FRANCHISE DISCLOSURE DOCUMENT

FURNITURE MEDIC SPE LLC
A Delaware Limited Liability Company
One Glenlake Parkway, 14th Floor
Atlanta, Georgia 30328
800-756-5656
fmfranchiseinfo@furnituremedic.com
www.furnituremedicfranchise.com

We grant franchises for a Furniture Medic® furniture, wood, and cabinet restoration, repair, fabrication, and refinishing business.

The total investment necessary to begin operation of a Furniture Medic® franchise is $79,995 to $94,700. This includes $46,000 that must be paid to us.

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

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

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information 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. In addition, there may also be laws on franchising in your state. Ask your state agency or visit your public library for other sources of information on franchising.

The issuance date of this disclosure document is April 27, 2022.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits 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 Furniture Medic business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Furniture Medic 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 Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.

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

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

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

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

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

To simplify the language in this disclosure document, "**we**," "**us**," "**our**," or "**Franchisor**" means Furniture Medic SPE LLC, the franchisor. "**You**," "**your**," or "**Franchisee**" means the person or entity purchasing a franchise. If you are a corporation, partnership, limited liability company or other entity, "you" includes your owners.

The Franchisor

We are a Delaware limited liability company formed in October 2020. Our principal business address is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. We do business under the name Furniture Medic. Our agent for service of process in your state is listed in Exhibit C.

Our business is limited to franchising furniture, wood, and cabinet restoration, repair, fabrication, and refinishing businesses under the Furniture Medic trademarks throughout the United States. We have offered Furniture Medic® franchises since March 2021. We do not offer franchises in or engage in any other line of business, nor have we done so prior to the date of this disclosure document.

Parents

We are a direct subsidiary of ServiceMaster Systems LLC ("**SM Systems**"), a Delaware limited liability company with a principal address at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. SM Systems guarantees the performance of our obligations under our franchise agreements.

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

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

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

Predecessors

Our predecessors began offering Furniture Medic® franchises in December 1992. Our immediate predecessor, Furniture Medic Limited Partnership ("**Predecessor**"), a Delaware limited partnership, offered Furniture Medic® franchises between December 1992 and December 2020. Predecessor did not offer franchises in any other line of business. The principal address of Predecessor is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328.

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

Securitization Transaction

RW Parent and its subsidiaries were restructured as part of a secured financing transaction that closed on December 9, 2020 (the "**Securitization Transaction**"). As part of the Securitization Transaction, (i) we became the franchisor of the Furniture Medic® system; (ii) Predecessor assigned to us all existing Furniture Medic®

franchise agreements and related agreements; (iii) ServiceMaster IPCo LLC ("**SM IP**"), an affiliate of Parent, assigned ownership of all Marks (as defined below) and certain intellectual property relating to the operation of Furniture Medic® franchises to a subsidiary of Parent, ServiceMaster Clean/Restore SPE LLC ("**ServiceMaster**"); and (iv) ServiceMaster licensed the Marks and intellectual property related to the operation of Furniture Medic® franchises to us. RW Parent and its subsidiaries may enter into other secured financing transactions in the future.

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

Affiliates Under the Control of RW Parent

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

AmeriSpec SPE LLC ("**AmeriSpec**"), a Delaware limited liability company, franchises home and commercial inspection businesses under the AmeriSpec® mark. The principal address for AmeriSpec is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. AmeriSpec and its predecessors began offering franchises in 1988. As of December 31, 2021, AmeriSpec had 182 franchises in the United States.

Merry Maids SPE LLC ("**Merry Maids**"), a Delaware limited liability company, franchises residential house cleaning businesses under the Merry Maids® mark. The principal address for Merry Maids is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. Merry Maids and its predecessors began business and started offering franchises in 1980. As of December 31, 2021, Merry Maids had 996 franchises operating three businesses in the United States.

ServiceMaster, a Delaware limited liability company, franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore® mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean® mark. The principal address for ServiceMaster is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. ServiceMaster and its predecessors began offering franchises in 1952. As of December 31, 2021, ServiceMaster had 712 ServiceMaster Clean franchises and 2,298 ServiceMaster Restore franchises operating in the United States.

Two Men and a Truck SPE LLC ("**Two Men and a Truck**"), a Delaware limited liability company, franchises businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark. The principal address for Two Men and a Truck is One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328. Two Men and a Truck's predecessor began offering franchises in February 1989. As of December 31, 2021, Two Men and a Truck had 284 franchises and three company-owned locations operating in the United States.

ServiceMaster of Canada Limited ("**SM Canada**") offers franchises in Canada. The principal address for SM Canada is 2275 Upper Middle Road East, Suite #200, Oakville, Ontario, L6H 0C3. As of December 31, 2021, there were approximately 422 franchises in Canada under the ServiceMaster Clean®, ServiceMaster Restore®, Merry Maids®, AmeriSpec®, and Furniture Medic® trade names and trademarks serving residential and commercial customers throughout Canada.

ServiceMaster Limited ("**SM UK**") offers franchises in Great Britain. The principal address for SM UK is ServiceMaster House, Tigers Road, Wigston, Leicester, The United Kingdom. As of December 31, 2021, there were approximately 438 franchises in Great Britain that operate using the ServiceMaster Clean®, ServiceMaster Restore®, Merry Maids®, Furniture Medic®, TruGreen®, and Rosemary Bookkeeping® trade names and trademarks.

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

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

Other Affiliated Franchise Programs

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

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

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with Focus Brands through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, 2021, there were approximately 1,126 franchised facilities and 12 affiliate-owned facilities in the United States and approximately 748 franchised facilities operating outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with Focus Brands in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2021, there were 325 domestic retail shoppes (including one shoppe co-branded in a Schlotzsky's restaurant operated by our affiliate), 31 international retail shoppes, and three foodservice locations operated by independent third parties that offer Carvel® ice cream and frozen desserts including cakes and ice cream novelties.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with Focus Brands through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2021, franchisees operated 938 Cinnabon retail outlets in the United States and 810 Cinnabon retail outlets outside the United States and 170 Seattle's Best Coffee units outside the United States. As of December 31, 2021, Cinnabon LLC operated one affiliate-owned Cinnabon retail outlet in the United States.

Jamba franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with Focus Brands through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2021, there were approximately 747Jamba franchised stores in the United States and 64 franchised Jamba stores outside the United States, and three affiliate-owned Jamba stores in the United States.

McAlister's offers full-size and non-traditional fast casual restaurants offering counter-service, on-premises and take-out services featuring a complete or limited line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products under the names MCALISTER'S DELI® or MCALISTER'S SELECT®. McAlister's system became an Affiliated Program through an acquisition in July 2005, and the McAlister's system became affiliated with Focus Brands in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2021, there were 472 domestic franchised McAlister's restaurants and 33 affiliate-owned restaurants.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with Focus Brands through an acquisition. Moe's predecessor Southwest Grill franchises in 2001. As of December 31, 2021, there were 658 franchised Moe's Southwest Grill restaurants operating in the United States, one franchised restaurant operating outside the United States, and one affiliate-owned restaurant operating in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with Focus Brands through an acquisition. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2021, there were 300 franchised Schlotzsky's restaurants and 24 affiliate-owned Schlotzsky's restaurants.

Inspire Brands ("**Inspire Brands**") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to seven franchisors, including: Arby's Franchisor, LLC ("**Arby's**"), Baskin-Robbins Franchising LLC ("**Baskin-Robbins**"), Buffalo Wild Wings International, Inc. ("**Buffalo Wild Wings**"), Dunkin' Donuts Franchising LLC ("**Dunkin'**"), Jimmy John's Franchisor SPV, LLC ("**Jimmy John's**"), Rusty Taco, Inc. ("**Rusty Taco**"), and Sonic Franchising LLC ("**Sonic**"). All seven Inspire Brands franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965 and, as of January 2, 2022, there were approximately 3,407 Arby's restaurants operating in the United States (2,291 franchised and 1,116 company-owned), and 160 franchised Arby's restaurants operating internationally. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T. J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under Buffalo Wild Wings® name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of January 2, 2022, there were 1,196 Buffalo Wild Wings Sports Bars operating in the United States (534 franchised and 662 company-owned) and 76 Buffalo Wild Wings or B-Dubs restaurants operating outside the United States (64 franchised and 12 company-owned). As of January 2, 2022, there were 16 BWW-GO Restaurants operating in the United States (one franchised and 15 company-owned).

Rusty Taco is the franchisor of Rusty Taco® (formerly R Taco®) restaurants. Rusty Taco has offered franchises for Rusty Taco restaurants since May 2015, but its predecessors have been franchising Rusty Taco restaurants since 2010. As of January 2, 2022, there were 36 Rusty Taco restaurants (32 franchised and 4 company-owned) in operation.

Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of January 2, 2022, there were 3,552 Sonic Drive-Ins (3,232 franchised and 320 company-owned) in operation.

Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. Jimmy John's and its predecessor have been franchising since 1993 and, as of January 2, 2022, had 2,657 restaurants operating in the United States (2,616 franchised and 41 affiliate-owned).

Dunkin' is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises for Dunkin' restaurants since March 2006 and, as of December 25, 2021, there were 9,244 franchised Dunkin' restaurants operating in the United States and an additional 3,713 operating in 39 countries.

Baskin-Robbins franchises Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises for Baskin-Robbins restaurants since March 2006 and, as of December 25, 2021, there were 2,276 franchised Baskin-Robbins restaurants in the United States and an additional 5,394 operating internationally in 54 countries and Puerto Rico.

Primrose School Franchising SPE, LLC (**"Primrose"**) is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988 and as of December 31, 2021, had 465 franchised facilities. Primrose has not offered franchises in any other line of business.

Pet Valu Canada Inc. (**"Pet Valu"**) is a franchisor that offers franchises for specialty retail stores operating under the trademark Pet Valu® that sell food and supplies for dogs, cats, birds, fish, reptiles and small animals. Pet Valu's principal place of business is 130 Royal Crest Court, Markham, Ontario L3R 0A1. Pet Valu became an Affiliated Program through an acquisition in August 2009. Pet Valu has been franchising since 1987. As of January 2, 2022, the Pet Valu enterprise operated stores in Canada under 5 different banners: (i) 633 Pet Valu branded stores with 406 franchised stores and 227 company-owned stores; (ii) 16 Paulmac's Pet Foods-branded stores consisting of 14 franchised and 2 company-owned stores; (iii) 80 Bosley's Pet Food Plus-branded stores in British Columbia, Canada consisting of 36 franchised and 44 company-owned stores; (iv) 9 company-owned Tisol-branded stores; and (v)16 company-owned Total Pet-branded stores. Pet Valu stores have not offered franchises in any other line of business and currently only offers franchises for the operation of Pet Valu stores in Canada. Pet Supermarket, an affiliate of Pet Valu through common ownership and/or control, operated 218 Pet Supermarket company-owned stores at the end of fiscal year 2021.

ME SPE Franchising, LLC (**"Massage Envy"**) is a franchisor of businesses that offers professional therapeutic massage services, facial services and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2021, there were 1,110 franchised Massage Envy locations operating in the United States. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2021, there were 10 regional developers operating 12 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. (**"CKE"**), through two indirect wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.® and Hardee's ® trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. A small number of Hardee's Restaurants offer Green Burrito® Mexican food products through a Dual Concept Restaurant. A small number of Carl's Jr. Restaurants offer Red Burrito® Mexican food products through a Dual Concept Restaurant. CKE Inc.'s principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee. In December 2013, CKE Inc. became an Affiliated Program through an acquisition. Hardee's restaurants have been franchised since 1961. As of January 31, 2022, there were 202 company-operated Hardee's restaurants, including 12 Hardee's/Red Burrito Dual Concept restaurants, and there were 1,550 domestic franchised Hardee's restaurants, including 150 Hardee's/Red Burrito Dual Concept restaurants. Additionally, there were 425 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984. As of January 31, 2022, there were 48 company-operated Carl's Jr. restaurants, and there were 1,018 domestic franchised Carl's Jr. restaurants, including 270 Carl's Jr./Green Burrito Dual Concept restaurants. In addition, there were 566 franchised Carl's Jr. restaurants operating outside the United States, including one Carl's Jr. Green Burrito Dual Concept restaurant. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

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

Meineke franchises automotive centers which offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated

Meineke centers on and off since March 1991. As of December 25, 2021, there were 698 Meineke centers, 26 Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 25, 2021, there were 411 franchised Maaco centers and no company-owned Maaco centers in the United States.

DNS is the franchisor of 3 franchise systems: Drive N Style® franchises, AutoQual® franchises and Aero Colours® franchises. DNS and its predecessors have offered Drive N Style franchises since October 2006. A Drive N Style business offers both interior and exterior reconditioning and maintenance services, exterior paint repair and refinishing services and interior and exterior protection services for consumer vehicles. As of December 25, 2021, there were 31 Drive N Style franchises and no company-owned Drive N Style businesses in the United States. DNS and its predecessors have offered AutoQual franchises since February 2008. AutoQual businesses offer various services relating to the interior of automotive vehicles, including, among other things, cleaning, deodorizing, dyeing, and masking of carpets, seats, and trim. As of December 25, 2021, there were 8 AutoQual franchises and no company-owned AutoQual businesses in the United States. DNS and its predecessors have offered Aero Colours franchises since 1998. Aero Colours businesses offer various services related to the exterior of automotive vehicles, including paint touch-up, repair and refinishing that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. As of December 25, 2021, there were 2 Aero Colours franchises and no company-owned Aero Colours businesses in the United States.

Merlin franchises shops which provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin 200,000 Mile Shops" and "Merlin Shops" since February 2006. As of December 25, 2021, there were 24 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 25, 2021, there were 10 Econo Lube N' Tune franchises and 12 Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 25, 2021, there were 193 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 25, 2021, owned and operated 1 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 25, 2021, there were 419 franchised CARSTAR facilities and 10 company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 25, 2021, there were 134 franchised Take 5 outlets operating in the United States. An affiliate of Take 5 currently operates approximately 536 Take 5 outlets and outlets that operate under other brands, including Havoline Xpress, many of which may be converted to the Take 5 brand and operating platform in the future.

ABRA franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. ABRA and its predecessor have offered ABRA franchises since 1987. As of December 25, 2021, there were 63 franchised ABRA repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 25, 2021, there were 181 franchised Fix Auto repair shops operating in the United States, 9 of which are operated by FUSA's affiliate pursuant to a franchise agreement with FUSA.

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

As of December 25, 2021, there were: (i) 27 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 17 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 7 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 323 franchised CARSTAR facilities and 4 company-owned CARSTAR facilities in Canada; (v) 31 franchised Take 5 outlets and 8 company-owned Take 5 outlets in Canada; (vi) 23 franchised UniglassPlus businesses, 30 franchised UniglassPlus/Ziebart businesses, and 5 franchised Uniglass Express businesses in Canada, and 4 company-owned UniglassPlus businesses and 1 company-owned UniglassPlus/Ziebart business in Canada; (vii) 7 franchised VitroPlus businesses, 60 franchised VitroPlus/Ziebart businesses, and 4 franchised Vitro Express businesses in Canada, and 3 company-owned VitroPlus businesses and 1 company-owned VitroPlus/Ziebart business in Canada; (viii) 31 franchised Docteur du Pare Brise businesses and 2 company-owned Docteur du Pare Brise businesses in Canada; (ix) 12 franchised Go! Glass & Accessories businesses and no franchised Go! Glass businesses in Canada, and 8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

NBC Franchisor LLC ("**NBC**") franchises gourmet bakeries which offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 4560 Belt Line Road, Suite 350, Addison, Texas 75001. As of December 31, 2021, there were 409 Nothing Bundt Cake franchises and 16 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Center Licensing, LLC ("Mathnasium") franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium began offering franchises in late 2003. Mathnasium became an Affiliated Program through an acquisition in November 2021. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2021, there were 948 Mathnasium franchises in the United States and its parent company operated three Mathnasium centers in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium Center Licensing, LLC also offer franchises for operation outside the United States. **Mathnasium Center Licensing Canada, Inc.** has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2021, there were 87 franchised Mathnasium centers in Canada. **Mathnasium International Franchising, LLC** has offered franchises outside the United States and Canada since May 2015. As of December 31, 2021, there were 65 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing, LLC, Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC have a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

i9 Sports, LLC ("i9") franchises businesses that operate, market, sell and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 became an Affiliated Program through an acquisition in September 2021. i9 has a principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2021, there were 192 i9 Sports franchises and one company-owned location. i9 has never offered franchises in any other line of business.

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

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

<u>The Franchise Offering</u>

We offer franchises for a furniture, wood, and cabinet restoration, repair, fabrication, and refinishing business that operates under the Furniture Medic® mark and using the System (the "**Franchised Business**"). Franchised Businesses perform residential and commercial furniture repair, restoration, fabrication, and refinishing; wood repair, restoration and refinishing; millwork, cabinet re-facing, fabrication and refinishing; re-upholstery; hardwood floor repair; and other related services (the "**Franchised Services**"). These Franchised Services may be marketed to hotels, homeowners, moving companies, antique dealers, furniture rental companies, insurance companies and others whose responsibilities include residential and commercial property management and maintenance.

If we grant you the right to operate a Franchised Business, you will sign a franchise agreement (the "**Franchise Agreement**") which gives you the right to use (i) our trade name, trademarks, service marks, insignias, and logos that we specify from time to time (the "**Marks**") and (ii) business methods (the "**System**") in a nonexclusive territory (the "**Territory**"). A sample of the Franchise Agreement is attached to this Disclosure Document as Exhibit A.

Our System, including our guidelines, standards and specifications, are included in our confidential operations manuals (the "**Operations Manual**"), which is available on our intranet site (our "**Intranet**"). You will be provided an initial training program in marketing, sales, advertising, operational procedures, and financial administration ("**Initial Training**"). You are encouraged to use your home as a base of operation for your

Franchised Business until your business will support an outside office and warehouse space. As the owner of the Franchised Business, you will operate service vehicle(s), painted bright white, that display the Furniture Medic® logo, your phone number, and the URL address of your website.

We have entered into agreements with several national customers who have access to consumers wanting furniture and cabinet restoration, repair and refinishing services (the "**National Accounts Program**"). Through this National Accounts Program, these consumers are referred to us; we allocate these sales leads to our franchisees in our sole discretion. You have no right to receive leads from the National Accounts Program. We do not guarantee or represent that you will receive any leads through this program. Lead flow varies widely depending on the territory. Some territories receive no leads. All leads are owned by us and assigned solely at our discretion.

If you participate in the National Accounts Program, you must adhere to the terms and conditions set out in the National Account agreements when you supply services for a National Account customer. You have the option of declining a sales lead from the National Accounts Program, but you must refer the lead back to us.

Some of our National Accounts Programs require you to participate in our Quality Furniture Restoration Program ("**QFR Program**"), which is a voluntary program in which you may choose to participate. Under the QFR Program, we certify Franchised Businesses that have met the QFR standards as set forth in the QFR Program Certification Agreement, the current form of which is attached to this Disclosure Document as Exhibit J, as may be revised from time to time as published on our Intranet. This agreement allows franchises to receive leads from us or our approved insurance carrier partners. Some insurance carriers which utilize the QFR network may have individual performance guidelines which the QFR franchise must agree to meet in order to be eligible for their referrals. There is no guarantee that you will receive any leads through the QFR Program. Lead flow in the QFR Program varies widely depending on the territory. Some territories receive no leads. You have no right to receive leads from the QFR program. All leads are assigned solely at our discretion.

We currently offer business owners the opportunity to convert their existing business to a Franchised Business ("**Conversion Franchises**"). To qualify, a conversion franchisee must have an existing revenue level of at least $250,000.

<u>Competition</u>

As a franchisee, generally you will compete with independent furniture repair and refinishing, as well as cabinet repair and refinishing, businesses and other national franchise organizations. The market for such refinishing businesses is mature.

<u>Industry Specific Regulations</u>

We do not know of any general industry specific regulations that would govern the operation of your Franchised Business. You should be knowledgeable about OSHA (Occupational Safety and Hazardous Administration) and the EPA (Environmental Protection Act) federal regulations as well as state and local environmental and occupational safety and hazardous regulations which are applicable to your business. Some laws reference guidelines developed by NESHAP (National Emissions Standards for Hazardous Air Pollutants) and NIOSH (National Institute for Occupational Safety and Health) which may be applicable to your Franchised Business. Local contractor laws may require FM franchises to obtain special licenses. You may also be required to maintain an upholsterer's license. In the State of California, a C-6 Cabinet and Millwork license is required to work on permanent wood fixtures. There may be a similar requirement in your state. Because services are often performed in the home, your local agencies may require additional licensing. You will be responsible for contacting your local and state government agencies regarding restrictions and the proper licensing of the operation of the Franchised Business.

Referrals

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

Item 2: Business Experience

Chief Executive Officer: Elane Stock

Ms. Stock has been the Chief Executive Officer for (i) us and each of the other SM Franchisors (except Two Men and a Truck) since December 2020 and (ii) SM Manager, RW Purchaser, and a number of other related entities since October 2020. She has also been President of Two Men and a Truck since August 2021 and a Manager of RW Parent since October 2020. From October 2020 to December 2020, she was the Chief Executive Officer of AmeriSpec L.L.C. ("**ASL**"), FM Medic L.L.C. ("**FML**"), Merry Maids L.L.C. ("**MML**"), and SM Clean L.L.C. ("**SML**," and collectively with ASL, FML and MML, the "**Former Operators**"). Since September 2018, she has served as a non-executive Director for Reckitt Benckiser Group plc (RB) in Slough, United Kingdom. Since April 2014, she has served as a non-executive Director for YUM! Brands in Louisville, Kentucky. From February 2017 to November 2020, she served as a non-executive Director for Equifax in Atlanta, Georgia. Ms. Stock serves in her present capacities in Atlanta, Georgia.

President: Randy Shacka

Mr. Shacka has been our President since August 2021. In addition, Mr. Shacka has been President of Two Men and A Truck/International, LLC since August 2012 and AmeriSpec since August 2021. Mr. Shacka serves in his present capacities in Lansing, Michigan.

Chief Financial Officer: Vipul Soni

Mr. Soni has been the Chief Financial Officer for us, each of the other SM Franchisors (except Two Men and a Truck), SM Manager, RW Parent, RW Purchaser, and a number of other related entities since January 2021. He has also served as Treasurer of Two Men and a Truck since August 2021. From February 2012 to January 2021, he was the Managing Director of Brynwood Partners in Greenwich, Connecticut. Mr. Soni serves in his present capacities in Atlanta, Georgia.

Chief Legal & Compliance Officer: Tricia Kinney

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

Vice President of Franchise Development: Timothy Arpin

Mr. Arpin has been Vice President of Franchise Development for us, AmeriSpec, Merry Maids, and Two Men and a Truck since April 2022. From October 2021 to April 2022, he served as Head of Franchising for Tim

Hortons, USA in Miami, Florida. From August 2019 to October 2021, Mr. Arpin served as Vice President, Franchise Recruitment for Scooters Coffee, LLC in Omaha, Nebraska. And, from October 2008 to August 2019, he served as Vice President, Franchise Development for Self Esteem Brands, LLC in Woodbury, Minnesota. Mr. Arpin serves in his present capacities in Woodbury, Minnesota.

Senior Director and Brand Leader: Christopher Gammill

Mr. Gammill has been Senior Director and Brand Leader for AmeriSpec and Furniture Medic since December 2020. He served in the same positions for ASL and FML from March 2018 to December 2020. From August 2012 to February 2017, he was a Regional Field Team Manager and Organizational Change Leader for O2E Brands and 1-800-GOT-JUNK? located in Vancouver of British Columbia, Canada. Mr. Gammill serves in his present capacities in Atlanta, Georgia.

Item 3: Litigation

Disclosures Regarding Affiliated Programs

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

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

The People of the State of California v. Dunkin' Brands, Inc. (California Superior Court, Los Angeles County, Case No. E25636618, filed on March 19, 2019). On March 14, 2019, our affiliate, Dunkin Brands, Inc. ("**DBI**"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision that prevents Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin's franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law and, furthermore, that the settlement agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

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

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

Item 4: Bankruptcy

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

Item 5: Initial Fees

Initial Franchise Fee

The initial franchise fee for a Franchised Business is $33,000 (the "**Initial Franchise Fee**"). We treat each franchise purchased as a single Franchised Business with its own Franchise Agreement.

At any given time, we may offer discounts of the Initial Franchise Fee and/or incentives of cash, equipment, materials, supplies or related items as an inducement to prospective franchisees. The availability of each incentive may be subject to a time limit.

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

1. Military Discount - A discount of 20% off the Initial Franchise Fee is available 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, Marines or Coast Guard. This discount also is 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. Conversion Franchise Discount - A discount of 15% off the Initial Franchise Fee is available you are a Conversion Franchise with an existing revenue level of at least $200,000.

4. 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 people 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.

In 2021, we charged all franchisees an Initial Franchise Fee equal to $29,700.

Opening Package

In addition to the Initial Franchise Fee, you must purchase one opening package of supplies and equipment (the "**Opening Package**") for each Franchised Business that you operate. The Opening Package is purchased from us at a cost to you of $13,000 plus any shipping, handling and applicable sales tax due. The shipping, handling and sales tax charges are estimated at $2,000, but could vary depending on your location. The current contents of the Opening Package are listed in Exhibit G and include the supplies, products and equipment to perform the following services: Precision Repair, Moving Claims Repair, Wood Polishing, Millwork, Restoration Refinishing, Cabinet Restoration, Hardwood Floor Repair, Re-Upholstery, Furniture and Wood Restoration and Repair resulting from water and fire damage. We may change the contents of the Opening Package from time to time. If you are a Conversion Franchise, you may receive credit for equipment that you may already have that meets our standards.

Initial Fees

You must pay the Initial Franchise Fee and the cost of the Opening Package 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.

Item 6: Other Fees

OTHER FEES

Name of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	The greater of $250 per month or 7% Gross Sales, except that the $250 monthly minimum does not apply to new franchisees for the first 90 days after completion of Initial Training.	Payment Due Date (See Note 1)	"**Gross Sales**" means the total of sales invoices or other items billed to your customer (including any National Account customers), less any bad debts, credits, sales tax or other restatement of revenue allowed to the customer. See Note 2 for an explanation of the Royalties. If you are a Conversion Franchise, the fee will be assessed on existing revenue that is brought into the Furniture Medic® system.

Name of Fee[1]	Amount	Due Date	Remarks
National Advertising Fund Contribution	The greater of $150 per month or 2% of Gross Sales, except that the $150 minimum does not apply to new franchisees for the first 90 days after completion of Initial Training.	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.
Renewal Fee	Currently $2,000 per Franchise Agreement.	Upon renewal	Payable upon renewal of Franchise Agreement. The renewal fee requirement does not apply to you if your Franchised Business was originally purchased before January 1, 2015, and there has been no change in ownership.
Additional Training Fee	First 2 weeks of Initial Training: $900 or $450 per week, per person Third week of Post- Training: $450 per person Optional Training: $50 - $1,000 per person	Due when you register for additional training.	Payable if you or your trainees attend training programs. Additional training fees are determined by our cost of providing it. When attending training, you will have to pay any travel, lodging, meals, and other daily living expenses if you attend session in Memphis or for trainer if trainer travels to your location. Virtual training options may be available at our discretion.
Transfer Fee	$7,000, except (i) 50% of the standard fee 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 the transfer.	You must pay this fee when you assign 50% or more ownership of the Franchise Agreement, your entity, or the Franchised Business to one owner or a group of owners, in one transaction or a series of transactions. All transfers must be approved by us in advance.
Lead Fee	$10,000	At closing	Payable if we refer a qualified lead to an existing franchise owner and such lead purchases the franchise owner's interest within 18 months of our referral of such lead. See Note 3.
Audit Expenses	Cost of audit, including travel, lodging, and wage expense and reasonable legal and accounting costs	On demand	Payable only if audit shows greater than 5% variance from reported information. In addition to the Audit Fee, all underpaid or unpaid fees plus interest must be paid.
Late Fee	$50.00 due per delinquent report or payment	On demand	Payable if your report or payment is postmarked after it is due.

