated June 22, 2026, that included the following Exhibits:

- | | |
|--|--|
| A - Franchise Agreement | F - State Addenda to Disclosure Document and |
| B - Financial Statements and Guaranty | Franchise Agreement (where applicable) |
| C - State Agencies and Agents for Service of Process | G - Table of Contents of Manuals |
| D - List of Franchisees | H - General Release |
| E - List of Former Franchisees | I - State Effective Dates and FDD Receipts |

_____ Signature	_____ Print Name-	_____ Date
_____ Signature	_____ Print Name	_____ Date

(Please retain this copy for your file)

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If TCB AmeriSpec, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sales or sooner if required by applicable state law.

New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If TCB AmeriSpec, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency list in Exhibit C.

The franchise seller(s) for this offering is (are):

() Mike Pearce () _____
() _____ () _____

at TCB AmeriSpec, LLC, 57 Germantown Ct. Suite 201, Cordova, Tennessee 38018, Telephone: 844-326-5292.

See Exhibit C for AmeriSpec's agent for service of process in your state.

Issuance Date: June 22, 2026

I have received a franchise disclosure document dated June 22, 2026, that included the following Exhibits:

A - Franchise Agreements	F - State Addenda to Disclosure Document and
B - Financial Statements and Guaranty	Franchise Agreement (where applicable)
C - State Agencies and Agents for Service of Process	G - Table of Contents of Manuals
D - List of Franchisees	H - General Release
E - List of Former Franchisees	I - State Effective Dates and FDD Receipts

Signature	Print Name	Date
Signature	Print Name	Date

(Please sign and return to TCB AmeriSpec, LLC)