Name of Fee[1]	Amount	Due Date	Remarks
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.
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 during first year of initial term.
National Accounts Work Order Fee	Currently, $4.50 per completed work order	As incurred	Payable for each revenue-producing job or inspection that is run through the software or website used for QFR jobs and program (currently Respond365).
Convention Fee	Typically, $750 to $1,000	When registered	Payable when you register to attend the annual convention. You are not required to attend the annual convention unless you are QFR certified and you receive $7,500 or more of annual work through the Claims Capture Unit. You are responsible for travel and living expenses.
Insurance	Our actual cost of premiums	Upon 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.
FEES FOR QFR PROGRAM ONLY:			
QFR Job Fee	$42 per revenue-producing job or inspection	Charged the 8th of the next month after accepted, due by the 25th	Payable for each revenue-producing job or inspection that is run through the software or website used for QFR jobs and program (currently Respond365).
QFR Late fee	$100	As incurred	If you fail to pay a QFR job fee by the due date, you will be charged a $100 late fee for each month it is not paid. The amount is subject to change in our discretion.

Notes:

1. Unless otherwise stated, all fees are uniformly imposed and are nonrefundable. You must participate in our current electronic funds transfer and reporting program(s). For monthly fees, such as the Royalties, Software Fees, 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 Sales are made (currently, the 20th day of the month) (the "**Payment Due Date**"). If you have not reported Gross Sales 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 Sales was provided to us. If at any time we determine that you have underreported Gross Sales 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. 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 Sales is paid to us as a royalty fee in exchange for permission to use our proprietary trademarks and processes.

3. 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)	$33,000	$33,000	Lump Sum	When you sign the Franchise Agreement	Us
Training-Related Expenses (Note 3)	$1,100	$4,200	As arranged	As incurred	Hotels, restaurants, transportation providers
Opening Package (Note 4)	$15,000	$15,500	Lump Sum	When you sign the Franchise Agreement	Us or approved vendors
Tablet or Smart Phone (Note 5)	$400	$1,000	As arranged	Before coming to training	Third-party vendor
Software (Note 6)	$150	$150	As arranged	As incurred	Third-party vendors
Internet Connection (Note 7)	$45	$150	As arranged	Monthly	Third-party vendor
Insurance (Note 8)	$2,500	$4,500	As arranged	As incurred	Approved insurance carrier
Service Vehicle (Note 9)	$2,000	$4,000	As arranged	According to purchase option	Vendor of your choice
Van Detail Package (Note 10)	$300	$700	Lump sum	As incurred	Approved vendor
Real Estate and Improvements (Note 11)	$0	$0	N/A	N/A	N/A

Type of Expenditure	Amount (Note 1)		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Marketing (Note 12)	$500	$1,500	As incurred	As incurred	Vendor of your choice
Additional Funds – 3 months (Note 13)	$25,000	$30,000	Lump Sum	As incurred	Local government agencies, utilities, telephone company and other suppliers
TOTAL (Note 14)	$79,995	$94,700			

Notes:

1. General. These estimates are for the cost of purchasing one license. None of these fees or payments are refundable unless otherwise noted below. We and our affiliates do not directly or indirectly offer financing for these expenses. The estimates do not apply to existing franchisees and Conversion Franchisees, which may already own many of the items required to be purchased.

2. Initial Franchise Fee. See Item 5 for details concerning the Initial Franchise Fee and available discounts.

3. Training-Related Expenses. This estimate is for the cost for one person to attend our Initial Training and Post-Training, which are described in detail in Item 11. The Initial Franchise Fee covers the cost of Initial Training for one person, as well as some meals. 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. If you have a manager whom you wish to send to training also, you must pay us a training fee of $450 per week of Initial Training, per person, and $450 for the third week of Post-Training per person (in addition to their travel and living expenses)

4. Opening Package. The Opening Package is purchased from us at a cost to you of $13,000 (which is due upon signing the Franchise Agreement, plus any shipping, handling and applicable sales tax due (which are payable on invoice). The shipping, handling and sales tax charges are estimated at $2,000, but could vary depending on your location. Exhibit G lists the contents of the Opening Package. We have the right to substitute items of equal or greater value in this package if the items are, in our discretion, more innovative, improved, and assist you to perform better.

5. Tablet or Smart Phone. You will need a recent version tablet or smart phone, with the greatest amount of memory and with a camera for use in your Franchised Business and to serve National Account customers. You must bring this device with you to Initial Training and it must be operational.

6. Software. The software estimate is the cost of your first month of the required software licenses. The Basic Operating System, which costs $149 per month.is required and must be obtained prior to attending Initial Training. Renewing franchisees must subscribe to this software and pay the monthly fee upon entering into a new Franchise Agreement. Some National Accounts require use of a third-party vendor, currently Corrigo, which requires a monthly subscription payment to the vendor and a per work order fee that is payable to us. The fees and required software may change from time to time.

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. Insurance. This estimate includes the cost of commercial vehicle and commercial general liability insurance for one van and no more than two employees. The required insurance policies include commercial vehicle and commercial general liability in the amount of $1,000,000 each with respect to

the Franchised Business and with us and our affiliates named as additional insureds. You must also maintain workers' compensation insurance with a minimum of $500,000 employer's liability coverage for all employees, irrespective of your state requirements to do so, for the term of your agreement, but those rates will vary significantly based on your local laws and have not been included in this estimate. If you are a corporation or a limited liability company, you are required to have Workers' Compensation coverage for all officers or all members. Your personal history, your previous experience, or the state where you live may vary the amount of premiums. Insurance coverage quoted is not available in Alaska or Hawaii and is based on one van and no more than two employees. Details of the plan offered by our suggested source will be supplied.

9. Service Vehicle. All service vehicles must be bright white with the required Furniture Medic® logos and markings. We do not require approval of any specific vendor for the purchase of a service vehicle. The service vehicle price quoted is a down payment, exclusive of tax, tags, title and extra options. The price will vary based on the model you choose and your credit. Generally, you may finance the vehicle through commercial sources at prevailing rates. We do not guarantee that you will qualify for any lease or financing arrangements.

10. Van Detail Package. The van detail package must be purchased directly from our approved vendor. Currently, the package costs between $200 to $700, plus shipping and handling. The estimated decal installation fee is $150 to $200. The price of the detail package and installation will vary depending on the size of the vehicle.

11. Real Estate and Improvements. We do not require you to buy or lease space for your Franchised Business. You may operate your Franchised Business from your home. If you decide to set up a location outside your home, your initial investment will increase. Your Franchised Business office location must be within your Territory.

12. Initial Marketing Expenses. You will incur marketing costs to promote your Franchised Business. These figures are only estimates. Actual costs will be determined at your discretion for the amount of marketing you elect to perform in the first 90 days of operations of start-up of your business. These figures include estimates for marketing collateral, digital advertising and other typical marketing costs. This estimate does not include ongoing National Advertising Fund Contributions, which are the greater of $150 or 2% of Gross Sales each month.

13. Additional Funds – 3 Months. This estimates the additional funds you may need to cover additional expenses you will incur before your Franchised Business opens and in its first three months of operation. These expenses may include, without limitation, telephone, Internet, and utility bills, ongoing vehicle payments, attorneys' fees, ongoing software license fees, vehicle license fees, licenses and permits, bank charges and deposits, prepaid expenses, taxes, additional advertising expenses, miscellaneous supplies and equipment, and other miscellaneous items. The estimate assumes you run the business by yourself and does not include payroll costs, including wages, benefits, and payroll taxes. The estimate also 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 Predecessor's experience franchising Franchised Businesses.

14. Total Initial Investment. Your actual investment and expenditures and initial cash outlay may vary from the amounts shown depending on the choices you make, your local market, and the size of your Territory. If you choose to purchase additional equipment, products, supplies, and vehicles, your expenses may be higher.

Item 8: Restrictions on Sources of Products and Services

You must purchase the products, equipment, and supplies that you use in your Franchised Business from us, vendors that we approve, or vendors that meet our specifications. Our specifications include standards for customer satisfaction and performance. 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 and the Marks. Specifications and standards are not issued to either franchisees or suppliers.

You are required to purchase at least one service vehicle to operate your Franchised Business and because all sales calls must be made in a service vehicle, as your business grows, you may need more than one van or approved service vehicle. Each van or approved service vehicle must be painted bright white and display the Marks in a manner that we prescribe. The required vehicle decals must be purchased from our approved vendor, but you may use a vendor of your choosing to apply them.

You are required to purchase the Opening Package from us when you purchase your Franchised Business, unless you are an existing Furniture Medic® owner purchasing an additional Franchised Business. If you are a Conversion Franchise, you are required to purchase the Opening Package, except for any items that duplicate items that you already own that already meet out standards.

Insurance. You must, at your expense, procure and maintain insurance policies with the coverage, types, and amounts that we specify in the Operations Manual, on our Intranet, or otherwise in writing. You cannot begin offering services to the public unless you are adequately insured. Our present insurance requirements are:

1. Workers' compensation and occupational disease insurance with $500,000 employer liability limit as well as such other insurance as may be required by any applicable statute or rule;
2. Commercial general liability insurance, including product liability coverage, with minimum limits of $1,000,000 per occurrence;
3. Business automobile liability coverage for both owned and non-owned vehicles, with minimum limits of $1,000,000 bodily injury and property damage;
4. Crime/employee theft (not a bond) with a $25,000 limit;
5. Such additional coverage and higher policy limits as may reasonably be specified for all franchisees from time to time by us; and
6. All other insurance required by applicable state or federal law.

You are also strongly encouraged to have property coverage for damage to customer property caused by your work or in your Care, Custody, and Control with no exclusion for property of others, which can be provided through General Liability or Property Coverage.

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 30 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, FM, 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 FM in connection therewith shall be paid by the Franchisee 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 would like to use a supply or equipment source that we have not approved, you must first submit to us information including product specifications, product components, product performance history, product samples, and any other relevant information. We will evaluate the proposed product considering the technical, wear, and performance properties of the item. We may also consider other factors including design, appearance, product reliability, durability, the manufacturer's warranties, quality control methods and financial ability to stand behind its products. We do not publish our criteria for approving items or suppliers. Our review is generally completed in three weeks, but we have up to 60 days to advise you in writing of our decision.

Revenue Earned from Required Purchases. We and our affiliates may derive revenue from your purchases from us, our affiliates, or our approved vendors. Currently, we do not derive revenue from the detail package.

In the year ending on December 31, 2021, SM Systems derived $32,027 in revenue from its direct sale and its vendors' sales of supplies to Franchised Businesses. This revenue figure has been sourced from SM Systems' unaudited financial statements.

In the fiscal year ending December 31, 2021, we did not earn any revenue from the required purchases of our franchisees.

Percentage Subject to Specifications. The purchase of products from us will represent 15% to 25% of your overall purchases in operating a 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. We currently do not receive rebates from any suppliers, but we may receive rebates in the future.

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. You may derive some benefit from dealing with our designated suppliers since, because of the volume of business they do with our franchisees, they may offer better prices than other suppliers but, except for this, you suffer no monetary disadvantage if you choose not to deal with our designated suppliers.

Item 9: Franchisee's Obligations

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Article I	Items 5, 11, 12
b. Pre-opening purchases/leases	Articles III.A; III.B; III.G and H; V.B, V.L.	Items 5, 7, 8
c. Site development and other pre-opening requirements.	Article V.O; V.P	Items 7, 8, 12

Obligation	Section in Franchise Agreement	Disclosure Document Item
d. Initial and ongoing training	Articles IV.B; IV.C; V-G.2; V.Q.	Items 5, 7, 11
e. Opening	IV.A; IV.B; V.B; V.L; V.N; V.P; V.O; Telephone Listing Authorization Agreement; Guarantee of Corporate Obligations.	Item 11
f. Fees	Articles III; V.K; V.Z; VII.B.i; VIII.D; IX.A.4; Exhibit B	Items 5, 6, 7, 10
g. Compliance with standards and policies/operating manual	Articles II.B; V; VI; VIII.B; VIII.D; XIII.J	Items 8, 11, 12
h. Trademarks and proprietary information	Articles I.A; V.B; V.D; V.F; V.R; V.V; VIII.B; IX.A, Exhibit A-2.	Items 13, 14
i. Restrictions on product/services offered	Articles I; V.A; V.N; V.S; V.U; V.V; VIII.B; IX.B; XIII.I and J; XIII.N.	Items 8, 16
j. Warranty and customer service requirements	Articles V.C; V.B; V-G; V.Z; XIII.J.	None
k. Territorial development and sales quotas	None	Item 12
l. Ongoing product/service purchases	Articles IV.F; V.U; V.A; V.E; XIII.I.	Item 8
m. Maintenance, appearance and remodeling requirements	Articles V.B; V.C; V.D;	Item 13
n. Insurance	Article V.L	Items 7, 8
o. Advertising	Article I.B; III.E IV.E; V.D; V.H; V.I; V.P; V.W; IX.A; Exhibit A-2.	Items 6, 11, 12
p. Indemnification	Article XI.	None
q. Owner's participation/ management/staffing	Articles V.C; V.O; V.Q. V.X; X.	Item 15
r. Records and reports	Articles VI; VIII.B; VIII.D; IX.A.	Item 6
s. Inspections and audits	Articles V.G; VI, D	Item 6
t. Transfer	Article VII	Items 6, 17
u. Renewal	Article II.B.	Item 17
v. Post-termination obligations	Articles IX; V.R.	Item 17
w. Non-competition covenants	Articles V.T; VII.E; IX, B;	Item 17
x. Dispute resolution	Article XII	Item 17
y. Other (Guaranty)	Article VII.F. and Attachment to Franchise Agreement	Item 15

Item 10: Financing

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

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

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

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

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

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

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

1. Territory. Grant you a nonexclusive license to a Territory and approve an office location within the Territory. (Franchise Agreement, Article I.A, I.B.2, IV.A, and V.O.)

2. Opening Package. Provide our Opening Package for you to purchase, as described in Item 5. (Franchise Agreement, Article II.G. and IV.A.3)

3. Initial Training. Make available to you our Initial Training as described below in this Item. (Franchise Agreement, Article VI.A.2 and IV.B)

4. Marketing Materials. Make available marketing materials, including marketing literature, brochures, and other media proofs and direct sales aids to assist you in your Franchised Business. (Franchise Agreement, Article IV.B.1)

5. Intranet. Give you access to our Intranet, which contains our Operations Manual and both mandatory and suggested specification, standards and procedures. Access to our Intranet is password-protected and must be limited to you and your employees only. We may modify our Intranet from time to time, but the modification will not significantly or materially alter your status and rights under the Franchise Agreement. However, you will be required to conduct the Franchised Business in accordance with any modification. (Franchise Agreement, Article IV.B.1 and V.F.)

6. Van Detail Package. Make available the detail package of logos for use on your service vehicles. (Franchise Agreement, Article IV.A.4).

Ongoing Assistance. During the operation of your Franchised Business, we will:

1. Approved Suppliers. Provide your equipment and supplies or provide designated sources from which to purchase your equipment and supplies. (Franchise Agreement, Article IV.F).

2. Review Proposed Suppliers. Review any suppliers or products you propose to use in your Franchised Business and provide you with our decision within 60 days of our receipt of your request. (Franchise Agreement, Article IV.F. and V.V.)

3. Marketing Materials. Update and modify, as we deem necessary, marketing literature, brochures, and

other media proofs and direct sales aids to assist you in your Franchised Business. We will also review any marketing materials that you propose. (Franchise Agreement, Article IV.E and V.D)

4. Operations Manual. Periodically update the Intranet and our Operations Manual. (Franchise Agreement, Article IV.B.1 and V.G.)

5. Additional Training. Provide additional training to replacement managers and additional training regarding new Franchised Services. (Franchise Agreement, Article IV.C. and V.G.)

Time to Open

You must successfully complete our Initial Training within six months from signing the Franchise Agreement. Within 30 days after successfully completing Initial Training, you must begin operating your Franchised Business. Typically, you will begin operating your Franchised Business as soon as you finish Initial Training. Most of our franchisees have completed Initial Training and are operating the Franchised Business within 90 to 120 days of signing their Franchise Agreement. (Franchise Agreement, Article V.R.)

Operations Manual

Our Intranet contains the Operations Manual with a total of 1,035 pages of specifications, standards, and procedures. Exhibit H to this Disclosure Document lists the Tables of Contents of the Operations Manual.

Site Selection

Your Franchised Business must operate from one office location within the Territory. We do not assist you in finding an office location or negotiate the purchase or leases for you. Your office location must be within the Territory and allow operation of the business for many crews, teams, sales forces and vehicles that may be coming and going from this location. You may locate your office in your home if such activity in your home is allowed by local ordinances and neighborhood covenants. It is your responsibility to investigate local ordinances and neighborhood covenants for the operation of your business from your selected office location. Offices are required to be open Monday through Friday 8 a.m. to 5 p.m.

You may not open a retail service location nor expand operations to more than one location within the Territory without our prior written consent. If you wish to relocate to another office location, you must obtain our written consent, which will not be unreasonably denied, prior to relocating.

We do not conform your office location to local ordinances and building codes and obtain any required permits. We do not construct, remodel, or decorate your office location; however, we provide standards for use of the Marks, which includes signage guidelines. We do not provide for necessary office equipment, signs, fixtures, and office supplies.

Advertising

National Advertising Fund. We will maintain and administer the National Advertising Fund (the "**NAF**"). You will contribute the National Advertising Fund Contribution, which is the greater of $150 or 2% of Gross Sales, to the NAF (except the $150 minimum does not apply until 90 days after you complete Initial Training).

We will determine and budget the specific use of the NAF as we deem necessary. The NAF may be spent by us, at our sole discretion, for (i) national, regional or local media or other marketing techniques or programs designed to advertise and promote the Franchised Services and/or the Marks to consumers, (ii) market research and development, (iii) monitoring and managing social media, (iv) test or target marketing, (v) the conducting of surveys, (vi) creative and production costs, (vii) employee salaries directly or indirectly related to advertising and marketing, (viii) repayment to us or our affiliates for reasonable accounting, administrative and legal expenses associated with the NAF, or (ix) on other expenses related to enhancing and promoting the general recognition of the System and the Marks. None of the NAF is spent on advertising the sale of franchise licenses.

The NAF is administered by SM Manager's accounting and marketing departments on our behalf. We do not have a franchisee advertising council. We are not obligated to ensure that any individual franchisee (including you) benefits directly, on a pro rata basis or at all, from the placement, if any, of such advertising in its local market.

In 2021, the NAF was spent on: digital media (68%); assets (3%); sales support (7%); and administrative and miscellaneous expenses (22%). The administrative and miscellaneous expense category accounts for employee/staff salaries and benefits for those who are involved in administrating the NAF, general administrative expenses, professional fees, management fees, and travel expenses for our representatives that travel in connection with the administration of the NAF.

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. Upon written request, we will provide an annual 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.

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.

Local Marketing. You must not use any advertising or promotional materials unless we approve them. If you want to use advertising materials that you develop in accordance with our brand standards guide, located on our Intranet, you must submit them to us for approval prior to use. We will respond within five business days with our decision as to whether the materials are approved. (Franchise Agreement, Articles IV.E and V.F).

We do not currently have any local or regional advertising cooperatives, but we reserve the right to initiate them in the future (Franchise Agreement, Article V.W.)

Our Marketing. We are not required to conduct any advertising anywhere, including in your Territory. However, we will make available marketing materials including marketing literature, brochures, and other media proofs and direct sales aids to assist you in your Franchised Business. These materials are our property. We will update and modify information as needed. (Franchise Agreement, Article IV.B.1)

If you have an advertising and/or marketing concept that you would like us to create and the concept will be useful for the entire franchise network, then we will review it and determine within five business days if it would be advantageous to develop the concept for use by the entire franchise network.

Computer Requirements

You must install and use a computer in the operation of your Franchised Business. If this is the purchase of a new Franchised Business**,** this cost is included in the Opening Package and listed on Exhibit G to this Disclosure Document. We currently require you to purchase and use a computer and supporting systems as required by us that meet our minimum specifications, as we may specify from time to time in the Operations Manual.

We recommend using a tablet or smart phone for servicing National Account customers. The cost of such equipment ranges from $400 to $1,000. In addition, some National Accounts may require the use of an estimating software for uploading claims for services you provide to the accounts. If you accept work from these accounts, you will be required to use the required software.

You are not required, during the term of the Franchise Agreement to upgrade your computer system. However, in the future, software may be developed that may not run on older equipment and you may choose to upgrade your equipment to use the software.

We do not have independent access to the information that will be generated or stored in any computer system in your business. We do have a right to audit the records of your business. Some of the records which are reviewed in an audit are in the software on your computer system, and we do have a right to examine those records.

Training

Initial Training. Our Initial Training consists of (i) a pre-training program that can be completed at your home online in approximately 50 hours (the "**Pre-Training Program**") and (ii) a two-week training program that is typically held five times per year at our training center in Memphis, Tennessee, but may be held virtually when travel or in-person meetings are restricted. You are encouraged to attend Initial Training as quickly as possible after you have completed your Pre-Initial Training, which includes the submission of certain forms and materials to us. If fewer than four people are signed up for your scheduled training, we reserve the right to delay training until the next available session of four or more attendees but within six months of the purchase of your Franchised Business.

We provide Initial Training for one person and will, at your request, train others you need to have trained on a "space-available" basis. The cost of this Initial Training for one person is included in the Initial Franchise Fee. You must pay an additional training fee of $450 for each additional trainee attending our in-person training. Prior to attending Initial Training, any trainees must have a medical respirator exam fitting and bring the respirator to training. You must complete our Initial Training to our satisfaction or re-attend the Initial Training within six months at your own expense. We recommend that all partners or agents who will provide Franchised Services also complete the Initial Training program.

Within six months after successfully completing Initial Training, you must return for one week of post-training ("**Post-Training**"). The cost for Post-Training for one person is included in the Initial Franchise Fee. You must pay an additional training fee of $450 for each additional trainee attending Post-Training. You must complete Post-Training to our satisfaction within six months after the purchase of your Franchised Business if this is a new franchise.

We will provide our training programs to any replacement officer or manager at a cost to be determined from time to time by us.

Our current training program is as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
***Pre-Training*:**			
Review materials on business, office, and shop set up, marketing, developing a business plan; purchase online medical respirator exam and respirator fit test.	50	0	At your location

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Franchise Initial Training:			
General Business Start-Up and Development (Commercial and Residential Sector, Pricing, FM Support, Customer Service Skills), Respirator Fit Test (Note 4)	10	0	Franchisor's Training Center, Memphis, TN
Marketing and Sales (Marketing Your Business, Marketing Review and Presentation) (Note 5)	8	0	
Technical Training (Color, Precision Repair, Refinishing, Image Enhancement, Polishing, Structural Repair)	15	34	
Accounting Software Training	16	0	At your location
Post-Training:			
General Technical and Marketing Review	0	28	Franchisor's Training Center, Memphis, TN
Water and Fire Disaster Restoration Claims of Furniture and Cabinets	12	0	
TOTAL	111	62	

The total hours for Initial Training will vary based on the number of people in each session. Initial Training is conducted in a classroom environment, in a "hands-on" laboratory environment in our Training Center in Memphis, Tennessee. Each technical subject includes hands-on guided application and practice time. Our Operations Manual is provided as instructional material.

Our Initial Training classes are conducted by Gina Moss, our Manager of Technical Training. Ms. Moss has been on our or our Predecessor's staff since January 2012. She has over 25 years of experience, including twenty years with her own business specializing in color and finish repair restoration for wood cabinetry, furniture and kitchen cabinet refacing. Additional members of our executive team may participate in portions of Initial Training, but Ms. Moss will be the primary trainer. We do not specify a minimum level of experience for other individuals who may participate in portions of Initial Training.

Additional Training. We will, in our sole discretion, make available additional training in furniture, cabinet, and wood repair, fabrication, and restoration techniques and business operations for Franchised Businesses. If you request such training in writing, we will provide it at mutually agreeable times. Otherwise, such training will be at a location and time designated by us or by other reasonable medium.

We may require you and your agents who provide Franchised Services to complete certain additional training programs. All franchisees providing Franchised Services must either attend our national convention or successfully complete a training course for each authorized Franchised Service at least once per calendar year. We may charge a reasonable fee for all additional training to offset our costs.

We usually have an annual convention of franchisees, and there is a fee charged to attend. You are not required to attend the annual convention unless you are QFR certified and you receive $7,500 or more of annual work through the Claims Capture Unit.

If you participate in our QFR Program, you must complete our certification class, which consists of a webinar on QFR procedures. There is no fee for this class.

Travel and Living Expenses. You are responsible for paying the travel, living expenses, and wages of you and your trainees during any training programs or conventions, including, without limitation, Initial Training and Post-Training.

Additional Assistance. Even though the Franchise Agreement does not require us to, as of the effective date of this Disclosure Document, it is our current habit to provide a telephone inquiry line for technical advice, business development, product information, marketing assistance and other information related to the day-to-day operation of the Franchised Business. In addition, we currently provide you with access to our Intranet and a monthly newsletter that contains helpful information about your Franchised Business, new developments and other topical items.

Item 12: Territory

We will designate the Territory within which you will perform services. We will determine the Territory based on population, population density, affluence, geographical terrain and market potential. We use the current United States Census Bureau figures when considering population estimates.

You will not receive an exclusive territory. You may face competition from other franchisees or from other channels of distribution or competitive brands that we control. We have the absolute right to establish, or license others to establish, additional Franchised Businesses inside or outside the Territory in our sole discretion. The number of Franchised Businesses licensed to operate in the same Territory may vary from time to time and may not remain constant.

You may not advertise or solicit for Franchised Services outside your Territory or through the internet, catalog sales, telemarketing, or other direct marketing. You may not provide Franchised Services outside your Territory, except as allowed under the terms of the National Accounts Program or if requested by a customer.

You are not required to participate in the National Accounts Program. You may accept business from a National Accounts lead that we provide you even if it comes from outside your Territory. We reserve the right to determine the appropriateness of any allocation of any prospective leads. You are required to honor our obligations to any such National Account customer. There may be a modification or reduction of your rights to your Territory because the National Accounts Program allows us to award leads from the program at our sole discretion. We do not pay any compensation for leads within your Territory.

Your territorial rights are based solely on compliance with the Franchise Agreement. There are no sales quotas, but you must not abandon the Franchised Business and must continue to operate it in accordance with the Franchise Agreement.

You must operate or conduct your Franchised Business from only one location within your Territory, unless otherwise approved in writing. You may operate as many crews, teams, sales forces and vans as you want, but all phones must be located at and answered from this one location. You may not transfer your Franchised Business from one territory to another.

There is nothing in the Franchise Agreement that prevents us from providing the Franchised Services or any other services under the Marks or any other name in your territory. As of the effective date of this Disclosure Document, we have no company-owned operations and have no plans for operating a business under a different trademark for similar services as those you will provide. We market and solicit customers through alternate channels of distribution such as the internet using the Marks. A consumer visiting our web site can search for a Franchised Business within their locale and the consumer can contact the Franchised Business directly via e-mail or a telephone call.

There is nothing in the Franchise Agreement that gives you a right of first refusal or any other right to buy additional Franchised Businesses in any area.

If you are a QFR Franchise, we will designate an area (usually using zip codes) in which you will be permitted, as long as you are in compliance with the QFR Program Standards, to perform QFR services. You do not have any exclusive right, however, to receive leads for jobs to be performed in these designated zip codes. Rather, we have the absolute right to designate an area and distribute leads or not distribute leads according to its judgment. It is possible that you may receive no leads under this program or under any of our National Accounts programs. You must pay a Job Fee on all revenue producing leads including inspections.

Further, if you are not a QFR Franchise: (1) you will not qualify to receive consideration for QFR job leads for services to be provided within your Territory; and (2) you will have no option or other similar right of refusal with respect to any QFR leads.

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

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

Item 13: Trademarks

If we grant you a franchise, we will grant you the right to operate such franchise under the 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 Securitization Transaction, ServiceMaster acquired the Marks from SM IP, which had acquired them from Predecessor, Former Parent, or other former affiliates of Predecessor in the Acquisition. Predecessor, Former Parent, or our Predecessor's other former affiliates have registered the Marks listed below on the Principal Register of the United States Patent and Trademark Office (the "**USPTO**") and filed all necessary affidavits and renewals for such Marks. ServiceMaster is in the process of recording its ownership of the Marks with the USPTO.

Mark	Registration No.	Date of Registration
FURNITURE MEDIC	1,712,243	September 1, 1992
RX (design mark)	1,882,533	March 7, 1995
FURNITURE MEDIC	4,048,505	November 1, 2011

ServiceMaster has licensed the Marks and other intellectual property related to the operation of Franchised Businesses (collectively, the "**Licensed IP**") to us and authorized us to use the Licensed IP in connection with the offer, sale, and support of franchises. The license agreement does not contain any significant limitation on our right to use or license the Licensed IP to you. The license agreement has a 99-year term and may be terminated unilaterally by either party only upon a material breach of such agreement. Upon termination of the license agreement, we and our franchisees must immediately discontinue the use of the Licensed IP.

There are no agreements currently in effect which significantly limit our right to use or license franchisees to use the Marks.

There is currently no litigation involving our Marks or any effective determinations by the U.S. Patent and Trademark Office or any state.

The Franchise Agreement grants you the license to do business under the Marks in your Territory only and outside your Territory as outlined in Item 12 and the Franchise Agreement. You must follow all rules stated in the Franchise Agreement regarding the use of our Marks. You may only use the Marks when operating your Franchised Business. You may only use the Marks that we license you to use. You cannot sell any service in your Franchised Business that is not under the Marks.

If you learn of any infringement of the Marks or if any challenge to your use of any Marks is made, you must notify us immediately and you must assist us in prosecution or defense of a legal action. We will take whatever action we deem appropriate for infringement on any of our Marks but will defend you if you are named as infringing on someone else's trademark because of your use of any of our Marks.

If we modify any of our Marks, you must make the same modification at your own cost. If we stop using any of our Marks, you must also stop using that Mark. You must not contest our ownership, title, right or interest in the Marks, trade secrets methods and procedures or contest our sole right to register, use or license others to use our Marks, trade secrets, methods and procedures.

We are unaware of any infringing uses of the Marks that could materially affect your use of the Marks in your business.

Item 14: Patents, Copyrights and Proprietary Information

There are no patents material to the purchase of the franchise, and we do not have any pending patent applications material to the franchise. We or our affiliates claim proprietary rights in the information on our Intranet and in our Operations Manual, advertising and promotional materials, forms and related materials that we or our affiliates 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 Securitization Transaction, ServiceMaster acquired from SM IP ownership of the following copyrights that had been registered by our 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	Expiration Date
ServiceMaster Corporate Objectives	TX0006993613	April 7, 2009	April 7, 2103
The ServiceMaster Commitment and Core Objectives	TX0007385324	April 5, 2011	March 15, 2105

ServiceMaster licenses the copyrights, as part of the Licensed IP, to us through the license agreement described in Item 13.

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

You must devote your full time, energy and best efforts to the management and operation of the Franchised Business, except as otherwise approved in writing by us.

If we allow you not to personally supervise the business, you must employ a manager who will be responsible for direct, on-premises supervision of the business. The manager must have successfully completed the Initial Training and Post-Training but need not have an ownership interest if you are a corporation, partnership, or limited liability company. You are responsible for restricting your managers from improperly using or disclosing our confidential information

If you are a corporation, partnership, or limited liability company, we will require all shareholders, partners, or members, and their spouses, to sign the Guaranty of Franchisee's Obligations attached to the Franchise Agreement. In addition to providing a personal guaranty, each shareholder, partner, or member, and their spouses, will be required to sign the Item 23 Receipt attached to this Disclosure Document prior to signing a Franchise Agreement.

Item 16: Restrictions On What the Franchisee May Sell

You must offer and provide the Franchised Services we require. We have the right to change the Franchised Services without limitation. These Franchised Services include furniture and wood repair and restoration services. We must approve in writing any additional service you may want to offer. If you purchase supplies, products or equipment for use in your Franchised Business from anyone other than us, each must be approved by us.

Further, we have the right to put limitations on QFR leads that we may develop for our QFR Franchisees. We assign leads in our sole discretion and it is possible that you may receive no leads even if you participate in our QFR and National Accounts programs. Procedures, policies and other terms and conditions regarding the QFR Program are provided in the QFR portion as published from time to time on our Intranet.

We have the right to add additional services that you may be required to offer. You must successfully complete training to our satisfaction for any additional products and services. There are no limits on our right to add additional services, and you may incur additional costs to offer these expanded services and products. See Items 8, 9, and 12 for further details.

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.

Provisions	Article in Franchise Agreement	Summary
a. Length of Franchise Term	II.A.	Term is 5 years from effective date of the Franchise Agreement.
b. Renewal or extension of the term	II.B.	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 you to renew or extend	II.B.	In order to enter into a renewal term, you must satisfy, in our sole discretion, the following conditions: you must (i) deliver to us written notice 6 to 12 months before the expiration of your Franchise Agreement of your intent to renew your Franchise Agreement; (ii) execute the then-current form of Franchise Agreement, which may contain commitments which differ materially from the terms of your present Agreement, including an increased Royalty Fee; (iii) execute, along with your owners and affiliates, a general release in our favor; (iv) not have received 4 or more written notices of a material breach of your Franchise Agreement from us during the term of the Franchise Agreement (whether or not the breaches were corrected within the prescribed cure period after receipt); (v) satisfy all monetary obligations then due and owing by you; (vi) agree, in writing, to operate the Franchised Business in accordance with our then-current standards and specifications; and (vii) pay us a renewal fee of $2,000. 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 sales.
d. Termination by franchisee	Not applicable	You must notify us in writing of your intent to self-terminate, giving an effective date, sign a release, pay all amounts owed to us under the entire term of the Franchise Agreement (subject to state law).
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause*	VIII	We can terminate only if you have defaulted on your Franchise Agreement or any other agreement between you and us or our affiliate (such as RWL).
g. "Cause" defined – curable defaults	VIII.D.	You have 30 days to cure: Nonpayment of fees; failure to submit or accurately report Gross Sales, annual Gross Sales or submit any other reports; failure to

Provisions	Article in Franchise Agreement	Summary
		obtain and maintain a business license; failure to abide by or perform any of the terms of the Franchise Agreement; default of any obligation contained in any Promissory Note payable to us or our affiliates; marketing or sales solicitation outside your Territory; material misrepresentations, maintaining false books or records, submitting false reports; use of unapproved products; failure to complete training in a manner satisfactory to us; unauthorized sale or transfer of license; non-compliance with insurance requirements; default of any provision of the Franchise Agreement, or any other agreement between you, your owner, or your affiliates and us or our affiliates or any other agreement related to the Franchised Business (“**Related Agreement**”).
h. "Cause" defined – non- curable defaults	VIII.A and VIII.B.	Non-curable defaults: Insolvency; bankruptcy; abandonment, i.e. 2 months without sales, no business phone, no service vehicle; conviction/no contest plea to a felony; 4 or more default notices; unethical business practices; disclosure or misuse of trade secrets or confidential information; any Related Agreement is terminated due to a default by you, your owners, or your affiliates.
i. Franchisee’s obligations on termination / non-renewal	IX.A.	Obligations include: stop using the Marks; release phone numbers to us; within 10 days ship everything with the Marks back to us; de-stripe or de-identify van and send photos; pay outstanding fees; pay the minimum fee for the remainder of the contract term.
j. Assignment of contract by franchisor	VII.I.	No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	VII.A; VII.B; VII.C; and VII.D.	Includes assignment, sale or other transfer by you of: any interest in the Franchise Agreement; any of the ownership of franchise; the business; sale of capital stock or partnership interest in the business; merger; issuing additional stock; sale of common stock; transfer resulting from divorce or other legal action; transfer as result of death; sale of assets of business
l. Franchisor approval of transfer by franchisee	VII.A and VII.B.	We will not unreasonably withhold consent to a transfer of any interest in the Franchise Agreement or the Franchised Business provided that you have fulfilled the terms of the transfer policy. Any assignment or transfer without our prior written consent shall be null and void and shall constitute a material breach of the Franchise Agreement.
m. Conditions for franchisor approval of transfer	VII.B.	New owner must: have business experience and financial ability to assume license; assume license obligations; complete training; have service vehicle; and sign the then-current Franchise Agreement. You must: obtain our written consent prior to any

Provisions	Article in Franchise Agreement	Summary
		assignment or transfer; be current in all fees and not in default of license; pay applicable transfer fee; sign release in favor of us; sign non-compete in favor of new owner; agree that new owner's installment payments to us are subordinate to new owner's payments to you; replace any missing equipment, supplies or other assets transferred to new owner at your sole expense; fulfill all obligations of the then-current transfer policy; and provide for continuous operations of Franchised Business during transition to new owner.
n. Franchisor’s right of first refusal to acquire franchisee’s business	XIII.K.	You must offer to sell your Franchised Business to us in writing for a specific price before selling it to anyone else. We may decline or accept within 60 days of receipt of your offer. Should we decline, you can sell to a third party, but not at a lower price or on more favorable terms than offered to us. If Franchised Business is not sold within six months from the date offered to us, then you must re-offer to sell to us prior to a sale to a third party.
o. Franchisor’s option to purchase franchisee’s business	XIII.K.	We do not have to buy your Franchised Business and must answer your offer to sell within 60 days of getting it.
p. Death or disability of franchisee	VII.D.	Your executor can assign your Franchise Agreement, but we must approve the new owner and the Franchise Agreement must be assigned within six months of the date of death or permanent disability.
q. Non-competition covenants during the term of the franchise	V.T.1. and Nondisclosure and Noncompetition Agreement	You, your principals, partners, and their spouses cannot be involved in a business that competes with Franchised Businesses (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	V.T.2. and IX.B. and Nondisclosure and Noncompetition Agreement	You, your principals, partners, and their spouses cannot be involved in a business that competes with Franchised Businesses in the lesser of adjacent counties of the Territory or 75 miles from the outside border of the Territory for two years (subject to state law).
s. Modification of the license	XIII.I.	We may adopt and use new or modified Marks, copyrighted materials, products, equipment or techniques without liability to you and you agree to comply with the modifications even if such modifications.
t. Integration/merger clause	XIII.L.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement many not be enforceable.
u. Dispute resolution by arbitration or mediation	XII.	All disputes must be resolved by arbitration except those set forth in Article XII, Paragraph 5 and where prohibited by your state’s law (subject to state law).
v. Choice of forum	XII.A.1.	Subject to applicable state laws, all claims must be arbitrated or litigated in the city in which our principal

Provisions	Article in Franchise Agreement	Summary
		place of business is located (currently, Atlanta, Georgia).
w. Choice of law	XIII.G.	Subject to applicable state laws, Georgia law applies.

Item 18: Public Figures

We 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 financial performance 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 the Legal Department, Furniture Medic SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328, 800-756-5656, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchisee Information

As noted in Item 1, Predecessor was the franchisor of the Furniture Medic® system prior to the closing of the Securitization Transaction in December 2020.

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

Table No. 1
Systemwide Outlet Summary for Years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	**2019**	197	199	2
	2020	199	201	2
	2021	201	195	-6
Company-Owned	**2019**	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	**2019**	197	199	2
	2020	199	201	2
	2021	201	195	-6

Table No. 2
Transfer of Franchised Outlets for Years 2019 to 2021

State	Year	Number of Transfers	State	Year	Number of Transfers	State	Year	Number of Transfers
CA	**2019**	0	**MI**	**2019**	2	**TN**	**2019**	1
	2020	0		**2020**	0		**2020**	0
	2021	1		**2021**	0		**2021**	0
FL	**2019**	1	**OK**	**2019**	0	**VA**	**2019**	0
	2020	0		**2020**	1		**2020**	1
	2021	0		**2021**	0		**2021**	0
IL	**2019**	0	**NY**	**2019**	2	**Total**	**2019**	**7**
	2020	1		**2020**	0		**2020**	**5**
	2021	0		**2021**	0		**2021**	**1**
MD	**2019**	1	**SC**	**2019**	0			
	2020	1		**2020**	1			
	2021	0		**2021**	0			

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

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	**2019**	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
AR	**2019**	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
AZ	**2019**	6	0	1	0	0	0	5
	2020	5	0	1	0	0	0	4
	2021	4	0	0	0	0	0	4
CA	**2019**	28	2	0	1	0	1	28
	2020	28	1	0	0	0	0	29
	2021	29	0	2	0	0	0	27
CO	**2019**	8	2	0	0	0	0	10
	2020	10	1	0	0	0	0	11
	2021	11	0	0	0	0	0	11
CT	**2019**	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
FL	**2019**	10	0	0	0	0	0	10
	2020	10	0	0	0	0	0	10
	2021	10	0	0	0	0	0	10

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
GA	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
HI	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
IA	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
ID	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
IL	2019	12	0	1	0	0	0	11
	2020	11	0	1	0	0	0	10
	2021	10	0	2	0	0	0	8
IN	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
KS	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
KY	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
LA	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
MA	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
MD	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
ME	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
MI	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
MN	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	2	0	0	0	0

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
MO	2019	5	0	0	1	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
MS	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NC	2019	7	0	0	0	0	0	7
	2020	7	2	0	0	0	0	9
	2021	9	1	1	0	0	0	9
NE	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NH	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
NJ	2019	10	0	0	0	0	0	10
	2020	10	0	0	0	0	0	10
	2021	10	0	0	0	0	0	10
NM	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NV	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
NY	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
OH	2019	3	2	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
OK	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
OR	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
PA	2019	7	0	0	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
SC	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4

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
SD	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
TN	2019	7	0	0	0	0	0	7
	2020	7	1	0	0	0	0	8
	2021	8	1	1	0	0	0	8
TX	2019	21	0	0	0	0	0	21
	2020	21	0	1	0	0	1	19
	2021	19	0	0	0	0	0	19
UT	2019	2	0	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
VA	2019	8	0	0	0	0	0	8
	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
WA	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
WI	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
WV	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
WY	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Totals	2019	197	8	3	2	0	1	199
	2020	199	6	3	0	0	1	201
	2021	201	2	8	0	0	0	195

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

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
Totals	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5
Projected Openings As of December 31, 2021
For Fiscal Year Ending on December 31, 2022

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
California	0	1	0
Colorado	0	1	0
Florida	0	1	0
Georgia	0	2	0
Massachusetts	0	1	0
New York	0	1	0
Tennessee	0	1	0
Texas	0	2	0
Total	**0**	**10**	**0**

The name, business address, and business telephone number of each current franchisee as of December 31, 2021, 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 Predecessor have entered into confidentiality clauses with former franchisees during the past three years. In some instances, current and former franchisees have signed during the last three years 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 of those 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

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

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

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

Also attached to this Disclosure Document as Exhibit B are the unaudited balance sheets and income statements of SM Systems and SM Manager as of February 28, 2022. These financial statements are unaudited and include, in the opinion of management, normal recurring adjustments necessary to fairly state each company's financial condition as of that date. These financial statements have not been reviewed by an accountant and do not contain any financial statement notes.

Item 22: Contracts

This Disclosure Document contains the following contracts:

Exhibit A – Franchise Agreement
Exhibit F – State Addenda to FDD and Franchise Agreement
Exhibit I – General Release
Exhibit J - QFR Program Standards and Agreement

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 K). You should keep one copy for your file and return the second copy to us.

FDD EXHIBIT A

FURNITURE MEDIC FRANCHISE AGREEMENT

THIS FURNITURE MEDIC FRANCHISE AGREEMENT is signed this_____day of_______________, 20___, and effective this__________day of________________, 20___by and between

FURNITURE MEDIC SPE LLC

One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328 (hereinafter referred to as "FM")

AND

____

____

doing business as a_____________under the name

____
("dba name")

____
E-mail Address

(hereinafter the "Franchisee")

RECITALS:

WHEREAS FM has developed a system (hereinafter referred to as the "System") for the marketing of furniture and wood repair products and other furniture, wood, and cabinet restoration, repair, fabrication, and refinishing services (hereinafter referred to as the "Franchised Services"); and

WHEREAS FM has created substantial goodwill associated with its trade name, trademarks, service marks, insignias, and logos, both as presently existing and as FM may hereafter designate (hereinafter collectively referred to as the "Marks"); and

WHEREAS Franchisee desires to obtain the right to use the Marks in conjunction with the operation of a mobile and/or fixed location furniture, wood, and cabinet repair, restoration, fabrication, and refinishing business (the "Franchised Business") and desires to obtain experience and know-how with respect to the sale of the Franchised Services and the System; and

WHEREAS Franchisee acknowledges that Franchisee has fully reviewed this Agreement and obtained advice and counsel from its own advisors prior to executing this Agreement; and

WHEREAS Franchisee acknowledges the importance of the Marks and the need to maintain the uniform high standards of quality, appearance and service associated therewith and recognizes the necessity of operating the Franchised Business in accordance with the provisions of this Agreement and all of the standards and specifications of the System.

NOW THEREFORE, the parties hereby agree as follows:

ARTICLE I: GRANT OF RIGHT

A. Subject to the terms and conditions hereof, FM hereby grants to Franchisee and the Franchisee undertakes the obligation, upon the terms and conditions contained in this Agreement, the non-exclusive right (hereinafter referred to as the "License") to use the Marks and solely in connection with the Franchised Business, FM's System, as it may be changed, improved and further developed from time to time in conjunction with the sale of Franchised Services in the territory described in the attached as Exhibit A-1 (hereinafter referred to as the "Territory"). The term "Territory" shall refer specifically to the Territory granted to the Franchisee by this Agreement. The Franchisee expressly acknowledges and agrees that this license relates solely to the license specified herein and does not grant the Franchisee any rights not specifically contained in this Agreement. The Franchisee understands and agrees that other franchisees have been and will be licensed to operate similar businesses that utilize the FM System within the Territory and elsewhere. Franchisee understands that other franchisees may be parties to agreements containing more or different rights than contained in this Agreement.

The Franchisee will operate the Franchised Business within the Territory at the office location set forth in the introductory portion of this Agreement. The Franchisee may relocate to another office location within the Territory if the Franchisee notifies FM in writing of any change in the location of the Franchised Business within ten (10) days prior to any such relocation.

The license includes the right to conduct a furniture, wood, and cabinet restoration, repair, fabrication, and refinishing business including, but not limited to, services for moving claims, residential services, commercial services and water and fire restoration service.

B. FM hereby grants Franchisee the non-exclusive License to operate the Franchised Business within the Territory, subject to the terms of Article V and the following provisions:

1. The Franchisee shall use its own judgment in determining which promotion, marketing and/or advertising methods it desires to utilize in the solicitation of customers in the Territory subject to Article V, Paragraph H of this Agreement;
2. The Territory will be determined by FM. The number of Licenses authorized within the Territory as the designated territory may vary from time to time and may not remain constant. Other pre-existing franchisees may have greater rights or restrict Franchisee's rights to perform the Franchised Services. FM shall have the exclusive right to locate Licenses within the Territory and unrestricted right to engage directly or indirectly in the Territory or elsewhere in the distribution of services under the Trade Mark or other marks licensed herein.
3. The Franchisee may not market the Franchised Business or solicit an account or business outside the Territory. The Franchisee may perform services for a customer outside the Territory if a customer initiates the request or if referred to by FM.
4. FM reserves (for itself and its affiliates, including without limitation its Parent) any and all rights to acquire businesses that are the same as or similar to the Franchised Business regardless of whether such businesses are located within or outside the Territory.

C. FM hereby grants Franchisee the non-exclusive right to service sales calls (hereinafter referred to as "National Account Sales Calls") from those National Accounts either inside or outside Franchisee's Territory under terms and conditions of the agreement between FM and each National Account, the number of which may be added to from time to time. Such non-exclusive right shall be governed by the terms and conditions as set forth throughout this Agreement. Franchisee understands that FM will establish the rules under which Franchisee will participate and be compensated for participation in the National Account Sales Calls and FM may terminate or modify the National Account Sales Calls consistent with the terms of the National Account Participation Guidelines.

D. FM may service accounts for the benefit of FM in areas available per Article I, Paragraph B. 2.

E. As used in Article I, Paragraph C, the term "National Account Sales Calls" shall be defined as all customer service calls generated through or as a result of any National Account.

ARTICLE II: TERM AND RENEWAL

A. Initial Term. Except as otherwise provided in this Agreement, the term of this Agreement and the License granted hereunder shall be for a period of five (5) years from the effective date hereof ("Initial Term").

B. Renewal Term. The parties shall also have the option to renew the License to operate the Franchised Business for an additional consecutive five (5) year term, provided that by the end of the Term of this Agreement, Franchisee meets, in Franchisor's sole discretion, the following conditions:

1. Franchisee must deliver to FM, not less than six (6) months and not more than twelve (12) months prior to the expiration of this Agreement, written notice of Franchisee's intent to renew this Agreement;
2. Franchisee must execute the then-current form of franchise agreement (the "Renewal Franchise Agreement"), which shall supersede this Agreement in all respects and terms, and may contain commitments which differ from the terms of this Agreement, including, without limitation, an increased monthly Royalty Fee;
3. Franchisee and each owner/affiliate of Franchisee must execute a general release, except for any claims exclusively related to the successor franchisee (where expressly so required by applicable law);
4. Franchisee must not have received four (4) or more written notices, signed by an officer of FM, of a material breach of this Agreement from FM during the Term of this Agreement, whether the breaches were corrected within the prescribed cure period after receipt of written notice of the breach;
5. All monetary obligations then due and owing by the Franchisee or its affiliates related to the Franchised Business must be satisfied prior to renewal;
6. Franchisee must agree in writing to operate the Franchised Business in accordance with FM's then-current standards and specifications; and
7. Franchisee must pay FM a renewal fee of $2,000 (unless otherwise specified in Article II, Section E.).

C. Non-renewal. If (i) Franchisee delivers to FM, not less than six (6) months and not more than twelve (12) months prior to the expiration of this Agreement, written notice of Franchisee's intent to not renew this Agreement or (ii) FM determines, in its sole discretion, that Franchisee cannot satisfy the renewal conditions, this Agreement shall expire at the end of the then-current term.

D. Temporary Extension. If Franchisee fails to execute the Renewal Franchise Agreement and general release and complete the renewal process by the expiration of the Initial Term and Franchisee intends to continue operating the Franchised Business, then, in FM's sole discretion, the term shall continue on a month-to-month basis provided, however, that FM 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 Royalty Fees payable under Article III, Section D shall increase by an amount equal to 2.5% of Gross Sales during each month that Franchisee does not renew until the Agreement is either renewed or terminated. By accepting any increased Royalty Fees, FM 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.

E. Exceptions to Renewal Fee. For those franchised territories that were originally purchased prior to January 1, 2015, and if the ownership conditions remain as they were on the later of the date of original signature or January 1, 2015, the following exemption from renewal fees will apply:

1. Notwithstanding this Article II, Paragraph B, so long as the persons bound by this Agreement or their adult qualified immediate family members by succession or transfer, remain the only persons bound by this Agreement at the time of renewal of this Agreement or any successor Agreement, any renewal agreement at that time will have no fee payable upon renewal. Any other change in ownership will nullify the exemption from paying renewal fees contained in this section.
2. Notwithstanding this Article II, Paragraph B, for those franchised territories owned by a corporation, limited liability company or other legal entity, so long as those persons (or their adult qualified immediate family members by succession or transfer) owning 66 percent or more of the voting and 66 percent or more of the non-voting interest in the corporation, limited liability company or other legal entity constituting the Franchisee, or their heirs by succession or transfer, remain the owners of the franchised entity at the time of renewal of this agreement or any successor agreement, any renewal agreement at that time will have no fee

payable upon renewal. In the event that a transfer or series of transfers results in the current owners (or their adult qualified immediate family by succession or transfer) having less than 66 percent of the voting or less than 66 percent of the non-voting interest in the corporation, limited liability company, or other legal entity constituting the Franchisee, than the exemption from paying a renewal fee in this section will be null and void and the Franchisee will be required to pay a renewal fee in accordance with Article II, Paragraph B.7.

3. For purposes of this Article II, Paragraph B.7., immediate family members include the following: spouse, child, stepchild (if adopted), grandchildren (but only if the grandchildren are from a child or adopted step child), daughter-in-law, or son-in law. Immediate family member includes siblings, but only if the sibling was originally an owner of the business or if they obtained ownership in a qualified transfer under this section.
4. For purposes of clarification, all franchised territories that were originally purchased after December 31, 2014, and all franchised territories that have changed ownership conditions on or after December 31, 2014 (except as permitted in Article II, Paragraph B.7.1 and Article II, Paragraph B.7.2) will be required to pay the then-current renewal fee on all franchised territories.

ARTICLE III: INITIAL AND CONTINUING FEES

A. Initial Franchise Fee. Upon submission of this Agreement for execution by FM, the Franchisee shall pay to FM the Initial Franchise Fee of Thirty-Three Thousand and xx/00 Dollars ($33,000) unless this is a Renewal Franchise agreement, a Conversion Franchise agreement, or a license otherwise subject to an applicable discount.

B. Training Fee. In the event Franchisee requires more than one individual to attend training, Franchisee agrees to pay the then-current Training Fee per additional trainee(s) upon execution of this Agreement by Franchisee which covers the various training materials provided to the additional persons attending training and other expenses for two weeks. The Initial Franchise Fee and Training Fee are fully earned and nonrefundable upon execution of this Agreement by FM.

C. Payment Methods. The Franchisee must participate in FM’s then-current electronic funds transfer and reporting program(s). The Franchisee will report Gross Sales and monthly Royalty Fees including the Software Fees and National Ad Fund (“NAF”) Contributions (together, the “Monthly Fees”) due via online reporting, or in any other manner as designated by FM, by the dates specified by FM from time to time on the Intranet or otherwise in writing. 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 outlined in Paragraph F below. In addition, Franchisee agrees to pay any expense incurred by FM, including costs and attorneys’ fees, for the collection of such Monthly Fees. If the Franchisee has not reported Gross Sales for any reporting period, FM will be authorized to debit Franchisee’s bank account (the “**Account**”) in an amount equal to the greater of the non-reported payment (if FM 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 Sales was provided to FM. If at any time FM determines that the Franchisee has underreported Gross Sales or underpaid any fees due to FM under this Agreement, FM 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 FM and the Franchisee determine that such credit is due.

D. Royalty Fees.

1. The Franchisee shall pay FM a continuing monthly Royalty Fee during the Term of this Agreement in an amount of seven percent (7%) of Gross Sales on Core Services and in an amount of two percent (2%) of Gross Sales on certain Identified Services or no less than $250 (the “minimum monthly” Royalty Fee) on all types of services sold under the Marks by the Franchisee or its employees as defined in FM’s current royalty policy. Royalty Fees shall be paid by the day of the month specified on the Intranet following the month in which the Gross Sales are made.
2. During the first ninety (90) days after completion of Initial Training (the “Grace Period”), the Franchisee shall pay a Royalty Fee based only on actual Gross Sales. This initial minimum fee waiver shall not apply to transfer, renewal, or amended agreements. Moreover, the initial minimum Royalty Fee waiver does not affect or in any way alter the Franchisee’s obligation to pay all monthly Royalty Fees for services performed by the Franchisee during the Grace Period or before the completion of training.
3. "Gross Sales," as used in this Agreement, shall be defined as the total of sales invoices or other items billed to the customer, less any bad debt, sales tax or credits allowed to the customer. Any bad debt adjustment or other restatement of Gross Sales must be taken within twelve (12) months of the invoice date and documented to FM’s satisfaction.

4. Except as prohibited by applicable local, state or federal laws, FM reserves the right to apply any amount FM receives from or on behalf of Franchisee to Royalty Fees and/or supply account amounts then due and owing.

E. National Advertising Fund Contribution.

1. In addition to other fees and charges provided for herein, Franchisee shall pay to FM a National Advertising Fund Contribution ("NAF Contribution") of the larger of One Hundred Fifty Dollars ($150) or two percent (2%) of Gross Sales as defined above. Should the minimum monthly NAF Contribution be the larger of the two fee amounts due during the first ninety (90) days after completion of training, (the “Grace Period”), the Franchisee shall pay a NAF Contribution based only on actual Gross Sales. This initial minimum fee waiver shall not apply to transfer, renewal, or amended agreements. The 2% NAF Contribution on National Accounts sales will be deducted from the payment you receive from FM. This rate is applicable only to new Franchisees through new sales or transfers.
   Existing Franchisees who have a Franchise Agreement effective prior to April 1, 2013, shall be allowed to continue to pay a NAF Contribution equal to the greater of $50 or 1% of Gross Sales until their second Franchise Agreement renewal after April 1, 2013. At the second renewal, these Franchisees will be required to begin paying at the then-current NAF Fee contained in the then-current Franchise Agreement.
2. FM shall spend contributions accumulated in the NAF on national, regional or local media and other market techniques or programs designed to communicate the Franchised Services to the public, including advertising support for the National Accounts Program whether or not Franchisee participates in the National Accounts Program. In addition, these funds may also be expended by FM in its discretion for market research and development, monitor and/or manage social media relating to the System, test or target marketing, the conducting of surveys, creative and production costs, employee salaries related to advertising and marketing, reimbursement to FM for reasonable accounting, administrative and legal expenses associated with the NAF, or for other purposes deemed appropriate to enhance and promote the general recognition of the System and Marks.
3. The specific use of the NAF for the purposes set forth herein shall be determined and budgeted by FM as deemed necessary. The parties hereby acknowledge and understand that funds in the NAF may be expended in any territory (national, regional or local) without any requirement that expenditures of the NAF be apportioned on the amount of contributions by Franchisee, or by other formula or system.

F. Date Due: Interest. All Monthly Fees required by this Article III shall be reported to FM by the day of each month specified by FM and must be paid to FM by the day of each month specified by FM for sales in the previous calendar month. Any payment or report not actually received by FM on or before such date shall be deemed overdue if not postmarked at least one (1) day prior to the due date. If any payment owed to FM for any outstanding amount is overdue, the Franchisee shall pay FM, in addition to the overdue amount, interest on such amount from the date it was due until paid at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. If any fee report is overdue, the Franchisee shall pay to FM a delinquency fee of $50 per delinquent fee report. Entitlement to such interest and/or the delinquency fee shall be in addition to any other remedies FM may have. The Franchisee understands that FM may, at FM’s discretion, assign the payment of such fees and the submission of the monthly reports to a third party.

G. Opening Package. The Franchisee shall acquire an Opening Package as designated by FM needed to make the Franchised Business operational. The Franchisee must purchase such Opening Package from FM at the then-current price, plus any applicable sales tax, shipping and handling charges. Neither a Franchisee renewing his license nor an existing Franchisee adding an additional license is required to purchase another Opening Package. A Conversion Franchise may have products and equipment that meet product and equipment standards of FM, and with FM approval may not be required to purchase the entire Opening Package. If a product or equipment item is not available, FM reserves the right to substitute a comparable item in the Opening Package with an item equal or greater in quality and value.

H. Service Vehicle Detail Package. The Franchisee shall purchase and install a logo package ("Detail Package") on the service vehicle which meets FM's standards and specifications unless this is a Franchisee renewing his license. A renewing Franchisee will have already properly identified its service vehicle.

I. National Account Fees. Each National Account agreement governs the amount charged for work done by the Franchisee under the specific National Account, and Franchisee agrees to be bound by such terms and conditions.

J. Franchisee May Not Withhold Payments. The Franchisee shall not withhold any payments whatsoever due to FM.

No endorsement or statement on any check or payment of any sum less than the full sum due to FM shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and FM 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. FM may apply any payments made by the Franchisee against any past due indebtedness of the Franchisee as FM may see fit. FM may set off against any sums payable to the Franchisee hereunder any unpaid amounts due from the Franchisee to FM.

ARTICLE IV: OBLIGATIONS OF FM

A. Pre-Operating FM shall be obligated to:
1. designate the Territory; and
2. provide the initial training, training supplies and orientation; and
3. make available to Franchisee an Opening Package for the Franchised Business; and
4. give Franchisee access to our confidential intranet site (the "**Intranet**") via a confidential password.

B. Training FM shall provide one (1) person with training including:
1. The loan of operations and marketing materials, including access to the Intranet for the Term of this Agreement, and sales and training aids, including a home study program, deemed advisable by FM from time to time. FM shall provide, from time to time, updated information and revisions to such materials as new and improved methods, systems, and procedures are adopted; and
2. Providing a training program relating to the Franchised Services and the System consisting of a mandatory Pre-Initial Training course of study which must be completed before Franchisee may attend the two-week Initial Training in Memphis, Tennessee, or other locations as deemed appropriate by FM. The cost of this training is included in the Initial Franchisee Fee and covers one (1) individual. Additional individuals may be trained but will be accepted on a "space available" basis at Franchisee's expense. At the end of this initial training, Franchisee will be tested. If Franchisee fails the test, Franchisee must re-attend training within six (6) months at his or her own expense. Those Franchisees who successfully pass the test will be required to attend a third week of training within 6 months, the cost of which is included in the Initial Franchise Fee for the first attendee.
3. Any further additional training shall be available at the request of Franchisee, in which personnel of FM for the then-current rate per day, plus expenses to include travel, lodging and meals, will train at the sole discretion of FM.

Upon the written request of a Franchisee and approval by FM, a Franchisee's Manager (non-owner) may attend the training academy and other training as set forth above. The Franchisee will be responsible for all training fees for this (non-owner) Manager to attend.

Franchisee will be responsible for all travel and living expenses incurred in obtaining training except as set forth above.

C. On-Going Training
1. FM shall at its sole discretion make available to Franchisee additional training in furniture, wood repair and restoration techniques and business operations for the Franchised Business granted to Franchisee after business operations have begun and at mutually agreeable times when requested by Franchisee in writing. Such training will be at a location and time designated by FM or by other reasonable medium.
2. FM shall provide at its sole discretion periodic training and communications to upgrade the skills of Franchisee, including training at conventions and seminars, at locations to be determined by FM. Franchisee shall pay for travel and daily living expenses incurred to attend the training and seminars.
3. FM may charge a reasonable fee for these additional training sessions to offset costs.

D. National Account Sales Calls Allocation.
1. All National Account Sales Calls shall be allocated to FM, who, in turn, shall allocate such National Account Sales Calls to its franchisees or other vendors at its sole unrestricted discretion.
2. FM may, at its sole discretion, allocate to Franchisee National Account Sales Calls outside Franchisee's Territory and may allocate National Account Sales Calls to others inside Franchisee's Territory
3. FM may, at its sole discretion enter into National Account Agreements with any National Account at any time and agrees to notify Franchisee of the terms and conditions of such new National Account Agreements.
4. FM may, at its sole discretion, terminate any National Account Agreement and shall notify Franchisee of such termination.

5. FM may apply National Account revenue to any delinquency in Franchisee's fees.
6. FM may remove access to National Accounts when a franchisee is in default under the Franchise Agreement.

E. Advertising Approval. FM shall review all advertising materials submitted by Franchisee and shall approve or deny use of such advertising materials at FM's sole discretion. If Franchisee has an advertising and/or marketing concept that Franchisee would like FM Home Office to create and the concept will be useful for the entire franchise network, then FM's Home Office will review it and determine within 48 hours if it would be advantageous to develop the concept for use by the entire franchise network. If Franchisee has created an ad or other promotional material that Franchisee plans to distribute to its customers, Franchisee shall submit such material, in accordance with the brand standard guide, to FM's Marketing Brand Manager for review. The Marketing Brand Manager will respond within five (5) business days whether Franchisee's material is approved. All Franchisees are required to use the brand guidelines as a guide for the correct verbiage and the most current logo for the Franchisee's external communication.

F. Approved Suppliers. FM shall provide supplies and equipment needed to operate the Franchised Business or shall provide approved suppliers from which Franchisee may purchase supplies and equipment needed to operate the Franchised Business.

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

H. Franchise Council. FM shall convene the Franchise Council ("FC") no less than two times per year. The FC members shall be made up of Franchisees in good standing under their Franchise Agreements, with members elected by the FM network of franchise owners, as the term of each existing member expires. FM may only reject such FC appointments for lack of good standing under their Franchise Agreement. The FM Home Office will appoint one at-large Franchisee as approved by the FC President.

ARTICLE V: FRANCHISEE'S OBLIGATIONS

In consideration of the License granted herein, Franchisee agrees and covenants as follows:

A. Approved Products and Services. Subject to the provisions of Article V, the Franchisee shall use or offer for sale in its Franchised Business only those Franchised Services and products that FM deems to be consistent with and beneficial to the System. All purchases from FM are shipped F.O.B. from FM's location and invoices for such products are payable on the 20th of the month after order is shipped. Purchases from approved vendors are drop shipped from vendor's location. If any payment owed to FM for products or equipment is overdue, the Franchisee shall pay FM in addition to the amount overdue, interest on such amount from the date it was due until paid at the rate one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies FM may have. The Franchisee understands that FM may, at FM's discretion, assign the payment of such overdue amounts and interest fees to a third party.

B. Service Vehicle. Franchisee shall acquire a white van (or other appropriate vehicle) that is properly identified in accordance with the Identity Guidelines or as approved by Home Office, as a service vehicle meeting FM specifications, suitable for carrying supplies and equipment to the customer's home or business; shall maintain the service vehicle according to the standards established by FM from time to time; and shall make all sales calls using Franchisee's service vehicle. If a service vehicle is taken out of service or sold to someone other than another FM franchisee, Franchisee must de-identify the vehicle.

C. Performance Responsibility. The Franchisee covenants that during the Term of this Agreement except as otherwise approved in writing by FM, the Franchisee and its officers 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 Article V 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. The Franchisee makes this commitment with the understanding that the application of the Franchisee's best efforts is required for the benefit of the Franchisee as well as the entire FM franchise network. At a minimum:

1. The Franchisee shall use a telephone line dedicated to the operation of the Franchised Business and shall maintain a person or an answering service, or shall forward all business calls to a cellular phone which is answered live at all times during business hours;
2. The Franchisee shall contract with an ISP (Internet Service Provider) for a high-speed internet connection where available.
3. The Franchisee shall devote a minimum of forty (40) hours per week to the operation of the Franchised Business;
4. The Franchisee shall be responsible for the quality and results of the Franchised Services performed under this Agreement;
5. The Franchisee shall be responsible for the operation of the Franchised Business under the terms and conditions of this Agreement;
6. The Franchisee shall support the national programs instituted by FM to generate service sales including, but not limited to, the promotion of brands owned by FM's affiliates, the promotion of the ServiceMaster.com web site, prompt and courteous response to information, and service requests, and compliance with requirements established by FM to implement and maintain such programs;
7. The Franchisee shall maintain a clean and safe place of business in compliance with all applicable laws, and with the Occupational Safety and Health Act standards. The Franchisee shall conduct its operation of the Franchised Business under this Agreement on sound business principles;
8. The Franchisee will, at its expense, comply with all applicable federal, state, county, city, local and municipal laws, ordinances, rules and regulations ("Applicable Laws") pertaining to the operation of the Franchised business, including all laws relating to employees and all applicable state and federal environmental laws. The Franchisee will, at its expense, be absolutely and exclusively responsible for determining the licenses and permits required by law for the Franchised Business, for obtaining and qualifying for all such licenses and permits, and for complying with all applicable laws;

9. The Franchisee shall check, on a daily basis, Franchisee's e-mail mailbox assigned by FM and FM's proprietary websites such as the Intranet for communications from Franchisee. Franchisee shall keep the password issued to Franchisee for access to FM's website confidential at all times; and
10. The Franchisee shall comply with all reasonable requirements of FM to measure Franchisee's customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of FM designed to review and improve the process of operating the Franchised Business.

D. Marks. As to the use of the Marks, the Franchisee agrees as follows:

1. To use only the Furniture Medic name with a proper identifier(s) when soliciting or carrying out Franchised Services, to display the required Marks on all vehicles, uniforms and equipment used in carrying out Franchised Services, and to maintain neat and clean uniforms for use of all personnel associated with directly soliciting or carrying out Franchised Services;
2. To adopt and use the licensed Marks as prescribed by FM and in accordance with usage guidelines published by FM from time to time and on the Intranet;
3. To place on all forms and stationery in small but readable letters, a notation that the Franchise is "An independent business licensed to serve you by Furniture Medic SPE LLC";
4. Not to contest FM's non-exclusive license to you of the Marks, other trademarks, service marks and logos developed by FM and its affiliates;
5. Not to attempt to register any of the Marks or other trademarks, service marks or logos developed by FM and its affiliates for use in the Franchised Business in any state or other government organization;
6. Not to incorporate using in the name of that corporation the Marks or other trademarks, service marks or logos or any derivatives of any such marks developed by FM or its affiliates for use in the Franchised Business;
7. Not to have displays, advertising, literature, business cards, signs or any other promotional or identifying literature or business name portraying the Marks or trademark or service mark developed by FM or its affiliates for use in the Franchised Business, alone without an immediately adjacent identifier as to product, business name or service. The Franchisee agrees to provide and advertise its services only under the d/b/a name listed on page 1 of this agreement, except for identification of the Furniture Medic van as set forth on the Intranet and published by FM. The Franchise d/b/a name shall comply with the guidelines as published by FM and on the Intranet;
8. To immediately notify FM of any unauthorized use or legal action involving the Marks or the System and cooperate in FM's prosecution or defense of any such action which shall be at FM's sole discretion. FM shall defend the Franchisee in any such infringement action;

9. To immediately cease using or immediately modify any of the Marks if so directed by FM. Any expense incurred for such cessation or modification shall be at the expense of Franchisee;
10. That any goodwill associated with the licensed Marks inures exclusively to FM's benefit and that, upon expiration or termination of this Agreement and the License granted in this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with the Franchisee's use of the Marks;
11. Not to establish a Web site on the Internet using any domain name or an e-mail address containing the words "Furniture Medic" or any variation thereof without the prior written approval of FM;
12. That FM shall have the right to review the substance and content of Franchisee's Web page and Franchisee agrees to immediately delete any material which improperly uses FM's trademarks or logos, or contains, in FM's sole discretion, derogatory or inappropriate material; and
13. That FM retains the right to pre-approval of Franchisee's use of linking and framing between Franchisee's Web pages and all other Web sites and to dismantle any frames and links between Franchisee's Web page and any other Web sites within five (5) days, if and as requested by FM.

E. Software Requirements. Franchisee will purchase and use software as required by FM, as set forth on the Intranet website or as may be reasonably required by FM in writing from time to time. Franchisee agrees that FM shall have the right, at its sole discretion, to change the monthly rate of the software service fee from time to time. During the term of this Agreement, another operating system may be introduced and recommended for Franchisee to use in the Franchised Business. FM reserves the right to require Franchisee to adopt a new operating system. The new operating system, however, will not obviate Franchisee's requirement to use certain software as a condition to receive National Account leads, work orders from FM, or for purposes of Monthly Fee reporting and payment.

F. Intranet
1. In order to protect the reputation and goodwill of FM and to maintain uniform standards of operation under the Marks, the Franchisee shall conduct the Franchised Business in accordance with the guidelines, standards and specifications as set forth on the Intranet. Franchisee shall receive a confidential password for access to the Intranet and agrees to limit its use to the Franchisee and employees of the Franchisee;
2. Any training or other similar materials on loan from FM shall at all times remain the sole property of FM;
3. FM may, from time to time, revise the contents of the Intranet, and the Franchisee expressly agrees to comply with the new terms and conditions set forth on the Intranet; and
4. FM may remove access to Intranet when a franchise is in default under the Franchise Agreement or has violated the rules to post on the Intranet.

G. Quality Control. Franchisee agrees:
1. To meet all operational standards and quality control standards established by FM;
2. To keep updated in training under the standards set forth by FM and to complete additional training as may be required by FM;
3. To permit FM or its agents, at any reasonable time, to enter the Franchisee's business premises for the purpose of conducting Quality Assured and other inspections and to remove from the premises samples of any inventory items without payment for such items, in amounts reasonably necessary for testing by FM or an independent certified laboratory to determine whether the samples meet FM's then-current standards and specifications; and
4. Franchise Website. The preferred template for a franchise website is the local templates that the FM Home Office provides. The support for these templates ranges from SEO optimization to approval and rejection based off the customization that is needed to have an effective website. Franchisees have the option of creating their own website, but the Home Office support will not apply to these sites because such custom sites will be hosted by another platform and the Home Office will have no insight on the back end.

H. Customer Survey System. Franchisee will utilize "Tell Furniture Medic" surveys (or the then-current customer survey system) with its customers to measure Franchisee's customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of FM designed to review and improve the process of operating the Franchised Business including www.tellfurnituremedic.com.

I. Corporate Promotion. Franchisee agrees to allow FM to use Franchisee's name or picture of Franchisee including employees thereof at any time during this Agreement for the purpose of any publication, brochure or advertisement. Further, FM shall have the right to distribute and/or publish the Gross Sales for the Franchised Business without compensation or prior consent of Franchisee.

J. Accounting Responsibility. Franchisee agrees to pay for all equipment and supplies purchased from FM or other suppliers within the time allowed by this Agreement and to make any reports when requested which are related to this Agreement.

K. Payments. Franchisee agrees to make all payments due FM, including but not limited to Royalty Fees and National Ad Fund Contributions, within the time allowed.

L. Insurance. The Franchisee shall, at its expense, procure prior to providing the services licensed under this Agreement, and maintain in full force and effect during the Term of this Agreement, an insurance policy or policies insuring the Franchisee and FM, and their respective, parents, partners, affiliates, subsidiaries, successors and assigns and their respective officers, directors, employees, agents and partners, against any loss, liability, personal injury, death, or property damage or expense whatsoever from theft, vandalism, malicious mischief, and the perils included in the extended coverage endorsement arising or occurring upon or in connection with the Franchised Business. The Franchisee shall furnish FM with proof of coverage prior to commencing business, and of continued coverage during the Term of this Agreement. Such policies shall be written by an insurance company satisfactory to FM and shall include, at a minimum the following:

1. Workers' compensation and occupational disease insurance with $500,000 employer liability limit as well as such other insurance as may be required by any applicable statute or rule.
2. Commercial general liability insurance, including product liability coverage, with minimum limits of $1,000,000 per occurrence; must include additional insured by schedule plus FM.
3. Business automobile liability coverage for both owned and non-owned vehicles, with minimum limits of $1,000,000 bodily injury and property damage.
4. Crime/Employee Theft (not a bond): Theft of client property with a $25,000 limit.
5. Such additional coverage and higher policy limits as may reasonably be specified for all franchisees from time to time by FM.
6. All other insurance required by applicable state or federal law.

Franchisees are strongly encouraged to have property coverage for damage to customer property caused by your work or in your Care, Custody, and Control with no exclusion for property of others; can be provided through General Liability or Property Coverage. All insurance policies procured and maintained by the Franchisee will name FM, its parents, partners, affiliates, subsidiaries, successors and assigns and its officers, directors, employees, agents and partners, as an additional insured (except Workers' compensation policy), will contain endorsements by the insurance companies waiving all rights of subrogation against FM for workers' compensation insurance, commercial general liability insurance and business automobile liability insurance, and will stipulate that FM will receive copies of all notices of cancellation, non- renewal or coverage reduction or elimination at least thirty (30) days prior to the effective date of such cancellation, non-renewal or coverage change.

If the Franchisee, at any time, fails or refuses to maintain any insurance coverage required by FM or fails to furnish satisfactory evidence thereof, FM, 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 FM in connection therewith shall be paid by the Franchisee on demand.

M. Resale. Franchisee agrees to comply with the resale procedure established by FM prior to any sale of the License to another party as provided for in the provisions of Article VII of this Agreement.

N. Core Services. Franchisee agrees to offer and perform only authorized Franchised Services for which Franchisee is certified by FM unless otherwise approved by FM in writing. Core Services as defined in FM's royalty policy may not be subcontracted to non-FM branded subcontractors without the prior express written consent of FM, which consent must be given by a Director level employee of FM or above.

O. Location. Franchisee agrees to operate or conduct its Franchised Business from a single location from which it may operate as many crews, teams, sales forces and vehicles as desired. All personnel operating under the Franchised Business shall be under the direct control and supervision of Franchisee and use Franchisee's business name. Franchisee shall not expand its operations to more than one (1) location within the territory without the prior express written consent of FM. Any permission to expand operations to more than one location within the Territory will be upon such terms and conditions as are mutually agreeable to both FM and Franchisee. Franchisee shall not open a retail service location without FM's prior written consent.

P. Operation Setup. Franchisee agrees that no later than thirty (30) days after successfully completing training to FM's satisfaction, the Franchised Business will become operational within the Territory including the following:

1. Except as set forth in Article V, Paragraph C a business telephone will be installed, maintained and answered with the full approved Franchised Business name during regular business hours.
2. A listing of the applicable Franchised Business name will be made in the next business telephone directory, printed or on-line.

Q. Training and Re-training.

1. Franchisee shall be required to successfully complete the FM Pre-Initial Training study program as well as the two-week Initial Training program provided by FM no later than six (6) months from the date of execution by Franchisee of this Agreement as set forth in Article XIII, Paragraph R 4. FM reserves the right to cancel the scheduled Initial Training if less than four (4) people are scheduled to attend until the next scheduled Initial Training, but still within the six (6) month period after the execution by Franchisee of this Agreement. Further, FM recommends any partners or agents who render services in the Franchised Business complete the training program. If the officer or manager so trained is replaced by another officer or manager, the Franchisee agrees to have the replacement officer or manager attend and complete the FM Initial Training, at the Franchisee's cost and expense, within three (3) months after replacement. The Franchisee, as designated by FM, shall attend and complete, to FM's satisfaction, such other training programs as FM may require on the Intranet or otherwise in writing. All expenses incurred for any training including, without limitation, training fees (if applicable) and the cost of travel, room, board and wages, shall be borne by the Franchisee.
2. Franchisee and any of its representatives who render Franchised Services may be required to take additional training under the provisions of Article V, Paragraph G. Franchisee and all individuals who render services in the Franchised Business are required to keep updated in training, and shall successfully complete a training course for each authorized Franchised Service at least once every calendar year. The Initial Training will fulfill the training requirement for the calendar year in which this Agreement is dated. In subsequent calendar years, the training must be updated by December 31 of each year. This updated training can be obtained by two (2) methods:
   a. All trainees must attend an authorized training session given at a location selected by FM; or
   b. The Franchisee or its employee, shareholder or officer, partner or agent can attend the National Convention.

R. Goodwill. Franchisee acknowledges that any and all goodwill associated with the Marks and the System inures exclusively to the benefit of FM and upon termination of this Agreement no monetary amount shall be attributable to Franchisee for any goodwill associated with Franchisee's use thereof.

S. Confidentiality and Improvements by the Franchisee.

1. Franchisee shall not directly or indirectly, reveal the contents of any FM trade secrets, manual, Pre-Initial Training program, training manual, bulletin, franchise operation, promotional plan, newsletter, report, electronic data, password or publication except to Franchisee's employee(s), partner(s) or agent(s) who require such mandatory information to fulfill their duties. The Franchisee shall at all times treat as confidential, and require its employees and agents to treat as confidential, the Intranet, FM access.com, the information contained therein and all other aspects of the FM System, and shall use all reasonable efforts to maintain the Intranet, the FM System, and FM's confidential information as secret and confidential, including adopting and implementing reasonable procedures to prevent unauthorized use or disclosure of such confidential information, including any such procedures that may be designated by FM from time to time.

2. 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 this Agreement shall be deemed by the parties to be works made for hire and the property of FM. FM 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 FM.

3. Franchisee acknowledges and agrees that FM shall receive a fully paid-up, perpetual, worldwide license, with an unlimited right to sublicense to any and all inventions, techniques, processes, devices, discoveries,

improvement, know-how, 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, conceived of or authored by Franchisee, his agents or employees, during the Term of this Agreement. Franchisee hereby agrees to cooperate and execute all documents necessary to perfect such rights of FM. Upon payment of a mutually agreed fee from FM to the inventing Franchisee, FM may obtain exclusive rights to an invention, technique, process, device, discovery, improvement, know-how, writings and other original works of authorship, regardless of form, including but not limited to Proprietary software programs, copyrightable works, internet web pages or any other documents or information pertaining or relating to the Franchised Business or the System of Operation produced, conceived or authored by Franchisee, his agents or employees, during the Term of this Agreement. If the parties cannot agree upon a fee for exclusivity, then Franchisee may market such invention generally. Upon receipt of a bona fide offer for such invention, Franchisee will provide the financial terms of such offer to FM, and FM may, at its sole option, pay the amount specified in the bona fide offer to obtain full ownership and exclusivity for such invention. Franchisee hereby agrees to cooperate and execute all documents necessary to perfect such ownership and exclusivity rights of FM.

T. Competition.

1. As long as this Agreement is in force, Franchisee and its principals and partner(s) and their spouses agree not to engage in or have any financial interest in, either as officer, agent, employee, director, stockholder, owner or partner, or in any other capacity, any business which performs any service conducted by FM or its franchisees under the terms and conditions of this Agreement, Franchisee may hold for investment purposes, up to five percent (5%) of the outstanding stock of any competitive corporation whose stock or securities are publicly held or traded.

2. For a period of two (2) years following the later of expiration or termination of this Agreement for any reason, or from the date of Franchisee's last use of FM trademarks, trade names, trade dress or systems in any manner, Franchisee and its principals and partner(s) and their spouses agree not to engage in or have any financial interest in, either as officer, agent, employee, director, stockholder, owner or partner, or in any other capacity, any business which performs any wood restoration, refinishing, upholstery repair, wood or wood laminate flooring, cabinet manufacturing, installation or repair service conducted by FM or its franchisees under the terms and conditions of this Agreement, within an area extending 75 miles from the outer perimeter of an area to include the county or counties in which the Franchised Business is conducted. Franchisee may hold for investment purposes, up to five percent (5%) of the outstanding stock of any competitive corporation whose stock or securities are publicly held or traded.

U. Sources of Supplies.

1. To safeguard the integrity of the System and Marks, the Franchisee shall purchase from FM or from sources approved by FM all supplies which the Franchisee proposes to use in the operation of the Franchised Business. As a material part of the consideration for this Agreement, Franchisee agrees that, if a customer does not specify use of or provide for use of a different brand for any service, Franchisee shall use only approved products for such service. To further eliminate public confusion, Franchisee shall not openly advertise approved products by displaying products or by any other means.

2. If the Franchisee wishes to utilize sources of supplies which have not been approved by FM, the Franchisee shall first submit to FM documentation as follows:
   a. product specifications,
   b. product components,
   c. product performance history,
   d. product samples, and
   e. any other relevant factors which the Franchisee deems appropriate.

3. FM will then evaluate the usage of the proposed product. Consideration will be given to the technical, wear, and performance properties of any such proposed item. FM shall be free to consider various additional factors to evaluate the suitability of products offered by alternative suppliers. FM may weigh such considerations as design, appearance, product reliability, durability, the manufacturer's warranties, quality control methods, and financial ability to stand behind its products, and other relevant information which FM deems important to the welfare of the FM franchise network. FM will notify the Franchisee in writing of its decision regarding

the proposed product within sixty (60) days of receipt of the request from Franchisee.

V. Standardized Dress. The Franchisee and all employees shall, when making sales presentations or providing the Franchised Services, wear the proper FM image attire, including a FM shirt with logo.

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

X. Personnel Management. Franchisee shall:

1. properly train its employees; and
2. comply with all Applicable Laws regulating its work force. The Franchisee shall pay all contributions, taxes, and assessments on payrolls or other charges under all Applicable Laws, including withholding from wages from its employees where required. The Franchisee shall comply with all Applicable Laws regarding compensation, hours of work or other conditions of employment including, but not limited to, all laws and regulations regarding minimum compensation, overtime pay, Title VII, equal employment opportunities and any other similar requirement.

Y. National Account Program Obligations. Payments for National Account work may be paid to Franchisee through an electronic funds transfer system requiring Franchisee to establish an automated clearing house (ACH) account with FM.

1. Franchisee agrees to service National Account Sales Calls under terms and conditions agreed to between FM and each National Account.
2. Franchisee acknowledges that National Account Agreements shall be entered into or terminated between FM and any given National Account at the sole discretion of FM.
3. Franchisee acknowledges and agrees that FM may allocate National Account Sales Calls in Franchisee's Territory to other franchisees.
4. Franchisee agrees to have high-speed internet service on a separate telephone line with e-mail capability.
5. Franchisee agrees that FM may deduct NAF Contribution fees equal to two percent (2%) of National Account Gross Sales, prior to payment being transferred to Franchisee.
6. Franchisee agrees that Franchisee is not required to participate in the National Accounts Programs.
7. Franchisee agrees that if Franchisee participates in the National Accounts Program that Franchisee must work for all National Accounts.
8. Franchisee agrees that Franchisee may "opt in" or "opt out" of the National Accounts Program on a monthly basis, at FM's discretion.

Z. Corporate Franchisee. The Franchisee agrees that its authorization to operate as a corporation shall be conditioned on the following requirements:

1. Its owners and their spouses shall at all times be personally bound by the terms of this Agreement.
2. Each stock certificate of the Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to FM 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. 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 FM.

AA. Stock Ownership. If the Franchisee is a corporation, then the individuals named in Article XIII, Paragraph T shall remain the owners of not less than sixty-six percent (66%) 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 FM.

BB. Obligation of Franchisee to Provide Plan for Other Businesses Franchisee Desires to Establish. If the Franchisee, a principal of the Franchisee, and/or an affiliate of the Franchisee wishes to commence the operation of any additional business in addition to the Franchised Business operated under the terms of this Agreement, the

Franchisee must provide FM with a plan that describes in substantial detail how the Franchisee will maintain the operation of the Franchised Business authorized under this Agreement in accordance with its terms, while the Franchisee, its principals, or its affiliates are simultaneously operating the additional business. Before commencing the operation of the additional business, the Franchisee must obtain FM'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 Franchised 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 Furniture Medic franchisee; and (iii) FM may require the Franchisee and its principals and affiliates to divest themselves of the additional business if FM determines that the additional business creates a conflict with or is competitive with the Franchised Business authorized under this Agreement as such Franchised Business may be modified over time. The Franchisee must also give annual updates to the plan as specified by FM. FM may review the plan at any time after consent to the plan to determine if the Franchisee, its principals, and/or its affiliates are complying with the plan. FM may require the Franchisee to modify the plan at any time. The Franchisee's, its principals', and/or its affiliates' failure to comply with the plan, as determined by FM in its sole discretion, will constitute a breach of this Agreement, entitling FM to exercise any and all remedies authorized under this Agreement, up to and including termination.

ARTICLE VI: ACCOUNTING AND RECORDS

A. Record Maintenance and Reporting.

1. Franchisee shall record income and expenses, calculate taxes and determine profitability in accordance with Generally Accepted Accounting Principles ("GAAP").
2. Franchisee shall submit to FM on a monthly basis, in conjunction with the submission of monthly payments due FM, standard reports as may be required by FM including, but not limited to:
   a. Invoices from all Franchised Services performed including National Account Sales Call sales invoices; and invoices for subcontracted work;
   b. A monthly summary of National Account Sales Calls that have been contracted or a statement that no National Account Sales Calls have occurred during the month.

   FM shall have the right to distribute and/or publish the monthly sales reports for the Franchised Business without compensation to or the prior consent of the Franchisee.
3. Franchisee shall, at its expense, submit to FM, upon request, within thirty (30) days after request, a complete income statement and balance sheet or copies of the annual and interim financial statements prepared by the auditors or accountants of the Franchisee. Each shall be signed by the Franchisee attesting that it is true and correct.
4. Franchisee must submit to FM's audit department by December 1st of each year, all federal, state or other business tax returns for the prior year, together with such other information as FM may reasonably require, at Franchisee's expense.
5. Franchisee shall, at its expense, submit to FM upon request, within ninety (90) days after request, a complete financial statement for the preceding calendar year, including both a profit and loss statement and a balance sheet certified by an independent public accountant, together with such other information in such form as FM may reasonably require.

B. Customer Information. Franchisee must also keep accurate lists of all customers and supplies.

C. Retention of Records.

1. Franchisee agrees to keep all such records available for a period of seven (7) years following the year for which they were kept.
2. Termination of this Agreement shall not alter Franchisee's obligation to retain records for said seven (7) year period.

D. Right To Audit Franchisee's Records.

1. FM or its designated agents shall have the right at all reasonable times to examine, at its expense, the books, records, and tax returns of the Franchisee and any other business in which the Franchisee or its principal owners have a financial interest. In connection with any such examination, the Franchisee will execute IRS Form 4506, or other similar form, authorizing FM to obtain the applicable tax returns of the Franchisee, at the request of FM. Franchisee and any personal guarantors, by signing this Agreement, hereby explicitly

consent to provide copies of all personal and business tax returns specified above by FM and hereby waive any right to refuse to provide tax returns or any privilege afforded by Applicable Laws.

2. If Franchisee fails to fully cooperate with any reasonable request by FM for an audit or inspection, Franchisee shall reimburse FM for any and all costs and expenses of conducting an audit or inspection including, without limitation, travel, lodging, wage expense and any reasonable accounting and attorneys' fees. FM shall also have the right, at any time, to have an independent audit made at its cost of the books of the Franchisee. If an audit or inspection is caused by Franchisee's failure to prepare or forward required reports or if an audit or inspection should reveal that payments have been understated in any report to FM, then the Franchisee shall immediately pay to FM the amount understated and interest from the date such amount was due until paid, at one and one-half percent (1-1/2%) per month or the maximum rate permitted by law, whichever is less. If an audit or inspection discloses an understatement of five percent (5%) or more, the Franchisee shall, in addition to payment of any understated amounts, reimburse FM for any and all costs and expenses connected with the audit or inspection including, without limitation travel, lodging, wage expense and reasonable accounting and attorneys' fees. The remedies set forth in this Article shall be in addition to any other remedies FM may have and shall survive termination of this Agreement.

ARTICLE VII: TRANSFERABILITY OF INTEREST

A. Franchisee's Right To Transfer. Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee (or, in the case of a corporate or partnership Franchisee, to the Franchisee's principal[s]), and that FM has entered into this Agreement with Franchisee in reliance upon individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Accordingly, the Franchisee shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber **any** interest in this Agreement without the prior written consent of FM. Any purported assignment or transfer, by operation of law or otherwise, without the prior written consent of FM, shall be null and void and shall constitute a material breach of this Agreement. Franchisee's transfer of 5% interest or more 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 66%, 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.

B. Approval Procedure. FM shall not unreasonably withhold its consent to a transfer of any interest in this Agreement or the Franchised Business; provided, however, that prior to the time of transfer, the Franchisee has fulfilled the terms of the transfer policy of FM then in effect. FM may, in its sole discretion, as part of the transfer policy require that:

1. All of the Franchisee's accrued monetary obligation to FM and all other outstanding obligations related to the Franchised Business have been satisfied;
2. Franchisee shall have executed a general release, in a form satisfactory to FM, of any and all claims against FM, its affiliates, subsidiaries, parents, partners, their officers, directors, shareholders, agents and employees, in their corporate and individual capacities including, without limitation, claims arising under any Applicable Laws;
3. The transferee does not, and does not intend to, own, operate or be involved in any business that competes directly or indirectly with or is similar to the Franchised Business;
4. The transferee shall demonstrate to FM's satisfaction that it meets FM's managerial and business standards, possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Business;
5. The transferee shall execute (and/or, upon FM's request, cause all interested parties to execute) the then-current standard Franchise Agreement, a general release and such other ancillary agreements as FM may require for transfer of the Franchised Business. At the transferee's expense and upon such other terms and conditions as FM may reasonably require, the transferee (or if the transferee is a corporation, the transferee's officer or manager) or managerial employees of transferee acceptable to FM must have successfully completed FM's training program then in effect for new franchisees. Except as set forth in Article VII, Paragraph C, Franchisee or the transferee must pay FM the then-current transfer, training, and processing fees to complete the transfer.
6. If this is transfer of an existing business, transferee agrees to purchase the then-current Opening Package of those items therein not included in the sale of the business. The transferee must upgrade equipment and products consistent with those set forth in the Opening Package and must have acquired a service

vehicle pursuant to Article V, Paragraph B of this Agreement.

7. The Franchisee agrees that for a period of not less than two (2) years, commencing on the effective date of the transfer, neither Franchisee nor any member of Franchisee's immediate family nor any partner(s) or shareholder(s) of Franchisee shall have any direct or indirect interest as a disclosed or beneficial partner, shareholder or franchisee in any mobile or fixed location furniture or wood care business within an area extending 75 miles from the outer perimeter of an area to include the county or counties in which the Franchised Business is conducted.
8. Franchisee must enter into an agreement with FM providing that all obligations of the transferee to make installment payments of the purchase price or interest thereon to Franchisee shall be subordinate to the obligations of the transferee to pay Royalty Fees, Advertising Fund Contributions, and obligations for purchases from FM and approved suppliers authorized to furnish supplies and products to FM franchisees.
9. Franchisee and transferee will be responsible for the transfer of material assets; any missing assets will be replaced at transferee's expense.
10. The Franchisee must make provision for the continued operations of the business in the interim period between transfer of the business and the transferee's successful completion of the transfer.
11. FM must approve the material terms and conditions of such transfer, including without limitation, that the price and terms of payment are not so burdensome as to affect adversely the continuation of the Franchised Business.
12. All obligations imposed on Franchisee by this Agreement must be assumed by the transferee.

C. Transfer to a Spouse or Child. In the event of a transfer of a controlling interest in the Franchised Business or License governed by the terms of Article VII, Paragraph B.1 of this Agreement where the transferee is the Franchisee's spouse or the Franchisee's adult child who is at least 18 years of age, the transfer fee, set forth in Article VII, Paragraph B.1.f, shall be assessed at no fee for the spouse and 50% of the then-current transfer fee if to the Franchisee's adult child who is at least 18 years of age.

D. Transfer Upon Death or Disability. Upon Franchisee's death or permanent disability as defined under the Social Security Act, the executor, administrator, conservator, or other personal representative of such person shall assign Franchisee's interest in the Franchised Business or License to a third party only upon approval of FM. Such disposition shall be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, and shall be subject to all the terms and conditions applicable to assignments contained in Article VII, Paragraph B of this Agreement. If the interest is not disposed of within a reasonable time, FM may terminate this Agreement.

E. 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 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 FM or the Franchised Business. If FM refuses to permit a transfer or assignment 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 FM.

F. Transfer to Franchisee's Corporation or Limited Liability Company. Franchisee acknowledges that FM entered into this Agreement in reliance upon and in consideration of the personal qualifications and representations of Franchisee if Franchisee is an individual, or those individuals who will actively and substantially participate in the operations of the Franchised Business if Franchisee is a corporation, limited liability company or a partnership. If, with the consent of FM, the rights of Franchisee hereunder are assigned to a corporation or limited liability company, and the individual or individuals executing this Agreement remain the owner(s) of not less that fifty-one percent (51%) of the total voting capital shares thereof with the effective unencumbered right to vote said shares, there will be no processing fee levied if transferred to a corporation, limited liability company, or a partnership within one (1) year after the date of the initial Agreement. A processing fee will be charged if transfer to such entity occurs after the first year after the date of the initial Agreement. FM's consent to such transfer to the corporation or limited liability company shall not be unreasonably withheld if:

1. The corporation or limited liability company is closely held;
2. The corporation or limited liability company conducts only such business as is authorized by this Agreement;
3. The front of each share certificate clearly indicates that the shares represented by the certificate are subject to the terms of this Agreement;
4. The bylaws reflect that the shares are so restricted; and

5. Each officer, director, and holder of five percent (5%) or more of the issued and outstanding shares and their spouse executes the attached Guaranty.
6. The corporation of limited liability company and its shareholders or members execute the then- current Franchise Agreement and any such other ancillary agreements as FM may require.

The Franchisee acknowledges that the purpose of the foregoing restrictions is to protect the FM System, Marks, trade secrets, and operating procedures, as well as FM's reputation and image, for the mutual benefit of FM, the Franchisee, and the entire FM franchise network.

Further, the individuals, including all shareholders or members executing this Agreement on behalf of the corporation or limited liability company shall be jointly and severally liable for the faithful and timely performance of all covenants of this Agreement. The loss or surrender of said ownership or effective unencumbered right to vote said shares, by any means whatever, shall constitute a breach of the terms of this Agreement. Such transfer to a Franchisee's corporation or limited liability company does not preclude subsequent transfers.

G. FM as Broker. Franchisee may enlist FM to act as a broker to facilitate the sale of the franchise. If FM is enlisted as a broker, FM will: process telephone calls, leads and documents for the Franchisee, and make reasonable efforts to make inquiries into Franchisee’s Territory available to the Franchisee. If FM is successful in selling the franchise, a brokerage fee of 10% of the total sales price will be charged to Franchisee for FM’s assistance.

H. FM's Right To Transfer. This Agreement and all rights hereunder may be assigned and transferred by FM without Franchisee’s consent and, if so, shall be binding upon and inure to the benefit of FM's respective assignee(s).

I. Non-Waiver of Claims. FM’s consent to a transfer of any interest in the Franchised Business shall not constitute a waiver of any claims it may have against the Franchisee, nor shall it be deemed a waiver of FM’s rights to demand exact compliance with any of the terms of this Agreement by the transferee.

J. Transfer of Assets. The transfer fee paid to FM does not include any equipment, products or marketing material to transferee. Further, FM makes no warranty as to the viability of any assets purchased from the Franchisee.

K. Survival of Transfer Obligations. The terms of this Article VII shall survive termination or expiration of this Agreement for a period of twenty-four (24) months. The parties agree and acknowledge that such extended obligation is necessary to fulfill the intent of Franchisee and FM and is a material term of this Agreement.

ARTICLE VIII: VIOLATION AND TERMINATION

A. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement and all rights granted to Franchisee hereunder shall terminate automatically without notice to Franchisee upon the occurrence of the following:

1. Franchisee or a guarantor becomes insolvent, makes a general assignment for the benefit of creditors, or is adjudicated bankrupt, unless otherwise restricted by the relevant bankruptcy laws; or
2. A petition in bankruptcy for liquidation, reorganization, or other proceeding is filed by or against Franchisee; a receiver is appointed; a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's Franchised Business or assets is allowed; or the real or personal property of Franchisee is attached or levied upon by any sheriff, marshal, or constable.

B. Termination For Incurable Defaults. Franchisee shall be deemed to be in default under this Agreement and FM may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, upon the occurrence of any of the following events:

1. Franchisee voluntarily abandons or ceases to actively operate the Franchised Business, which is defined as:
   a. ceasing to provide services under the Franchised Business for more than ten (10) consecutive business days, unless prior approval is obtained in writing from FM;
   b. disconnecting the Franchised Business telephone; or
   c. not having a service vehicle.
2. Franchisee or any of its officers or directors is or has been convicted, pleads guilty, or pleads no contest to a felony or other crime or offense that FM believes is reasonably likely to have an adverse effect on the Marks, the goodwill associated therewith, or FM's interest therein;

3. Franchisee fails on four (4) or more occasions to comply with any material provisions of this Agreement or any other FM Franchise Agreement, whether or not such failures to comply are cured after written notice thereof to Franchisee;
4. Franchisee (including its shareholders, guarantors or agents) engages in activities in an unethical manner which cause harm to the goodwill associated with the Marks and the System;
5. Franchisee discloses FM's trade secrets or other confidential information to persons unauthorized by this Agreement to receive such information or misuses FM's trade secrets or other confidential information;
6. Any agreement (a) between Franchisee (or any owner or affiliate of Franchisee) and FM (or any of its affiliates), including any other software licenses, loan agreements, program participation agreements, franchise agreements, or other agreements or (b) between Franchisee (or any owner or affiliate of 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; or
7. Franchisee fails or refuses to execute a renewal agreement.

C. If this Agreement is terminated by FM pursuant to Paragraph B above, then this Agreement will automatically terminate upon the receipt of the written notice of immediate termination.

D. Curable Defaults. Except as otherwise provided in this Article VIII, Franchisee shall have thirty (30) days from the date of the written notice of breach from FM within which to remedy any default hereunder and to provide evidence thereof to FM. If any such default is not cured within that time or such longer period as applicable law may require, this Agreement may terminate without further notice to Franchisee effective immediately upon expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply with any of the requirements imposed by this Agreement, as it may reasonably be supplemented by the manuals and Intranet and other rules and regulations of the System or to carry out the terms of this Agreement in good faith. Such defaults shall include, without limitation, the occurrence of any of the following events:

1. Franchisee fails, refuses, or neglects to pay amounts due FM for the Initial Franchise Fee, Royalty Fees, NAF Contributions, purchases made, or services provided;
2. Franchisee fails to submit or accurately report Gross Sales or annual Gross Sales or any other report required under this Agreement;
3. Franchisee fails to obtain a business license and keep it in force;
4. Franchisee fails to abide by or perform any provision, standard, specification or requirement in the text of this Agreement or in one or more manuals of franchise operations;
5. Franchisee defaults in the observance of performance of any requirement or obligation contained in any Promissory Note payable to FM or any of its affiliates or in any contract with FM;
6. Franchisee makes a material misrepresentation or omission relating to the acquisition of the License or Franchisee knowingly maintains false books or records, submits any false reports to FM or fails to submit standard reports as provided under Article VI;
7. Franchisee (including its shareholders, guarantors or agents) engages in any solicitation of sales or marketing of the Franchised Business outside the Territory, contrary to Article I;
8. Franchisee fails to provide FM notice and receive approval of products as provided for in Article V, Paragraph U, Sources of Supplies;
9. Franchisee or any other person(s) required to complete training fails to complete training in a manner satisfactory to FM;
10. Franchisee attempts or completes an unauthorized transfer, assignment, sale or encumbrance of its rights, title or interest to this Agreement or of the Franchised Business in any respect;
11. Franchisee does not comply with all of the provision of Article V, Paragraph L, Insurance; or
12. Franchisee is in default of any provision of this Agreement or Franchisee (or any owner or affiliate of Franchisee) is in default of any provision of any Related Agreement.

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

F. Other Remedies. Nothing in this Article VIII precludes FM from seeking other remedies or damages under state or federal laws, common law, or under this Agreement including, but not limited to, attorneys' fees, damages and equitable relief.

G. Upon receipt by Franchisee of Notice of Termination all Intranet privileges shall be revoked.

ARTICLE IX: RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION, TERMINATION OR NON-RENEWAL

A. Franchisee's Obligations. Upon expiration or termination of this Agreement and the License granted hereunder for any reason, and regardless of any dispute which may exist between the parties, Franchisee shall:

1. Immediately cease using and thereafter abstain from using all Marks, as well as all signs, structures, vehicles, and forms of advertising indicative of FM or the Franchised Business or products thereof, and make or cause to be made such changes in signs, buildings, vehicles and structures as FM shall reasonably direct to effectively distinguish them from their former appearance and from any other aspect of the Franchised Business;

2. Relinquish 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 Marks (collectively "listings and accounts") used by the Franchisee in any manner related to the operation of, or applicable to, the Franchised Business and shall be transfer to or vest in FM and FM shall thereupon have the full and exclusive right to use such listings and accounts or to authorize the use thereof by another franchisee of FM. The Franchisee hereby appoints FM as its attorney in fact to direct the telephone company and all listing agencies to transfer such listings and accounts to FM 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. Further, Franchisee will execute a telephone supersedure form which can be submitted to the telephone company upon the termination of this Agreement to effectuate the assignment of the telephone number(s) and listing(s). (Exhibit A-2) If Franchisee shall fail or omit to take such actions or cause them to be taken, then FM shall have the right but not the obligation to enter upon the Franchised Business premises without being deemed guilty of trespass or any other tort, and shall have the right to make such changes or cause them to be made at the expense of Franchisee, which expense Franchisee shall pay on demand. This right includes authority to communicate directly with the companies which furnish telephone lines service or directory publishing (printed and electronic) to enforce this provision. Franchisee agrees to reimburse FM for all costs, expenses and legal fees incurred by FM to require Franchisee to cease using such Marks, telephone numbers, signs, stationery, advertising, or other means of identification;

3. Within ten (10) days, ship all printed forms, advertising pieces and manuals bearing the Marks, (all of which are acknowledged to be FM's property) as well as all supplies, chemicals and equipment and photographic proof of service vehicle de-striping of all automotive logo markings, freight prepaid, in good condition, to an address designated by FM;

4. Within ten (10) days, ship all van logo markings, printed forms, advertising pieces and manuals bearing FM Marks, supplies and equipment (all of which are acknowledged to be FM's property), freight prepaid, in good condition, to an address designated by FM;

5. Pay to FM, as directed, within fifteen (15) days after the effective date of termination or expiration, such Initial Franchise Fee, Royalty Fees, NAF Contribution, amounts owed for purchases by Franchisee, interest and fees due on any of the foregoing, and all other amounts which are then due and unpaid including the minimum fees due for the remainder of the Term of this Agreement; and

6. The Franchisee shall immediately turn over to FM all manuals, records, files, instructions, computer software and any and all other materials relating to the operation of the Franchised Business in the Franchisee’s possession, except for the Franchisee’s copy of this Agreement, any correspondence between the parties, and any other documents which the Franchisee reasonably needs for compliance with any provision of law.

B. Post Term Competition. Franchisee shall comply with the terms and conditions set forth in Article V, Paragraph T.2, set forth above.

ARTICLE X. RELATIONSHIP OF PARTIES

It is expressly understood and agreed by and between FM and Franchisee that Franchisee will, at all times, act as and shall be an Independent Contractor. Franchisee agrees that it will not, at any time, directly or indirectly, hold itself out as an agent or employee of FM or make any commitment or incur any liability on behalf of FM without FM's expressed written consent. 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 FM 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. FM and Franchisee acknowledge and agree that FM neither dictates nor controls labor or employment matters for Franchisee and that Franchisee, and not FM, is solely responsible for dictating the terms and conditions of employment for the Franchisee's employees, including but not limited to, training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. Franchisee is expressly advised to consult its own independent counsel for labor and employment advice.

ARTICLE XI: INDEMNIFICATION

Franchisee acknowledges that Franchisee is solely responsible for all loss, damage or other claims arising out of the Franchised Business and the conduct of Franchisee's affairs and shall hold FM and its present and future officers, directors, employees, agents, shareholders, parents, affiliates, subsidiaries and representatives harmless from all costs, expenses, legal fees and liabilities with respect to all claims from any loss or damage arising either directly or indirectly therefrom.

FRANCHISEE AND THE GUARANTORS, BY SIGNING THIS AGREEMENT, INDEMNIFY AND AGREE TO DEFEND AND HOLD HARMLESS FM 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 FM IS A PARTY TO THE LITIGATION) THAT FM OR ANY OF ITS RELATED PARTIES MAY PAY OR INCUR ARISING OUT OF OR RELATING TO THIS AGREEMENT OR TO THE OPERATION OF THE FRANCHISED BUSINESS EVEN IF CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), GROSS NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL FAULT OF FM.

ARTICLE XII: DISPUTE RESOLUTION

A. Alternative Dispute Resolution Procedure. Except as otherwise provided in Section B(2) (Excepted Disputes), any claim, dispute, suit, action, controversy, or proceeding of any type whatsoever between (i) Franchisee, its affiliates, or its owners, and/or Franchisee's its affiliates', or its owners' officers, directors, and employees (the "**Franchisee Related Parties**") and (ii) FM, its affiliates, and/or its or its affiliates' officers, directors, owners, and employees (the "**FM Related Parties**") relating to (a) this Agreement, (b) the relationship of any of the FM 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 Section A. The Franchisee Related Parties and any FM Related Parties shall all be considered third-party beneficiaries of this Agreement and shall be included in the term "parties" or "party" in this Article XII.

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.

2. Mediation. If the Covered Dispute is not resolved informally as provided in Section A(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 FM's then-current principal place of business (currently, Atlanta, Georgia) and shall not last more than one day, unless the parties agree otherwise. The parties will split equally the cost of any mediation. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

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 setforth in this Article XII, Section A(3) and not decided by a court or a jury.** If there are any ambiguities in the terms or conditions of this Article XII, it is the parties' intent that all ambiguities be resolved in favor of arbitration. For the purposes of this Article XII, Section A(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.

(a) 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 Article XII, 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 FM selects in the metropolitan area in which its principal place of business is then located (currently, Atlanta, Georgia). The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.).

(b) Scope. The arbitrator (and not a court) shall decide all issues in any Covered Dispute, including issues regarding the non-availability of class arbitration, timeliness, arbitration procedures, statute of limitations, and all other issues regarding the application, interpretation, enforceability, coverage, and implementation of this Section A(3), including whether the parties have entered into this Agreement. In accordance with Article XII, Section E (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).

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

(d) 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).

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

B. Exceptions to Alternative Dispute Resolution.

1. Excepted Disputes. Unless FM consents in writing otherwise, the following Covered Disputes will not be subject to or resolved through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Section A (Alternative Dispute Resolution Procedure) and will instead be resolved through litigation: (a) disputes relating to Franchisee's use of the Marks (including Lanham Act or common law claims); (b) disputes that otherwise relate to the ownership or validity of

any of FM's intellectual property or the enforcement of FM's intellectual property rights; (c) disputes that involve protection of FM's confidential information; (d) disputes related to the enforcement of Article V, Section T (Competition); 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**").

2. Injunctive Relief. Notwithstanding the parties' agreement to resolve Covered Disputes through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Article XII, Section A(3)(a) (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 A(3) (Arbitration). In addition to any other relief available at law or equity, FM 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 Marks, FM's confidential information, other components of the System, or other intellectual property of any of the FM Related Parties; (b) enforce the non-compete covenants in Article V, Section T (Competition); (c) enforce the obligations of any Franchisee Related Party on termination or expiration of this Agreement; and (d) prohibit any act or omission by any Franchisee Related Party that is a violation of Applicable Laws or that threatens to harm the Marks, the System, or the business of other franchisees or the FM Related Parties. Franchisee agrees that the FM 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.

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 FM 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, FM may enforce this Agreement in the courts of the state or states in which Franchisee is domiciled or the Franchised Business is operated.

C. **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.**

D. **MUTUAL WAIVER OF PUNITIVE DAMAGES. EXCEPT FOR (A) CLAIMS RELATED TO THE FRANCHISEE RELATED PARTIES' OBLIGATION TO INDEMNIFY FM AND THE FM INDEMNITIES FOR THIRD-PARTY CLAIMS UNDER ARTICLE XI (INDEMNIFICATION), (B) CLAIMS RELATED TO ANY OF THE FRANCHISEE RELATED PARTIES' INFRINGEMENT OF ANY OF THE FM RELATED PARTIES' INTELLECTUAL PROPERTY, AND (C) CLAIMS RELATED TO ANY FRANCHISEE RELATED PARTIES' BREACH OF ITS OBLIGATIONS UNDER ARTICLE V, SECTION S (CONFIDENTIALITY AND IMPROVEMENTS BY THE FRANCHISEE), NEITHER PARTY WILL BE ENTITLED TO RECOVER SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES UNDER THIS AGREEMENT.**

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

F. **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 FM Related Party against any Franchisee

Related Party at any time): (a) relating to third-party claims or suits brought against any FM Related Party as a result of the operation of the Franchised Business; (b) relating to the enforcement of any intellectual property rights of any FM Related Party; (c) relating to Franchisee's non-payment or underpayment of amounts owed to a FM Related Party; (d) concerning the obligations of any Franchisee Related Party under Article V, Section S (Confidentiality and Improvements by Franchisee) or Article V, Section T (Competition) 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.

G. 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.

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

I. No Recourse. Franchisee acknowledges and agrees that except as provided under an express statutory liability for such conduct, none of FM'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 FM's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against FM based on, in respect of, or by reason of, the relationship between Franchisee and FM, or (iii) any claim against FM based on any of FM'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.

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

K. Survival. This Article XII will survive termination, expiration, and/or rescission of this Agreement.

ARTICLE XIII: MISCELLANEOUS

A. Construction. In this Agreement, the neuter pronoun "it" and the masculine pronouns "he" or "his" have been used to refer to the Franchisee. Where appropriate, this terminology is considered to also include both masculine and feminine genders.

B. Severability. If any provision of this Agreement is found invalid, both parties agree that all other provisions shall remain in full force and effect.

C. Effect of Waivers. No failure of FM to exercise any power reserved to it by this Agreement, or to insist on strict compliance by Franchisee with any obligation or condition hereunder and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of FM's right to demand exact compliance with any terms herein. A waiver by FM of any particular default by Franchisee shall not affect or impair FM's rights with respect to any default of the same, similar or different nature, nor shall any delay, forbearance or omission of FM to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions or covenants hereof affect or impair FM's rights hereunder or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by FM of any payments due to it hereunder shall not be deemed to be a waiver by FM of any terms, covenants or conditions of this Agreement.

D. Costs of Enforcement. If either party to this Agreement (an "Initiating Party") brings any action under or in connection with this Agreement (whether an arbitration or court action) and does not prevail in such action, it shall pay, as part of any judgment or arbitrator's decision rendered against it, the attorneys' fees, arbitration filing fees, court costs, travel and living expenses, witness and deposition fees, costs of investigation and other costs related to the action (collectively “Litigation Costs”) incurred by the other (prevailing) party in such action. If an Initiating Party does prevail in any such action, and the amount of its recovery or award exceeds the last settlement offer made by the Initiating Party to the other (non-prevailing) party, then the other (non-prevailing) party shall also pay, as part of any judgment or arbitration’s decision rendered against it, the Litigation Costs incurred by the prevailing Initiating Party.

E. Notices. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service or by forwarding a copy thereof by facsimile, U.S. Postal Service mail or Federal Express or similar carrier and in the case of U.S. Postal Service mail or such carrier, shall be fully prepaid, in a sealed envelope, addressed to FM or the Franchisee, at the address that appears on page 1 of this Agreement. The addresses hereby given for the service of notice may be changed at any time by any party through written notice given to the other as herein provided. Notices will be deemed to have been received on the next business day following the day of receipt in the case of telex or facsimile and when ten (10) working days from dispatch have elapsed, or when signature information is available from the carrier used to send the notice.

F. Successors. This Agreement shall bind and inure to the benefit of the successors and assignees of FM and to the heirs, administrators and executors and permitted successors and assignees of Franchisee.

G. Independent Covenants. If any provision of this Agreement is found invalid, both parties agree that all other provisions shall remain in full force and effect.

H. Modifications. The Franchisee recognizes and agrees that from time to time FM may reasonably change the System presently identified with the Marks under any conditions and to any extent which FM in its sole and absolute discretion may deem advisable to meet the demands of the industry, to protect its Marks, to improve the quality of the System, or for other valid business purpose. Accordingly, FM may adopt and use new or modified Marks, copyrighted materials, products, equipment or techniques, without liability to Franchisee and Franchisee agrees to comply with such modifications. In the event of a contract change, modification of an obligation, extension of time to pay or perform any other obligation, Franchisee and each owner and/or affiliate of Franchisee shall execute a general release.

I. Quality Control. Because the reputation and commercial success of FM's and Franchisee's Franchised Business operations under this Agreement depend greatly upon Franchisee's proper use and application of designated supplies and the image created by Franchisee in promoting and carrying out the Franchised Services, Franchisee agrees to use only equipment, supplies and promotional materials which have either been obtained from or approved in writing by FM. Franchisee also agrees that FM may inspect and investigate the quality of work done by Franchisee. Failure to use authorized equipment, supplies and promotional materials or failure to comply with then-current operating standards and quality control standards or not to allow inspections or investigations shall be considered a material breach of this Agreement and may be cause for loss of the Franchised Business through termination of this Agreement. If, upon inspection or investigation, FM finds that the quality of work done by Franchisee is substandard, FM may, as an alternative to termination, require Franchisee, at its own expense, to take additional training and to correct the quality of its work and services. Failure of Franchisee to take additional training or to correct the quality of its work and services will also be a material breach of this Agreement which can be cause for loss of the Franchised Business through termination of this Agreement.

In order to obtain maximum results from promotional materials and to maintain the integrity of FM's Marks, Franchisee shall not use promotional materials of any kinds that have not been approved in writing by FM. If Franchisee develops or obtains any promotional materials from a source other than FM, such materials shall first be submitted to FM for written approval. If approved, FM shall have the right to duplicate and distribute such materials to all franchisees.

J. Right of First Refusal. The Franchisee may not sell, transfer, assign, or otherwise convey any interest in the Franchised Business without first offering it to FM in writing at a stated dollar price exclusive of broker fees and upon stated terms which FM may accept in writing at any time within sixty (60) days from the receipt of the written offer by the Franchisee. If FM shall decline or not accept the offer within the said time period the Franchisee may thereafter sell or dispose of the Franchised Business to a third party, but not at a lower price or on more favorable terms than had been offered to FM, and subject to the prior written permission of FM, as provided in Article VII of this Agreement. If the Franchised Business is not then sold by the Franchisee within six (6) months from the date it is offered to FM, then the Franchisee must re-offer to sell to FM prior to the sale to any third party.

K. Entire Agreement. This Agreement and attachments hereto contain the entire understanding of the parties hereto and it is acknowledged by both parties that, except as expressly provided in this Agreement, there are no representations, warranties or other agreements expressed or implied in any way relating to the provisions hereof. Nothing in this Agreement or in any related agreement is intended to disclaim the representations contained in the Furniture Medic Franchise Disclosure Document. Franchisee agrees that no claims of success or failure have been made to him prior to signing this Agreement. This Agreement when fully executed shall supersede all prior and existing agreements between the parties having to do with the subject matter of this Agreement. In the event of a breach of this Agreement, the prevailing party shall be entitled to reasonable fees, costs and expenses incurred in enforcing the provisions of this Agreement or securing damages for its breach, including, but not limited to, reasonable attorneys' fees and court costs.

L. Financing. FM does not represent that the Franchisee will qualify for service vehicle or any other type of financing. FM does not warrant that the Franchisee or its customers will qualify under standards set by credit granting financial institutions. FM does not represent that any supplier will grant a line of credit to the Franchisee or the Franchisee's customers. Any failure of the Franchisee or its customers to secure such financing or financing arrangements shall not subject this Agreement to rescission or subject FM to any costs, refunds, or penalties. The Franchisee acknowledges that decisions of credit-granting firms are beyond the control of the parties to this Agreement and holds FM harmless for the results of such decisions.

M. Pricing. Franchisee shall be free to set and determine its own pricing structure for Franchised Services sold and rendered under the terms of this Agreement. Franchisee may request suggested pricing from FM but all prices charged shall be solely at the discretion of Franchisee. Franchisee who chooses to participate in National Accounts Programs may have to abide by the negotiated pricing of the program.

N. Headings. Headings of sections or order of specific articles are deemed by the parties to be merely descriptive in nature and not intended to limit or preclude information contained therein.

O. Binding Agreement. Franchisee and its signatories to this Agreement agree to abide by all terms and conditions contained herein as individuals as well as officers or principals if incorporated.

P. Acknowledgments. By signing this Agreement, Franchisee certifies that it has received and reviewed the Franchise Disclosure Document and its exhibits and this Agreement fourteen (14) calendar days, or ten (10) business days as may be required by Franchisee's state, prior to signing this Agreement or prior to paying any monies.

The Franchisee acknowledges that:

1. Franchisee has received, read and understands this Agreement and the attachments hereto; FM has fully and adequately explained the provisions hereof to Franchisee's satisfaction; and Franchisee has been accorded sufficient time and opportunity (as may be required by state and federal law) to consider this Agreement and to consult with advisors of Franchisee's own choosing concerning the potential benefits and risks of entering into this Agreement.
2. FM expressly disclaims, and Franchisee acknowledges that it has not received any warranty, promise, or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.
3. The success of the Franchised Business contemplated to be undertaken by the Franchisee depends to a large extent upon the ability of the Franchisee or its principal(s) as independent business person(s) and upon the Franchisee's efforts, skill, business background and sales.

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

(1)______________________	The date on which Franchisee received a Franchise Disclosure Document with all exhibits. (Must be same date as date entered on Receipt Page)
(2)______________________	The date of the Franchisee's first personal meeting with a Marketing Representative to discuss the possible purchase of this Franchise. (Does not apply to renewal)
(3)	Name of all individuals involved in Sales Process _,____,

____,
. (Does not apply to renewal)

(4)______________________	The date the Franchisee received a completed copy (except for signatures) of this Agreement that was later signed.
(5) _____________________	The date on which the Franchisee signed this Agreement.
(6) _____________________	The date on which the Franchisee delivered any deposit, down payment, purchase price or other payment in the form of cash, check, or other consideration

R. Specific Claims and/or Representations to Franchisee.

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”).

2. No oral, written, or visual claim or representation which stated or suggested any sales, income or profit levels was made to the Franchisee except:

____
(if none, the Franchisee shall write “none”).

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 the Franchise Disclosure Document and:

____
(if none, the Franchisee shall write “none”)

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 the Franchise Disclosure Document were relied upon by the Franchisee in signing the Agreement except:

____
(if none, the Franchisee shall write “none”)

5. Franchisee acknowledges and agrees that they may not receive and are not entitled to receive leads and/or jobs from national account programs (which includes the Quality Furniture Restoration and similar programs) offered by FM from time to time, and that if they do receive such leads or jobs: (a) those leads or jobs may not be distributed equally; (b) the model for distributing those leads will be designed in FM’s sole discretion and may be modified from time to time; (c) National Account customers may limit the number of participating franchisees in a market and direct work to specific franchisees; (d) lead and/or job volume varies greatly across the United States, and that some geographic regions have few or no leads/jobs.

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

I have read Article XIII, Paragraph R, understand it and agree with it.

Your Initials:_______/____________/_______

S. Officers, Shareholders or Partners of Franchisee. If Franchisee is a Corporation, Partnership or Limited Liability Company, set forth below is a list of all officers, shareholders, partners or members of Franchise, their respective holdings and spouses. If Franchisee is a sole proprietor, list name of spouse below.

Name	Percentage (Total must =100%)	Office Held
______________________	____________	____________________
______________________	____________	____________________
______________________	____________	____________________
______________________	____________	____________________

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

FM (FRANCHISOR)
FURNITURE MEDIC SPE LLC

WITNESS:

By:______________________________

By: ______________________________

Title:______________________________

ATTEST:

By______________________________
Secretary (if corporation)

SEAL (if corporation)

FRANCHISEE

By: ______________________________
Signature of owner; partner; duly authorized officer, indicating office held; or member

By: ______________________________
(If partnership, other partner signs here)
(If corporation, duly authorized officer)
(If LLC, duly authorized member)

By: ______________________________
(If third partner, the third partner signs here)
(If LLC, duly authorized member)

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

In consideration of the execution of the Franchise Agreement by FM, and for other good and valuable consideration, the Franchisee and spouse, and if the Franchisee is an entity, each owner of a five percent (5%) or greater beneficial interest in the Franchisee and their spouses, in their individual capacities do, jointly and severally hereby become surety and guaranty, and agree to be personally bound for the payment of all amounts and the performance of the covenants, terms and conditions of the Franchise Agreement, to be paid, kept and performed by the Franchisee as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Franchise Agreement.

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

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

Notwithstanding anything in this Guaranty to the contrary, the undersigned, if the Franchisee is in full compliance with this Franchise agreement and all other agreements between the Franchisee and FM and its affiliates, shall have no personal liability for any indemnity obligation under Article XI of the Franchise Agreement if and for so long as the Franchisee obtains and maintains in full force and effect the following additional insurance policies, with FM named as an additional insured under all such policies which provide actual coverage for the claim for which FM is to be indemnified. For revenue reported by the Franchisee for the last twelve (12) months which equal or are less than five million dollars ($5,000,000.00), a general liability umbrella or excess liability policy of five million dollars ($5,000,000.00) (including automobile liability) of additional coverage. For revenues reported by the Franchisee for the last twelve (12) months which exceed five million dollars ($5,000,000.00): one million dollars ($1,000,000.00) in additional coverage for each additional one million dollar ($1,000,000.00) increment. (Example: $5,000,001 to $6,000,000 in revenue, $6,000,000 in additional coverage).

Except as precluded by applicable law, each of the undersigned hereby submits to personal jurisdiction exclusively in the state and federal courts located in the metropolitan area of FM's then-current principal place of business (currently, Atlanta, Georgia) with respect to any litigation, action or proceeding pertaining to this Personal Guaranty or the Franchise Agreement and agrees that all such proceedings will and must be venued in such state. Each of the undersigned consents to and agrees that they are subject to and will abide by the dispute resolution provisions contained in the Franchise Agreement.

PERSONAL GUARANTORS

____________________________________, individually Signature	____________________________________, individually Signature
Print Name ____________________________________	Print Name ____________________________________
Home Address __________________________________ ____	Home Address __________________________________ ____
____________________________________, individually Signature	____________________________________, individually Signature
Print Name ____________________________________	Print Name ____________________________________
Home Address __________________________________ ____	Home Address __________________________________ ____

EXHIBIT A-1

LICENSE # ____________

DESCRIPTION OF TERRITORY

<u>EXHIBIT A-2</u>

TELEPHONE LISTING AUTHORIZATION AGREEMENT

THIS AGREEMENT, entered into between Furniture Medic SPE LLC, of Atlanta, Georgia (hereinafter referred to as "FM"), and____, (hereinafter referred to as "Franchisee").

<u>WITNESSETH</u>

WHEREAS, FM is the franchisor of the Furniture Medic System and FM’s parent or its affiliate is the owner of the "Furniture Medic" trademark; and

WHEREAS, FM and Franchisee have entered into a Franchise Agreement (the "Franchise Agreement") pursuant to which Franchisee is granted the limited right to use the trademark and related commercial symbols in Franchisee's business telephone directory listings; and

WHEREAS, Franchisee is authorized to continue using the Furniture Medic commercial symbols until such time as the Franchise Agreement is terminated or expires.

NOW, THEREFORE, the parties hereby agree as follows:

1. Franchisee is authorized to obtain separate telephone service, and/or participate in a central telephone service for Franchisee's Furniture Medic franchised business. Such service shall not be used in conjunction with any other business or residential telephone service.

2. Franchisee is authorized and agrees to secure white pages and directory assistance listings only in the Franchisee’s approved doing business as (dba) name (“Furniture Medic by ……") as listed in the Franchise Agreement. No other names may be used in conjunction with the Furniture Medic trademark and no additional listings may be used with the telephone number assigned unless approved in writing in advance by FM.

3. All telephone listings, display advertising, layout, and copy shall be approved in advance in writing by FM, and Franchisee agrees that the telephone company shall not accept placements of any such copy unless written approval by FM is attached.

4. Franchisee shall be responsible for the payment of all monthly service charges, directory listings and Yellow Page advertising or reasonable share of central numbers and associated listings and advertising.

5. Franchisee agrees that such telephone number(s), namely,____, and listings and advertisements shall be considered to be the sole property of FM. Upon termination of the Franchise Agreement for whatever reason, Franchisee agrees that Franchisee shall immediately cease all use of such telephone number(s) and listings and advertisements and that all such telephone number(s), listings and advertisements shall become the sole property of FM, at its option, subject to FM's obligation to pay all fees due therefore becoming due and payable after the date of cessation of use.

6. Franchisee, by this Agreement, hereby releases and forever discharges FM and its successors or assigns and the telephone company from liability of any kind or character which results or may result directly or indirectly from FM's exercise of its rights hereunder or from the telephone company's cooperation with FM in effecting the terms of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this day of____________, 20 .

<u>FRANCHISOR</u>
FURNITURE MEDIC SPE LLC

By:____
Its: _______________________________________

<u>FRANCHISEE</u>

Name____________________________________
Title ____________________________________

FDD EXHIBIT B

FINANCIAL STATEMENTS AND GUARANTY

GUARANTEE OF PERFORMANCE

For value received, ServiceMaster Systems LLC, a Delaware limited liability company (the "Guarantor"), located at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328, absolutely and unconditionally guarantees to assume the duties and obligations of Furniture Medic SPE LLC, located at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2022 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This Guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Atlanta, Georgia on this 26 day of April 2022.

Guarantor:

SERVICEMASTER SYSTEMS LLC

By:____________________________
Name: Vipul Soni
Title: Treasurer

FINANCIAL STATEMENTS

FOR

SERVICEMASTER SYSTEMS, LLC

AND SUBSIDIARIES

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES

(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)

Consolidated Financial Statements for the year ended December 31, 2021 and for the period from December 9, 2020 (Inception) to December 31, 2020

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche LLP
6075 Poplar Avenue
Suite 350
Memphis, TN 38119
USA

Tel: 901-322-6700
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of RW Parent, LLC and
The Management of ServiceMaster Systems, LLC
Atlanta, Georgia

Opinion

We have audited the consolidated financial statements of ServiceMaster Systems, LLC and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income, member's equity, and cash flows for the year ended December 31, 2021 and the period from December 9, 2020 (inception) to December 31, 2020, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and the period from December 9, 2020 (inception) to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Deloitte & Touche LLP

March 31, 2022

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in millions)		Year ended December 31, 2021		Period from December 9, 2020 (Inception) to December 31, 2020
Revenue	**$**	**301.6**	**$**	**15.7**
Cost of services rendered		127.2		7.1
Selling and administrative expenses		69.7		3.5
Depreciation and amortization expense		16.9		1.1
Operating expenses		213.8		11.7
Operating income		**87.8**		**4.0**
Other income		(0.4)		-
Net income and comprehensive income	**$**	**88.2**	**$**	**4.0**

See accompanying notes to the consolidated financial statements.

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIESS
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions)		As of December 31, 2021		As of December 31, 2020
Assets:				
Accounts receivable, less allowance	$	53.3	$	35.1
Inventories		7.2		5.7
Prepaid expenses and other assets		3.0		4.2
Total Current Assets		**63.5**		**45.0**
Property and equipment, net		17.4		6.0
Operating lease right-of-use asset		0.5		1.2
Notes receivable		0.2		-
Intangible assets, net		1,670.0		1,509.3
Other assets		0.1		-
Total Assets	**$**	**1,751.7**	**$**	**1,561.5**
Liabilities and Member's Equity:				
Accounts payable	$	15.9	$	8.9
Payroll and related expenses		0.6		0.4
Deferred revenue		2.7		3.1
Current portion of lease liability		0.4		0.4
Current portion of finance lease liability		-		0.2
Current portion of long-term debt		0.1		1.2
Other current liabilities		29.3		19.9
Total Current Liabilities		**49.0**		**34.1**
Long-term debt		-		0.1
Other long-term obligations		3.5		4.9
Long-term lease liability		0.1		0.8
Long-term portion of finance lease liability		-		0.5
Total Liabilities		**52.6**		**40.4**
Member's Equity		1,699.1		1,521.1
Total Liabilities and Member's Equity	**$**	**1,751.7**	**$**	**1,561.5**

See accompanying notes to the consolidated financial statements.

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

(in millions)		**Member's Equity**
Balance at December 9, 2020 (Inception)	$	–
Initial contribution from Member		1,517.1
Net income and comprehensive income		4.0
Balance at December 31, 2020	**$**	**1,521.1**
Distribution to Member		(109.7)
Measurement period adjustment to the initial contribution		(102.3)
Contributions (TMTI and SRM)		301.8
Net income and comprehensive income		88.2
Balance at December 31, 2021	**$**	**1,699.1**

See accompanying notes to the consolidated financial statements.

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)		Year ended December 31, 2021		Period from December 9, 2020 (Inception) to December 31, 2020
Cash Flows from Operating Activities				
Net income	$	88.2	**$**	4.0
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization expense		16.9		1.1
Other, net		2.7		–
Changes in operating assets and liabilities				
Accounts receivable		(11.1)		0.1
Inventories		(0.6)		0.2
Prepaid expenses and other assets		8.7		(0.2)
Accounts payable		4.1		1.9
Deferred revenue		(4.0)		(0.2)
Accrued and other current liabilities		6.9		0.4
Net cash provided by operating activities		111.8		7.3
Cash Flows from Investing Activities				
Capital expenditures		(0.3)		(0.4)
Net cash used in investing activities		(0.3)		(0.4)
Cash Flows from Financing Activities				
Payments on finance leases		(0.6)		–
Debt payments		(1.2)		–
Distribution to Member		(109.7)		(6.9)
Net cash used in financing activities		(111.5)		(6.9)
Net (decrease) increase in cash and cash equivalents		–		–
Cash and cash equivalents at beginning of period		–		–
Cash and cash equivalents end of period	**$**	**–**	**$**	**–**
Non-cash investing and financing activities				
Initial non-cash contribution of assets and liabilities from Member on December 9, 2020	$	–	$	1,517.1
Non-cash contribution of assets and liabilities in connection with acquisitions	$	301.8	$	–
Non-cash measurement period adjustment to the initial contribution	$	(102.3)	$	–

See accompanying notes to the consolidated financial statements.

Note 1. Description of Business

On October 1, 2020, RW Purchaser LLC ("RW Purchaser") entered into a transaction (the "Transaction") to acquire the following brands and businesses: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec (collectively, the "ServiceMaster Brands.") from Terminix Global Holdings, Inc. which included substantially all assets and liabilities associated with the ServiceMaster Brands. The total purchase price of the Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of Transaction.

On December 9, 2020 (the "Securitization Date"), a series of agreements (collectively, the "Securitization") were effectuated and gave rise to a revised legal entity structure of RW Purchaser's subsidiaries as well as the issuance of approximately $750,000,000 of Notes (as defined below) by RW Purchaser's indirect subsidiaries, ServiceMaster Funding LLC (the "Issuer" or "Member") and ServiceMaster of Canada Limited (collectively, the "Co-Issuers"), which have been guaranteed by commonly controlled RW Purchaser subsidiaries, ServiceMaster SPE Holdco LLC ("Holdco") and RW Canada Intermediate Ltd., as well as all of the subsidiaries of the Issuer (collectively, the "Guarantors"), including ServiceMaster Systems, LLC (the "Company").

References to "we," "us," "our" and "Company" in the accompanying consolidated financial statements (the "financial statements") are to the Company's business unless the context otherwise requires.

Organizational Structure

Pursuant to the Securitization, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the assets of the ServiceMaster Brands (the "Pre-Contribution Assets") between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the Securitization were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the Securitization Date. As a result of the finalization of the determination of the fair value and allocation of the acquired net assets, a measurement period adjustment of $102.3 million was recorded which reduced the value of the intangible assets allocated to the Company.

As part of the transfers, ServiceMaster Opco Holdings, LLC ("Opco"), a wholly owned subsidiary of RW Purchaser, entered into a contribution agreement with its 100% wholly owned subsidiary, Holdco; pursuant to which Opco contributed all of its right, title and interest in and to the Pre-Contribution Assets to Holdco. Subsequently, Holdco entered into a contribution agreement with its 100% wholly owned subsidiary, the Issuer, pursuant to which Holdco contributed all of its right, title and interest in and to the Pre-Contribution Assets to the Issuer. The Issuer then entered into a subsequent contribution agreement pursuant to which the Issuer contributed assets, net of liabilities, in the amount of $1,517.1 million of the US portion of the ServiceMaster Brands to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

On March 1, 2021, RW Purchaser acquired the loss recovery business (the "SRM Business") from DSI Holdings Corporation for $20.9 million, primarily consisting of the ServiceMaster Recovery Management loss recovery network. The total purchase price of the SRM Business was allocated to the underlying assets acquired and liabilities assumed based upon management's estimated fair values at the date of acquisition.

On July 30, 2021, a series of agreements were effectuated and gave rise to the issuance of approximately $400,000,000 of Notes (as defined below in Note 7, *Long-term Debt*) by the Co-Issuers, which have been guaranteed by the Guarantors.

On August 3, 2021 (the "TMTI Transaction Date"), RW Purchaser entered into a transaction (the "TMTI Transaction") to acquire substantially all of the assets and liabilities associated with the following brands and businesses: Two Men and a Truck/International, Inc., Eberly Transportation, Inc., TMT/Gold Rush, LLC, TMT – Delhi, L.L.C., and TMT – Lansing, LLC from TMTI Holdco, Inc., Eberly Holdco, Inc., Melanie Bergeron, Jon Sorber, and James Brigham Sorber. The total purchase price of the TMTI Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of the TMTI Transaction. The allocation of the purchase price is preliminary and may change in future periods, perhaps materially, as fair value estimates of the assets acquired, and liabilities assumed are refined and finalized during the allowable one-year measurement period.

Pursuant to the TMTI Transaction, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of TMTI between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the TMTI Transaction were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the TMTI Transaction Date. As these assets are a subset of the assets acquired as part of the TMTI Transaction on August 3, 2021, they are subject to a measurement period of one year from the date of the TMTI Transaction, August 3, 2021.

The Member then entered into a contribution agreement pursuant to which the Member contributed assets, net of liabilities, in the amount of $301.8 million of TMTI (August 3, 2021) and SRM (March 1, 2021) to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

2021 Senior Notes

On July 30, 2021, in conjunction with the TMTI Transaction, as defined above, the Co-Issuers entered into an agreement (the “2021 Indenture”) for a senior note secured term loan facility in an aggregate principal amount of $400,000,000 with Citibank. The Issuer issued $150,000,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-I, $250,000,000 of Series 2021-1, 3.113% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-II (the “2021 Notes”). The legal final maturity date of the Notes is in July 2051. The 2021 Indenture provides for an anticipated repayment date of July 2028 for the Series 2021 Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2021 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2021-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Issuer if certain conditions are met.

The 2021 Notes are secured by substantially all of the assets of the Issuer and the Guarantors. The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2021 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments.

2020 Securitized Notes

In connection with the 2020 Securitization, on December 9, 2020 the Co-Issuers entered into an agreement (the “2020 Indenture”) pursuant to which the Co-Issuers issued $250,000,000 of Series 2020-1 2.841% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-I (the “Class A-2-I Notes”), $450,000,000 of Series 2020-1, 3.337% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-II (the “Class A-2-II Notes”), and $50,000,000 of variable funding notes, Series 2020 Class A-1 (the “Series 2020-1 Class A-1 Notes” and, collectively with the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes, the “2020 Notes”). Interest will accrue on the Series 2020-1 Class A-1 Notes at a variable rate depending on the outstanding amount drawn by the Co-Issuers from time to time thereunder, if any. The legal final maturity date of the Notes is in January 2051. As of December 31, 2020, no amounts were outstanding under the Series 2020-1 Class A-1 Notes. Unless earlier prepaid to the extent permitted, the 2020 Indenture provides for an anticipated repayment date of January 2028 for the Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2020 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2020-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Co-Issuers if certain conditions are met.

The 2020 Notes are secured by substantially all of the assets of the Co-Issuers and the Guarantors. The 2020 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2020 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments. The 2020 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default. The 2020 Indenture also provides for quarterly principal amortization in respect of the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes equal to 0.25% of their original principal amount through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

ServiceMaster Systems, LLC

The Company is a single-member limited liability company subsidiary of the Issuer and an indirect wholly owned subsidiary of RW Purchaser. Through its subsidiaries, the Company franchises and operates restoration, cleaning, furniture repair, property inspection, moving, junk removal, and storage solution services to both residential and commercial customers through the ServiceMaster Brands: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck ("TMTI") (collectively, the "ServiceMaster Brands.")

COVID-19

COVID-19 continues to impact the global economy. The impact of the COVID-19 pandemic depends on factors largely beyond the Company's knowledge or control. The Company did not experience any material operational, or supply chain disruptions related to various efforts to mitigate the spread of COVID-19. However, there remains uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. As such, the Company is unable to determine if it will have a material impact to its operations.

Note 2. Significant Accounting Policies

The significant accounting policies described below, together with the other notes that follow, are an integral part of the financial statements.

Basis of Preparation

The historical results of our operations, financial position and cash flows have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of the financial statements requires management to make certain estimates and assumptions required under US GAAP that may differ from actual results. The more significant areas requiring the use of management estimates relate to revenue recognition; the allowance for uncollectible receivables; the possible outcome of outstanding legal matters; the deferral and amortization of customer acquisition costs; useful lives for determining depreciation and amortization expense; and the valuation of tangible and intangible assets.

Cash and Cash Equivalents

As part of the organizational design, all cash generated from the Company's operations are to be transferred to a concentration account in the name of the Company. The Company utilizes a portion of the cash from operations to repay the Notes and related fees. Any residual or excess funds that remain with the Company after fulfilling scheduled payments associated with the Notes are further transferred to OpCo. Accordingly, all cash on-hand with the Company is transferred upstream within the organizational structure.

Accounts Receivable

Accounts receivable consist primarily of national account revenue due from customers, royalties and franchise fees due from franchisees. Accounts receivable are carried at their net realizable value. The Company accounts for credit losses using the Current Expected Credit Loss (CECL) model detailed in the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") *No. 2016-13, Financial Instruments – Credit Losses (Topic 326)*. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers' trade accounts receivable. Due to the short-term nature of such receivables, the estimate of accounts receivable that may not be collected is based on aging of the accounts receivable balances and consideration of customers' financial and macroeconomic conditions. Balances are written off when determined to be uncollectible. The Company considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and determined that the estimate of credit losses was not significantly impacted.

Estimates are used to determine the allowance. It is based on an assessment of anticipated payment and all other historical, current and future information that is reasonably available.

(in millions)		As of December 31, 2021		As of December 31, 2020
Accounts receivable	$	59.2	$	35.1
Less: Allowance for credit losses		(5.9)		–
Accounts receivable, net of allowance	**$**	**53.3**	**$**	**35.1**

Deferred Customer Acquisition Costs

Customer acquisition costs, which are incremental and direct costs of obtaining a customer, are deferred and amortized over the expected customer relationship period.

Inventory

Inventories are recorded at the lower of cost (primarily on a weighted-average cost basis) or net realizable value. Our inventory primarily consists of finished goods to be used on the customers' premises or sold to franchisees.

Property and Equipment and Intangible Assets

Property and equipment consist of the following:

(in millions)		As of December 31, 2021		As of December 31, 2020	Estimated Useful Lives (Years)
Building	$	0.3	$	–	39
Land		7.0		–	–
Technology and communications		5.4		5.3	2-10
Office equipment, furniture and fixtures		0.3		0.5	3-17
Property and equipment, net	**$**	**17.4**	**$**	**6.0**	

Depreciation expense of property and equipment was $1.8 million for the year ended December 31, 2021 and $0.2 million for the period from December 9, 2020 (Inception) to December 31, 2020.

Property and equipment and intangible assets with finite lives are depreciated and amortized on a straight-line basis over their estimated useful lives. These lives are based on our previous experience for similar assets, potential market obsolescence and other industry and business data. As required by accounting standards for the impairment or disposal of long-lived assets, property and equipment and finite-lived intangible assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, an impairment loss could be recognized equal to the difference between the carrying amount and the fair value of the asset. Indefinite-lived intangible assets are tested annually for impairment by applying a fair-value based test. Changes in the estimated useful lives or in the asset values could cause us to adjust its book value or future expense accordingly.

Indefinite-lived intangible assets, primarily trade names, are assessed annually for impairment during the fourth quarter or earlier upon the occurrence of certain events or substantive changes in circumstances. The Company performed an annual impairment analyses as of October 1, 2021 which did not result in any trade name impairments to continuing operations. See Note 4 to the financial statements for our intangible assets balances.

Member's Equity

Our equity on the statements of financial position represents the Issuer's net investment in us and is presented as Member's Equity. Member's Equity includes the value of the net assets transferred to the Company on the Securitization Date, subsequent transfers of SRM and TMTI and the Issuer's share of our net income since Inception.

Leases

We determine if an arrangement is a lease at inception. We recognize a right-of-use ("ROU") asset and lease liability for all leases with terms of 12 months or more. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. See Note 8 to the accompanying consolidated financial statements for information related to our leases.

Revenue

Royalty fees

The Company has franchise agreements in the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic and AmeriSpec businesses. Royalty fee revenue consists principally of sales-based royalties received as part of the consideration for the franchise right and is calculated as a percentage of customer-level revenue. Revenue is recognized by us at the agreed-upon contractual rates over time as the customer-level revenue is generated by the franchisees. A receivable is recognized for an estimate of the unreported royalty fees, which are reported and remitted to us in arrears.

Commercial cleaning and other national accounts

National account revenues are recognized at the agreed-upon contractual amounts over time as services are completed based on contractual arrangements to provide services at the customers' locations. The Company engages either a franchisee or non-franchisee business to perform the services. Under these agreements, the Company is directly responsible for providing the services and receive payment directly from the customer. A receivable is recorded related to this revenue as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after services have been rendered.

Sales of products

Revenues are generated from selling products to franchisees. Revenues from product sales are generally recognized once control of the products transfers to the customer. A receivable is recorded related to these sales as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after a customer is invoiced.

Franchise Fees

Initial franchise fees result from the sale of a franchise license, which includes the use of the name, trademarks and proprietary methods. The franchise license is considered symbolic intellectual property and revenue related to the sale of this right is recognized at the agreed-upon contractual amount over the term of the initial franchise agreement.

We have contractual arrangements with several national insurance companies to maintain a call center which receives and provides nonrecurring recovery and restoration referrals from the insurers to qualifying franchisees. We receive and recognize referral fees from franchisees at the agreed-upon contractual amount as revenue in the month the referral is issued.

We recognize revenue from Company owned locations at the point in time when services are provided to the customer.

National advertising fund

Franchisees contribute a percentage of customer-level revenue into a national advertising fund managed by us. In cases where we have ultimate control of the marketing and advertising, we recognize both revenue and expense for the amount earned.

Advertising

Advertising costs are expensed when the advertising occurs and are included in selling and administrative expenses. Advertising costs were $15.7 million and $1.1 million for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively. Advertising costs include national advertising fund expenses of $14.5 million and $0.7 million for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively, for which there is an equal amount recorded in revenue for the year ended December 31, 2021, and the period from December 9, 2020 (Inception) to December 31, 2020.

Income Taxes

The Company is a single-member, limited liability corporation which has elected not to be taxed as a corporation, and consequently is not subject to U.S. federal or state income taxes. As such, for income tax purposes, the Company's earnings flow through directly to the Member.

Comprehensive Income

Comprehensive income represents net income for the period plus the results of certain other changes in Member's equity. The Company's comprehensive income is equal to its net income.

Newly Issued Accounting Standards

We have reviewed all recently issued, but not yet effective, accounting pronouncements and do not expect the future adoption of any such pronouncements to have a material impact on our financial condition or the results of our operations.

Note 3. Revenue

The following table presents our revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major customer acquisition channels. We determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

(in millions)		Year ended December 31, 2021		Period from Inception to December 31, 2020
Major service line				
Royalty Fees	$	141.3	$	7.1
Commercial Cleaning and other National Accounts		84.0		5.5
Sales of Products		12.0		1.1
Other		64.3		2.0
Total	$	**301.6**	$	**15.7**

Costs to Obtain a Contract with a Customer

The Company capitalizes the incremental costs of obtaining a contract with a customer, primarily commissions, and recognizes the expense on a straight-line basis, as adjusted to match the timing of revenue recognition, over the expected customer relationship period. As of December 31, 2021 and 2020, there was an immaterial amount of activity related to capitalizable cost to obtain a contract.

Contract Balances

We record a receivable related to revenue recognized on services once we have an unconditional right to invoice and receive payment in the future related to the services provided. All accounts receivables are recorded within accounts receivables, less allowances, on the statements of financial position.

Deferred revenue from initial franchise fees represents a contract liability and is recognized when cash payments are received in advance of the performance of services, including when the amounts are refundable. Amounts are recognized as revenue in proportion to the costs expected to be incurred in performing services under our contracts.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to taxing authorities.

Note 4. Intangible Assets

The table below summarizes the other intangible asset balances:

	As of December 31, 2021		
(in millions)	**Gross**	**Accumulated Amortization**	**Net**
Trade names [(1)]	$ 1,503.5	$ –	$ 1,503.5
Customer relationships	43.4	4.7	38.7
Other	141.7	13.9	127.8
Total	**$ 1,688.6**	**$ 18.6**	**$ 1,670.0**

	As of December 31, 2020		
(in millions)	**Gross**	**Accumulated Amortization**	**Net**
Trade names [(1)]	$ 1,335.0	$ –	$ 1,335.0
Customer relationships	46.0	1.0	45.0
Other	132.0	2.7	129.3
Total	**$ 1,513.0**	**$ 3.7**	**$ 1,509.3**

(1) Not subject to amortization

Amortization expense of $15.1 million and $0.9 million was recorded for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively. For the existing intangible assets, we anticipate amortization expense of $15.9 million per year for the years ending December 31, 2022, 2023, 2024, 2025 and 2026.

Note 5. Commitments and Contingencies

We lease certain property and equipment under various operating lease arrangements. Most of the property leases provide that we pay taxes, insurance and maintenance applicable to the leased premises. As leases for existing locations expire, we expect to renew the leases or substitute another location and lease. Please refer to Note 8, Leases, for further details.

In the ordinary course of conducting business activities, we are and may in the future become involved in judicial, administrative and regulatory proceedings involving both private parties and governmental authorities. These proceedings include insured and uninsured matters that are brought on an individual, collective, representative and class action basis, or other proceedings involving regulatory, employment, general and commercial liability, automobile liability, wage and hour, data privacy and other matters. Although it is not possible to predict with certainty the outcome or cost of these matters, we believe they will not have a material adverse effect on the financial statements.

Note 6. Employee Benefit Plans

The Company did not have employee benefit plans in place as of December 31, 2020. However, employees received compensation in lieu of a 401(k)-employer match in the amount of and recognized as an expense of $0.2 million for the period from December 9, 2020 (Inception) to December 31, 2020, which were recorded in selling and administrative expenses on the consolidated statements of operations and comprehensive income. As of December 31, 2021, a 401(k)-employee benefit plan was in place. The amount of 401(k)-employer match was $0.8 million for the year ended December 31, 2021 and was recognized in selling and administrative expenses on the consolidated statements of operations and comprehensive income.

Note 7. Long-term Debt

Notes Payable

The Company has notes payable with various parties. At December 31, 2021 and December 31, 2020, the amount owed under the notes payable were $0.1 million and $1.3 million, respectively. The entirety of the $0.1 million notes payable balance at December 31, 2021 is payable within the following 12 months and classified as the current portion of long-term debt.

2021 Senior Notes

See Note 1 for a description of long-term debt issued under the 2021 Senior Notes.

2020 Securitized Notes

See Note 1 for a description of long-term debt incurred under the Securitization.

Note 8. Leases

The Company accounts for leases under FASB Accounting Standards Codification (“ASC”) 842, *Leases*. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets (“ROU”), net; current portion of lease liability; and long-term lease liability on the statements of financial position. Finance leases are included in property and equipment, net, current portion of finance lease liability and long-term finance lease liability and long-term debt on the statements of financial position.

We participate in a fleet agreement which allows us to obtain fleet vehicles through a leasing program. Vehicle leases have remaining lease terms of less than one year to eight years. For vehicle leases, we account for the lease and non-lease components separately.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments, including fixed non-lease components, over the lease term at commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Leases, including subleases, with a lease term of 12 months or less are not recorded on the statements of financial position. Lease expense for minimum lease payments and fixed non-lease components is recognized on a straight-line basis over the lease term.

As of December 31, 2021, assets recorded under finance leases were $0.1 million and accumulated depreciation associated with finance leases was $0.1 million. As of December 31, 2020, assets recorded under finance leases were $0.7 million and accumulated depreciation associated with finance leases was $0.1 million. The operating lease cost component of lease expense was $0.5 million and $0.1 million for the year ended December 31, 2021 and the period from December 9, 2020 (Inception) to December 31, 2020, respectively. The finance lease cost, depreciation of finance lease ROU assets, short-term lease cost and variable lease cost components of lease expense were immaterial.

As the rates implicit in our leases are not readily determinable, we use a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. We use the portfolio approach and group leases into categories by lease term length, applying the corresponding incremental borrowing rates to these categories of leases.

Supplemental cash flow information and other information for leases was as follows:

(in millions, unless otherwise noted)		**For the year ended December 31, 2021**		**Period from Inception to December 31, 2020**
Operating leases	$	0.5	$	-
Finance leases		-		-
Weighted Average Remaining Lease Term (in years):				
Operating leases		1.3 Years		3.2 Years
Finance leases		-		3.4 Years
Weighted Average Discount Rate:				
Operating leases		3.17%		3.17%
Finance leases		-		3.17%

As of December 31, 2021, the finance leases included within current portion of finance lease liability and long-term portion of finance lease liability are immaterial on the consolidated statements of financial position. As of December 31, 2021, there was $0.4 million and $0.1 million of operating leases included within current portion of lease liability and long-term portion of lease liability, respectively, on the consolidated statements of financial position. Future minimum lease payments under non-cancellable leases as of December 31, 2021 were as follows:

(in millions)		**Operating Leases**		**Finance Leases**
Year ended December 31,				
2022	$	0.4	$	–
2023		0.1		–
2024		–		–
2025		–		–
2026		–		–
Thereafter		–		–
Total future minimum lease payments		**0.5**		**–**
Less imputed interest		–		–
Total	$	**0.5**	**$**	**–**

Note 9. Related-party Transactions

Management Fee

In connection with the Securitization, the Company entered into a management agreement with Opco on December 9, 2020 (the "Management Agreement") where Opco is to provide, among other things, the managing of respective rights, powers, duties and obligations in connection with the Pre-Contribution Agreements, the franchise assets, the securitization IP, and all other securitization assets. In exchange for the services described above, the Company will pay an annual management fee equal to a fixed amount of $7.8 million plus (B) a variable fee of $11,500 for every integer multiple of $100,000 of aggregate U.S. retained collections, receivable on a weekly basis. The management fee will be subject to successive 2% annual increases following each anniversary of the closing date. Such fees are included in selling and administrative expenses in the consolidated statement of operations and comprehensive income. For the year ended December 31, 2021 the Management fee was $27.8 million. There was no such fee for the period from Inception to December 31, 2020.

Note 10. Disposals

On September 30, 2021, the Company entered into four (4) separate asset sale agreements with existing franchisees to dispose of the following Company-owned branches:

- Service Master Merry Maids branch in Memphis, TN ("Memphis Branch")
- ServiceMaster Restore branches in Charlotte, NC and Wichita, KS ("Charlotte and Wichita Branches")
- ServiceMaster Restore branch in Chantilly, VA ("Chantilly Branch")
- ServiceMaster Clean branch in Albuquerque, NM ("Albuquerque Branch")

The transactions for each of the sales closed on October 29, 2021, with the exception of the sale of the Memphis Branch, which closed on October 25, 2021. The total consideration received for the sale of branches was de minimis and the Company will receive guaranteed royalty payments.

Note 11. Subsequent Events

The Company evaluated subsequent events from December 31, 2021 through March 31, 2022, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require disclosure in the financial statements.

THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Disclaimer

Ernst & Young LLP ("EY") prepared the attached Report only for ServiceMaster OpCo Holdings L.L.C. (the "Client") pursuant to an agreement solely between EY and Client. EY did not perform its services on behalf of or to serve the needs of any other person or entity. Accordingly, EY expressly disclaims any duties or obligations to any other person or entity based on its use of the attached Report. Any other person or entity must perform its own due diligence inquiries and procedures for all purposes, including, but not limited to, satisfying itself as to the financial condition and control environment of Client, as well as the appropriateness of the accounting for any particular situation addressed by the Report.

EY did not perform an audit, review, examination or other form of attestation (as those terms are identified by the American Institute of Certified Public Accountants or by the Public Company Accounting Oversight Board) of Client's financial statements. Accordingly, EY did not express any form of assurance on Client's accounting matters, financial statements, any financial or other information or internal controls. EY did not conclude on the appropriate accounting treatment based on specific facts or recommend which accounting policy/treatment Client should select or adopt.

The observations relating to accounting matters that EY provided to Client were designed to assist Client in reaching its own conclusions and do not constitute our concurrence with or support of Client's accounting or reporting. Client alone is responsible for the preparation of its financial statements, including all of the judgments inherent in preparing them.

This information is not intended or written to be used, and it may not be used, for the purpose of avoiding penalties that may be imposed on a taxpayer.

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES

(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)

(Unaudited) Condensed Consolidated Financial Information as of February 28, 2022 and for the two months ended February 28, 2022

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES

TABLE OF CONTENTS

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES
(UNAUDITED) CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

(in millions)		**Two months ended February 28, 2022**
Revenue	**$**	**49.5**
Cost of services rendered		18.7
Selling and administrative expenses		13.7
Depreciation and amortization expense		2.7
Operating expenses		35.1
Operating income		**14.4**
Other expense		0.6
Net income and comprehensive income	**$**	**13.8**

SERVICEMASTER SYSTEMS, LLC AND SUBSIDIARIES
(UNAUDITED) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions)		**As of February 28, 2022**
Assets:		
Accounts receivable, less allowance	$	51.3
Inventories		8.8
Prepaid expenses and other assets		3.0
Total Current Assets		**63.1**
Property and equipment, net		17.1
Operating lease right-of-use asset		0.4
Notes receivable, less allowance		0.1
Intangible assets, net		1,667.7
Investments in and advances to subsidiaries		0.2
Other assets		0.1
Total Assets	**$**	**1,748.7**
Liabilities and Member's Equity:		
Accounts payable	$	16.4
Payroll and related expenses		0.6
Deferred revenue		3.0
Current portion of lease liability		0.4
Current portion of finance lease liability		0.2
Current portion of long-term debt		0.1
Other current liabilities		25.0
Total Current Liabilities		**45.7**
Other long-term obligations		3.2
Intercompany payable		6.2
Long-term portion of finance lease liability		0.2
Total Liabilities		**55.3**
Member's Equity		1,693.4
Total Liabilities and Member's Equity	**$**	**1,748.7**

FINANCIAL STATEMENTS
FOR
SERVICEMASTER OPCO HOLDINGS, LLC
AND SUBSIDIARIES

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES

(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)

Consolidated Financial Statements for the year ended December 31, 2021 and for the period from October 1, 2020 (Inception) to December 31, 2020

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche LLP
6075 Poplar Avenue
Suite 350
Memphis, TN 38119
USA

Tel: 901-322-6700
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of RW Parent, LLC and
The Management of ServiceMaster OpCo Holdings, LLC
Atlanta, Georgia

Opinion

We have audited the consolidated financial statements of ServiceMaster OpCo Holdings, LLC and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income, member's equity, and cash flows for the year ended December 31, 2021 and the period from October 1, 2020 (inception) to December 31, 2020, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and the period from October 1, 2020 (inception) to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Deloitte + Touche LLP

March 31, 2022

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in millions)	Year ended December 31, 2021	Period from October 1, 2020 (Inception) to December 31, 2020
Revenue	**$ 302.6**	**$ 62.5**
Cost of services rendered	133.4	31.4
Selling and administrative expenses	100.0	23.5
Depreciation and amortization expense	18.7	4.4
Operating expenses	252.1	59.3
Operating income	**50.5**	**3.2**
Other expense	3.8	-
Interest expense	27.8	1.5
Net income and comprehensive income	**$ 18.9**	**$ 1.7**

See accompanying notes to the consolidated financial statements.

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIESS
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions)		As of December 31, 2021		As of December 31, 2020
Assets:				
Cash and cash equivalents	$	19.6	$	32.6
Restricted cash		13.9		7.0
Accounts receivable, less allowance		53.3		38.4
Current portion of notes receivable		2.3		-
Inventories		7.2		5.7
Prepaid expenses and other assets		14.0		4.3
Total Current Assets		**110.3**		**88.0**
Property and equipment, net		21.4		8.2
Operating lease right-of-use asset		15.0		8.4
Notes receivable, less allowance		7.0		9.7
Intangible assets, net		1,670.0		1,407.0
Other assets		0.1		-
Total Assets	**$**	**1,823.8**	**$**	**1,521.3**
Liabilities and Member's Equity:				
Accounts payable	$	18.5	$	16.5
Payroll and related expenses		2.0		6.2
Accrued interest payable		2.9		1.3
Deferred revenue		2.7		3.1
Current portion of lease liability		2.3		0.8
Current portion of finance lease liability		-		0.2
Current portion of long-term debt		20.5		5.9
Other current liabilities		34.5		21.6
Total Current Liabilities		**83.4**		**55.6**
Long-term debt		996.0		612.3
Other long-term obligations		3.5		4.9
Long-term lease liability		12.7		7.6
Long-term portion of finance lease liability		-		0.5
Total Liabilities		**1,095.6**		**680.9**
Member's Equity		728.2		840.4
Total Liabilities and Member's Equity	**$**	**1,823.8**	**$**	**1,521.3**

See accompanying notes to the consolidated financial statements.

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

(in millions)		Member's Equity
Balance at October 1, 2020	**$**	–
Initial contribution from Member		1,433.5
Contributions from Member		7.3
Distribution to Member		(602.1)
Net income and comprehensive income		1.7
Balance at December 31, 2020	**$**	**840.4**
Contribution (TMTI and SRM)		301.8
Contribution from Member		1.1
Distribution to Member		(434.0)
Net income and comprehensive income		18.9
Balance at December 31, 2021	**$**	**728.2**

See accompanying notes to the consolidated financial statements.

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)		For the year ended December 31, 2021		Period from October 1, 2020 (Inception) to December 31, 2020
Cash Flows from Operating Activities	$		$	
Net income		18.9		1.7
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization expense		18.7		4.4
Amortization of debt issuance costs		2.4		0.2
Non-cash lease expense		–		0.2
Other, net		3.8		–
Changes in operating assets and liabilities				
Accounts receivable and notes receivable		(7.2)		0.4
Inventories		(0.6)		(0.4)
Prepaid expenses and other assets		(2.1)		(3.5)
Accounts payable		(1.0)		7.8
Deferred revenue		(4.0)		(0.3)
Operating lease liability		–		(0.2)
Accrued and other current liabilities		7.7		8.2
Net cash provided by operating activities		36.6		18.5
Cash Flows from Investing Activities				
Capital expenditures		(1.1)		(0.7)
Net cash used in investing activities		(1.1)		(0.7)
Cash Flows from Financing Activities				
Payments on finance leases		(0.6)		–
Debt payment		(36.9)		(0.2)
Proceeds from borrowings		440.0		634.9
Debt issuance costs		(11.2)		(18.1)
Contribution from Member		1.1		7.3
Distribution to Member		(434.0)		(602.1)
Net cash (used in) provided by financing activities		(41.6)		21.8
Net (decrease) increase in cash, cash equivalents and restricted cash		(6.1)		39.6
Cash, cash equivalents and restricted cash at beginning of period		39.6		–
Cash, cash equivalents and restricted cash at end of period	**$**	**33.5**	**$**	**39.6**
Non-cash investing and financing activities				
Initial non-cash contribution of assets and liabilities from Member on October 1, 2020	$	–	$	1,433.5
Non-cash contribution of assets and liabilities in connection with acquisitions	$	301.8	$	–
Cash paid for interest	$	29.3	$	–

See accompanying notes to the consolidated financial statements.

Note 1. Description of Business

ServiceMaster Opco Holdings, LLC

ServiceMaster Opco Holdings, LLC (the "Company") is a newly formed limited liability company and a direct, wholly owned subsidiary of RW Purchaser LLC ("RW Purchaser" or "Member"). ServiceMaster Funding LLC (the "Issuer"), an indirect wholly owned subsidiary of the Company, will guarantee the Notes (as defined in Note 7, *Long-term Debt*), together with the other Guarantors (as defined below), pursuant to the Guarantee and Collateral Agreement. Through its direct wholly owned subsidiary ServiceMaster Holdco, LLC ("Holdco"), the Company acts as the manager of the securitization of restoration, cleaning, furniture repair, property inspection, moving, junk removal, and storage solution services to both residential and commercial customers through the ServiceMaster Brands: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck ("TMTI") (collectively, the "ServiceMaster Brands.")

References to "we," "us," "our" and "Company" in the accompanying consolidated financial statements (the "financial statements") are to the Company's business unless the context otherwise requires.

Organizational Structure

On October 1, 2020, RW Purchaser entered into a transaction (the "Transaction") to acquire substantially all of the assets and liabilities associated with the following brands and businesses: ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic and AmeriSpec (collectively, the "ServiceMaster Brands") from Terminix Global Holdings, Inc. The total purchase price of the Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of Transaction.

On December 9, 2020 (the "Securitization Date"), a series of agreements (collectively, the "Securitization") were effectuated and gave rise to a revised legal entity structure of RW Purchaser's subsidiaries as well as the issuance of approximately $750,000,000 of Notes (as defined in Note 7, *Long-term Debt*) by RW Purchaser's indirect subsidiaries, Issuer and ServiceMaster of Canada Limited ("Canada Limited" and collectively, the "Co-Issuers"), which have been guaranteed by commonly controlled RW Purchaser subsidiaries, Holdco and RW Canada Intermediate Ltd., as well as all of the subsidiaries of the Issuer (collectively, the "Guarantors").

Pursuant to the Securitization, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of the ServiceMaster Brands between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the Securitization were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the Securitization Date.

At the Securitization Date the Member then entered into a contribution agreement pursuant to which the Member contributed assets, net of liabilities, in the amount of $1,433.5 million of the US portion of the ServiceMaster Brands to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

On March 1, 2021, the Company acquired the loss recovery business (the "SRM Business") from DSI Holdings Corporation for $20.9 million, primarily consisting of the ServiceMaster Recovery Management loss recovery network. The total purchase price of the SRM Business was allocated to the underlying assets acquired and liabilities assumed based upon management's estimated fair values at the date of acquisition. The total estimated fair value of the net identifiable tangible and intangible assets acquired was $6.6 million and consisted of $5.7 million of property and equipment, $0.8 million of inventories, and $0.1 million of intangible assets. The excess of purchase price over the estimated fair value of the net assets acquired resulted in $14.3 million allocated to goodwill.

On July 30, 2021, a series of agreements were effectuated and gave rise to the issuance of approximately $400,000,000 of Notes (as defined below in Note 7, *Long-term Debt*) by the Co-Issuers, which have been guaranteed by the Guarantors.

On August 3, 2021 (the "TMTI Transaction Date"), RW Purchaser entered into a transaction (the "TMTI Transaction") to acquire substantially all of the assets and liabilities associated with the following brands and businesses: Two Men and a Truck/International, Inc., Eberly Transportation, Inc., TMT/Gold Rush, LLC, TMT – Delhi, L.L.C., and TMT – Lansing, LLC from TMTI Holdco, Inc., Eberly Holdco, Inc., Melanie Bergeron, Jon Sorber, and James Brigham Sorber. The total purchase price of the TMTI Transaction was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of the TMTI Transaction. The allocation of the purchase price is preliminary and may change in future periods, perhaps materially, as fair value estimates of the assets acquired, and liabilities assumed are refined and finalized during the allowable one-year measurement period.

Pursuant to the TMTI Transaction, a subset of the agreements resulted in the transfer of net assets comprising substantially all of the net assets of TMTI between certain related parties under the common control of RW Purchaser. As relevant parties involved with the transfer of net assets in connection with the TMTI Transaction were under the common control of RW Purchaser, all of the assets and liabilities were contributed at their respective carrying cost as of the TMTI Transaction Date. As these assets are a subset of the assets acquired as part of the TMTI Transaction on August 3, 2021, they are subject to a measurement period of one year from the date of the TMTI Transaction, August 3, 2021.

The Member then entered into a contribution agreement pursuant to which the Member contributed assets, net of liabilities, in the amount of $301.8 million of the TMTI (August 3, 2021) and SRM (March 1, 2021) to the Company, which were subsequently contributed by the Company to its wholly owned subsidiaries.

COVID-19

COVID-19 continues to impact the global economy. The impact of the COVID-19 pandemic depends on factors largely beyond the Company's knowledge or control. The Company did not experience any material operational, or supply chain disruptions related to various efforts to mitigate the spread of COVID-19. However, there remains uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. As such, the Company is unable to determine if it will have a material impact to its operations.

Note 2. Significant Accounting Policies

The significant accounting policies described below, together with the other notes that follow, are an integral part of the financial statements.

Basis of Preparation

The historical results of our operations, financial position and cash flows have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of the financial statements requires management to make certain estimates and assumptions required under US GAAP that may differ from actual results. The more significant areas requiring the use of management estimates relate to revenue recognition; the allowance for uncollectible receivables; the possible outcome of outstanding legal matters; the deferral and amortization of customer acquisition costs; useful lives for determining depreciation and amortization expense; and the valuation of tangible and intangible assets.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include highly liquid investments with maturity dates of three months or less from the date of purchase and are recorded at cost.

Restricted cash relates to the 2021 and 2020 Securitizations. As part of the transactions, the Company established certain cash and money market mutual fund accounts in the name of a financial institution (the "Trustee") for the benefit of the Trustee and the noteholders and are restricted in their use. Restricted cash is comprised of cash collections and reserves due to the Trustee to be used for payments of principal, interest, commitment fees and other permissible operating expenses required for the notes of the Company.

Accounts and Notes Receivable

Accounts receivable and notes receivable consist primarily of national account revenue due from customers, royalties and franchise fees due from franchisees and amounts financed for franchisees through our financing entity. Accounts receivable are carried at their net realizable value. The Company accounts for credit losses using the Current Expected Credit Loss (CECL) model detailed in the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers' trade accounts receivable. Due to the short-term nature of such receivables, the estimate of accounts receivable that may not be collected is based on aging of the accounts receivable balances and consideration of customers' financial and macroeconomic conditions. Balances are written off when determined to be uncollectible. The Company considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and determined that the estimate of credit losses was not significantly impacted.

Estimates are used to determine the allowance. It is based on an assessment of anticipated payment and all other historical, current and future information that is reasonably available.

(in millions)	**As of December 31, 2021**		
	Accounts Receivable	**Notes Receivable**	**Total**
Receivables	$ 59.2	$ 9.5	$ 68.7
Less: Allowance for credit losses	(5.9)	(0.2)	(6.1)
Receivables, net of allowance	**$ 53.3**	**$ 9.3**	**$ 62.6**

(in millions)	**As of December 31, 2020**		
	Accounts Receivable	**Notes Receivable**	**Total**
Receivables	$ 38.8	$ 10.0	$ 48.8
Less: Allowance for credit losses	(0.4)	(0.3)	(0.7)
Receivables, net of allowance	**$ 38.4**	**$ 9.7**	**$ 48.1**

Deferred Customer Acquisition Costs

Customer acquisition costs, which are incremental and direct costs of obtaining a customer, are deferred and amortized over the expected customer relationship period.

Inventories

Inventories are recorded at the lower of cost (primarily on a weighted-average cost basis) or net realizable value. Our inventories primarily consist of finished goods to be used on the customers' premises or sold to franchisees.

Property and Equipment and Intangible Assets

Property and equipment consist of the following:

(in millions)	As of December 31, 2021	As of December 31, 2020	Estimated Useful Lives (Years)
Building	$ 0.3	$ –	39
Land	7.0	–	–
Leasehold improvements	3.1	1.8	1-39
Technology and communications	9.3	5.8	2-10
Machinery and equipment	5.4	1.0	5-10
Office equipment, furniture and fixtures	0.8	0.5	3-17
Less: Accumulated depreciation	(4.5)	(0.9)	
Property and equipment, net	**$ 21.4**	**$ 8.2**	

Depreciation expense of property and equipment was $3.6 million for the year ended December 31, 2021 and $0.9 million for the period from Inception to December 31, 2020.

Property and equipment and intangible assets with finite lives are depreciated and amortized on a straight-line basis over their estimated useful lives. These lives are based on our previous experience for similar assets, potential market obsolescence and other industry and business data. As required by accounting standards for the impairment or disposal of long-lived assets, property and equipment and finite-lived intangible assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, an impairment loss could be recognized equal to the difference between the carrying amount and the fair value of the asset. Changes in the estimated useful lives or in the asset values could cause us to adjust its book value or future expense accordingly.

Indefinite-lived intangible assets, primarily trade names, are assessed annually for impairment during the fourth quarter or earlier upon the occurrence of certain events or substantive changes in circumstances. The Company performed an annual impairment analyses as of October 1, 2021 which did not result in any trade name impairments to continuing operations. See Note 4, *Intangible Assets*, for our intangible asset balances.

Member's Equity

Our equity on the consolidated statements of financial position represents RW Purchaser's net investment in us and is presented as Member's equity. Member's equity includes net cash transfers and other net asset transfers to and from RW Purchaser and us.

Leases

We determine if an arrangement is a lease at inception. We recognize a right-of-use ("ROU") asset and lease liability for all leases with terms of 12 months or more. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. See Note 8 to the accompanying consolidated financial statements for information related to our leases.

Revenue

Royalty fees

The Company has franchise agreements in the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, AmeriSpec, and Two Men and a Truck businesses. Royalty fee revenue consists principally of sales-based royalties received as part of the consideration for the franchise right and is calculated as a percentage of customer-level revenue. Royalty Fees are recognized at the agreed-upon contractual rates over time as the customer-level revenue is generated by the franchisees. A receivable is recognized for an estimate of the unreported royalty fees, which are reported and remitted to us in arrears.

Commercial cleaning and other national accounts

National account revenues are recognized at the agreed-upon contractual amounts over time as services are completed based on contractual arrangements to provide services at the customers' locations. The Company engages either a franchisee or third-party business to perform the services. Under these agreements, the Company is directly responsible for providing the services and receive payment directly from the customer. A receivable is recorded related to this revenue as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after services have been rendered.

Sales of products

Revenues are generated from selling products to franchisees. Revenues from product sales are generally recognized once control of the products transfers to the customer. A receivable is recorded related to these sales as the Company has an unconditional right to invoice and receive payment. Payments are typically received shortly after a customer is invoiced.

Franchise Fees

Initial franchise fees result from the sale of a franchise license, which includes the use of the name, trademarks and proprietary methods. The franchise license is considered symbolic intellectual property and revenue related to the sale of this right is recognized at the agreed-upon contractual amount over the term of the initial franchise agreement.

We have contractual arrangements with several national insurance companies to maintain a call center which receives and provides nonrecurring recovery and restoration referrals from the insurers to qualifying franchisees. We receive and recognize referral fees from franchisees at the agreed-upon contractual amount as revenue in the month the referral is issued. The Company also collects a renewal fee from franchisees based on the terms of the initial franchise agreement entered into between the Company and franchisees.

We recognize revenue from Company owned locations at the point in time when services are provided to the customer.

National advertising fund

Franchisees contribute a percentage of customer-level revenue into a national advertising fund managed by us. In cases where we have ultimate control of the marketing and advertising, we recognize both revenue and expense for the amount earned.

Advertising

Advertising costs are expensed when the advertising occurs and are included in selling and administrative expenses. Advertising costs were $15.6 million and $4.4 million for the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively. Advertising costs include national advertising fund expenses of $14.5 million and $2.8 million for the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively, for which there is an equal amount recorded in revenue for the year ended December 31, 2021, and the period from Inception to December 31, 2020.

Income Taxes

The Company is a single-member, limited liability corporation which has elected not to be taxed as a corporation, and consequently is not subject to U.S. federal or state income taxes. As such, for income tax purposes, the Company's earnings flow through directly to the Member.

Comprehensive Income

Comprehensive income represents net income for the period plus the results of certain other changes in Member's equity. The Company's comprehensive income is equal to its net income.

Newly Issued Accounting Standards

Accounting Standards Issued But Not Yet Effective

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this ASU provide guidance aimed at easing the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. In response to concerns about structural risks of interbank offered rates (IBORs), and, particularly, the risk of cessation of the London Interbank Offered Rate (LIBOR), regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. The amendments in this ASU are effective for all entities as of March 12, 2020 through December 31, 2022. The Company's debt agreements utilize LIBOR and have not yet discontinued its use. We plan to apply the amendments in this ASU to account for contract modifications due to changes in reference rates when applicable. We do not expect these amendments to have a material impact on our financial statements and related disclosures.

We have reviewed all other recently issued, but not yet effective, accounting pronouncements and do not expect the future adoption of any such pronouncements will have a material impact on our financial condition or the results of our operations.

Note 3. Revenue

The following table presents our revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major customer acquisition channels. We determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

(in millions)		Year ended December 31, 2021		Period from Inception to December 31, 2020
Major service line				
Royalty Fees	$	141.4	$	28.4
Commercial Cleaning and other National Accounts		84.0		21.8
Sales of Products		12.0		3.7
Other		65.2		8.6
Total	**$**	**302.6**	**$**	**62.5**

Costs to Obtain a Contract with a Customer

The Company capitalizes the incremental costs of obtaining a contract with a customer, primarily commissions, and recognizes the expense on a straight-line basis, as adjusted to match the timing of revenue recognition, over the expected customer relationship period. As of December 31, 2021 and 2020, there was an immaterial amount of activity related to capitalizable cost to obtain a contract.

Contract Balances

We record a receivable related to revenue recognized on services once we have an unconditional right to invoice and receive payment in the future related to the services provided. All accounts receivables are recorded within accounts receivables, less allowances, on the consolidated statements of financial position.

Deferred revenue from initial franchise fees represents a contract liability and is recognized when cash payments are received in advance of the performance of services, including when the amounts are refundable. Amounts are recognized as revenue in proportion to the costs expected to be incurred in performing services under our contracts.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to taxing authorities.

Note 4. Intangible Assets

The table below summarizes the other intangible asset balances:

	As of December 31, 2021		
(in millions)	**Gross**	**Accumulated Amortization**	**Net**
Customer relationships	43.4	4.7	38.7
Total	**$ 1,688.6**	**$ 18.6**	**$ 1,670.0**

	As of December 31, 2020		
(in millions)	**Gross**	**Accumulated Amortization**	**Net**
Customer relationships	43.4	0.9	42.5
Total	**$ 1,410.5**	**$ 3.5**	**$ 1,407.0**

(1) Not subject to amortization

Amortization expense of $15.1 million and $3.5 million was recorded in the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively. For the existing intangible assets, we anticipate amortization expense of $15.9 million per year for the years ending December 31, 2022, 2023, 2024, 2025 and 2026.

Note 5. Commitments and Contingencies

We lease certain property and equipment under various operating lease arrangements. Most of the property leases provide that we pay taxes, insurance and maintenance applicable to the leased premises. As leases for existing locations expire, we expect to renew the leases or substitute another location and lease. Please refer to Note 8, *Leases*, for further details.

In the ordinary course of conducting business activities, we are and may in the future become involved in various litigation and claims incidental to our business. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

Note 6. Employee Benefit Plans

The Company did not have employee benefit plans in place as of December 31, 2020. However, employees received compensation in lieu of a 401(k)-employer match in the amount of and recognized as an expense of $0.2 million for the period from Inception to December 31, 2020, which were recorded in selling and administrative expenses on the consolidated statements of operations and comprehensive income. As of December 31, 2021, a 401(k)-employee benefit plan was in place. The amount of 401(k)-employer match was $0.8 million for the year ended December 31, 2021 and was recognized in selling and administrative expenses on the consolidated statements of operations and comprehensive income.

Note 7. Long-term Debt

Outstanding debt consists of the following:

(in millions)		As of December 31, 2021		As of December 31, 2020
Series 2020 Class A-2-I Notes, due January 2051	$	225.0	$	226.8
Series 2020 Class A-2-II Notes, due January 2051		405.1		408.1
Series 2020 Class A-1 Variable Rate Notes		10.0		–
Series 2021 Class A-2-I Notes, due July 2051		149.6		–
Series 2021 Class A-2-II Notes, due July 2051		249.4		–
Notes payable		0.1		1.2
Less debt issuance costs, net		(22.7)		(17.9)
Total long-term debt, including current portion		**1,016.5**		**618.2**
Less current portion		(20.5)		(5.9)
Long-term debt, net	**$**	**996.0**	**$**	**612.3**

Interest expense was $27.8 million for all credit facilities described below for the year ended December 31, 2021 and $1.3 million for the period from Inception to December 31, 2020.

Future Minimum Principal Payments

(in millions)		Amount
2022	$	20.5
2023		10.3
2024		10.3
2025		10.3
2026		10.3
Thereafter		977.5
Total future minimum payments	**$**	**1,039.2**

2021 Senior Notes

On July 30, 2021, in conjunction with the TMTI Transaction, as defined above, the Co-Issuers entered into an agreement (the “2021 Indenture”) for a senior note secured term loan facility in an aggregate principal amount of $400,000,000 with Citibank. The Issuer issued $150,000,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-I, $250,000,000 of Series 2021-1, 3.113% Fixed Rate Senior Secured Notes, Series 2021 Class A-2-II (the “2021 Notes”). The legal final maturity date of the Notes is in July 2051. The 2021 Indenture provides for an anticipated repayment date of July 2028 for the Series 2021 Class A-2-I Notes and an anticipated repayment date of July 2031 for the Series 2021 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2021-1 Class A-1 Notes will expire in July 2026, subject to two automatic annual renewals at the election of the Issuer if certain conditions are met.

The 2021 Notes are secured by substantially all of the assets of the Issuer and the Guarantors. The 2021 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2021 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments.

In connection with the 2021 Notes, the Company incurred $7.2 million of debt issuance costs. The debt issuance costs were capitalized and amortized on a straight-line basis (which approximates the effective interest method) over the term of the 2021 Notes. The Company incurred $0.3 million of amortization expense of the 2021 Note issuance costs for the year ended December 31, 2021.

2020 Securitized Notes

In connection with the 2020 Securitization, on December 9, 2020 the Co-Issuers entered into an agreement (the “2020 Indenture”) pursuant to which the Co-Issuers issued $250,000,000 of Series 2020-1 2.841% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-I (the “Class A-2-I Notes”), $450,000,000 of Series 2020-1, 3.337% Fixed Rate Senior Secured Notes, Series 2020 Class A-2-II (the “Class A-2-II Notes”), and $50,000,000 of variable funding notes, Series 2020 Class A-1 (the “Series 2020-1 Class A-1 Notes” and, collectively with the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes, the “2020 Notes”). Interest will accrue on the Series 2020-1 Class A-1 Notes at a variable rate depending on the outstanding amount drawn by the Co-Issuers from time to time thereunder, if any. The legal final maturity date of the Notes is in January 2051. As of December 31, 2020, no amounts were outstanding under the Series 2020-1 Class A-1 Notes. Unless earlier prepaid to the extent permitted, the 2020 Indenture provides for an anticipated repayment date of January 2028 for the Class A-2-I Notes and an anticipated repayment date of January 2031 for the Series 2020 Class A-2-II Notes (as applicable, the “Anticipated Repayment Date”). The lending commitment under the Series 2020-1 Class A-1 Notes will expire in January 2026, subject to two automatic annual renewals at the election of the Co-Issuers if certain conditions are met. The Series 2020 Class A-2-I Notes were allocated to the Issuer and Canada Limited in the amount of $226,750,000 and $23,250,000, respectively. The Series 2020 Class A-2-II Notes were allocated to the Issuer and Canada Limited in the amount of $408,150,000 and $41,850,000, respectively.

The Company incurred $20.0 million of debt issuance costs directly attributable to the 2020 Notes. The debt issuance costs were capitalized and are shown net of the long-term debt on the consolidated statements of financial position. The debt issuance costs are amortized on a straight-line basis (which approximates the effective interest method) over the term of the 2020 Notes. For the year ended December 31, 2021, the Company recognized $2.0 million of amortization expense of debt issuance costs related to the 2020 Notes and $0.2 million for the period from Inception to December 31, 2020.

The 2020 Notes are secured by substantially all of the assets of the Co-Issuers and the Guarantors. The 2020 Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) debt service coverage ratios and senior leverage ratios, (ii) maintenance of specified reserve accounts to be used to make required payments in respect of the 2020 Notes, and (iii) provisions relating to optional and mandatory prepayments, including certain make-whole payments. The 2020 Notes are also subject to customary rapid amortization events provided for in the Indenture and customary events of default. The 2020 Indenture also provides for quarterly principal amortization in respect of the Series 2020 Class A-2-I Notes and the Series 2020 Class A-2-II Notes equal to 0.25% of their original principal amount through their respective Anticipated Repayment Date, subject to a fall-away provision if the senior leverage ratio is less than a specified threshold on any quarterly test date.

Under the 2021 Indenture and the 2020 Indenture, the Company makes weekly payments of principal and interest for the balances outstanding under the 2021 Notes and the 2020 Notes. The payments are remitted to the Trustee weekly based on retained collections during the previous weekly collection period. The Company classifies such advance debt payments during the period they are held by the Trustee in Prepaid Expenses and Other Assets. The balances of the advance debt payments held by the Trustee amounted to $8.5 million as of December 31, 2021. There was no such balance held by the Trustee as of December 31, 2020.

Bridge Loan – 2021

On June 16, 2021, the Company entered into an agreement (the "2021 Bridge Loan Agreement") for a term loan in which the Company and RW Canada Ltd., a direct wholly owned subsidiary, would receive a $300,000,000 term loan (the "2021 Bridge Loan"). The 2021 Bridge Loan would have matured 270 days after the acquisition close date which is on June 30, 2021 and no funds were borrowed under this facility prior to maturity.

In connection with the 2021 Bridge Loan, the Company incurred $3.8 million in loan commitment fees, which were expensed in other expense in the consolidated statements of operations and comprehensive income during the year ended December 31, 2021.

Bridge Loan – 2020

On October 1, 2020, the Company entered into an agreement (the "Bridge Loan Agreement") for a term loan in which the Company and RW Canada Ltd., a direct wholly owned subsidiary, received a $610,000,000 and $65,000,000 term loan respectively ("collectively, the "Bridge Loan"). Interest accrues on the Bridge Loan at a variable rate equal to the alternate base rate plus the applicable margin, where the alternate base rate depends on the interest rate last quoted by the Wall Street Journal or, if the Wall Street Journal ceases to quote such a rate, the Federal Funds Effective Rate. In addition, a revolving line of credit in the amount of $50,000,000 was made available to the Company. The Bridge Loan was set to mature on May 24, 2021. The full amount of the Bridge Loan was repaid in December 2020 and the revolving line of credit was undrawn at the time of extinguishment.

In connection with the Bridge Loan, the Company incurred $24.5 million of debt issuance costs. The debt issuance costs were capitalized and amortized on a straight-line basis over the term of the Bridge Loan. The Company incurred $6.1 million of amortization expense of the Bridge Loan debt issuance costs and $5.5 million of interest expense for the three months ended December 31, 2020. On December 9, 2020, the Bridge Loan was repaid and extinguished using proceeds from the Notes (as defined above). In connection with the early extinguishment of the Bridge Loan, a $3.6 million rebate was received and applied against the $18.4 million of unamortized debt issuance costs resulting in a $14.8 million loss on extinguishment of debt.

Letters of Credit

In connection with the Securitization, a commercial bank issued an interest reserve letter of credit in an amount up to $10.4 million in favor of Citibank N.A. (the "Trustee") for the benefit of the senior noteholders and/or the servicer of the Securitization (each, a "Beneficiary"). The $10.4 million funds will be made available to either Beneficiary in order for the Company to comply with the required interest reserve amounts pursuant to the Indenture (as defined in Note 7, *Long-term Debt*). The terms of the letter of credit automatically renew without an amendment on each anniversary of the date of issuance for a one-year period with a final expiry date of January 15, 2027. The Company intends to renew the letter of credit for as long as the Company holds the Notes (as defined in Note 7, *Long-term Debt*). As of December 31, 2021, no amounts were outstanding under the letter of credit.

The Company also has a letter of credit in the amount of $6.1 million as of December 31, 2021, associated with a captive insurance program within TMTI. As of December 31, 2021, no amounts were outstanding under the letter of credit.

Notes Payable

The Company has notes payable with various parties. At December 31, 2021 and 2020 the amount owed under the notes payable was $0.1 million and $1.2 million, respectively. The entirety of the $0.1 million is payable within the following 12 months and included in current portion of long-term debt.

Note 8. Leases

The Company accounts for leases under FASB Accounting Standards Codification (“ASC”) 842, *Leases*. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets (“ROU”), net; current portion of lease liability; and long-term lease liability on the consolidated statements of financial position. Finance leases are included in property and equipment, net; current portion of finance lease liability and long-term finance lease liability and long-term debt on the consolidated statements of financial position.

We participate in a fleet agreement which allows us to obtain fleet vehicles through a leasing program. Vehicle leases have remaining lease terms of less than one year to eight years. For vehicle leases, we account for the lease and non-lease components separately.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments, including fixed non-lease components, over the lease term at commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Leases, including subleases, with a lease term of 12 months or less are not recorded on the consolidated statements of financial position. Lease expense for minimum lease payments and fixed non-lease components is recognized on a straight-line basis over the lease term.

As of December 31, 2021, assets recorded under finance leases were $0.1 million and accumulated depreciation associated with finance leases were $0.1 million. As of December 31, 2020, assets recorded under finance leases were $0.7 million and accumulated depreciation associated with finance leases were $0.1 million. The operating lease cost component of lease expense was $2.4 million and $0.3 million for the year ended December 31, 2021 and the period from Inception to December 31, 2020, respectively. The finance lease cost, depreciation of finance lease ROU assets, short-term lease cost and variable lease cost components of lease expense were immaterial.

As the rates implicit in our leases are not readily determinable, we use a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. We use the portfolio approach and group leases into categories by lease term length, applying the corresponding incremental borrowing rates to these categories of leases.

Supplemental cash flow information and other information for leases was as follows:

(in millions, unless otherwise noted)		Year ended December 31, 2021		Period from Inception to December 31, 2020
ROU assets obtained in exchange for lease obligations:				
Operating leases	$	8.9	$	–
Finance leases		–		–
Weighted Average Remaining Lease Term (in years):				
Operating leases		9.0 Years		11.9 Years
Finance leases		–		3.4 Years
Weighted Average Discount Rate:				
Operating leases		3.17%		3.17%
Finance leases		–		3.17%

As of December 31, 2021, the finance leases included within current portion of finance lease liability and long-term portion of finance lease liability are immaterial on the consolidated statements of financial position. As of December 31, 2021, there was $2.3 million and $12.7 million of operating leases included within current portion of lease liability and long-term portion of lease liability, respectively, on the consolidated statements of financial position. Future minimum lease payments under non-cancellable leases as of December 31, 2021 were as follows:

(in millions)	Operating Leases	Finance Leases
Year ending December 31,		
2022	$ 2.3	$ –
2023	2.0	–
2024	1.8	–
2025	1.9	–
2026	1.9	–
Thereafter	7.7	–
Total future minimum lease payments	**17.6**	–
Less imputed interest	(2.6)	–
Total	**$ 15.0**	**$** –

Note 9. Disposals

On September 30, 2021, the Company, through a wholly owned subsidiary, entered into four (4) separate asset sale agreements with existing franchisees to dispose of the following Company-owned branches:

- Service Master Merry Maids branch in Memphis, TN ("Memphis Branch")
- ServiceMaster Restore branches in Charlotte, NC and Wichita, KS ("Charlotte and Wichita Branches")
- ServiceMaster Restore branch in Chantilly, VA ("Chantilly Branch")
- ServiceMaster Clean branch in Albuquerque, NM ("Albuquerque Branch")

The transactions for each of the sales closed on October 29, 2021, with the exception of the sale of the Memphis Branch, which closed on October 25, 2021. The total consideration received for the sale of branches was de minimis and the Company will receive guaranteed royalty payments.

Note 10. Management Services Agreement

The Company has a management agreement with a related party. Under the agreement, the Company pays fees for management services, which totaled approximately $2.1 million and $0.5 million for the year ended December 31, 2021 and for the period from Inception to December 31, 2020. The fees were recorded in the consolidated statements of operations and comprehensive income in selling and administrative expenses.

Note 11. Subsequent Events

The Company evaluated subsequent events from December 31, 2021 through March 31, 2022, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require disclosure in the financial statements.

THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Disclaimer

Ernst & Young LLP ("EY") prepared the attached Report only for ServiceMaster OpCo Holdings L.L.C. (the "Client") pursuant to an agreement solely between EY and Client. EY did not perform its services on behalf of or to serve the needs of any other person or entity. Accordingly, EY expressly disclaims any duties or obligations to any other person or entity based on its use of the attached Report. Any other person or entity must perform its own due diligence inquiries and procedures for all purposes, including, but not limited to, satisfying itself as to the financial condition and control environment of Client, as well as the appropriateness of the accounting for any particular situation addressed by the Report.

EY did not perform an audit, review, examination or other form of attestation (as those terms are identified by the American Institute of Certified Public Accountants or by the Public Company Accounting Oversight Board) of Client's financial statements. Accordingly, EY did not express any form of assurance on Client's accounting matters, financial statements, any financial or other information or internal controls. EY did not conclude on the appropriate accounting treatment based on specific facts or recommend which accounting policy/treatment Client should select or adopt.

The observations relating to accounting matters that EY provided to Client were designed to assist Client in reaching its own conclusions and do not constitute our concurrence with or support of Client's accounting or reporting. Client alone is responsible for the preparation of its financial statements, including all of the judgments inherent in preparing them.

This information is not intended or written to be used, and it may not be used, for the purpose of avoiding penalties that may be imposed on a taxpayer.

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES

(AN INDIRECT, WHOLLY OWNED SUBSIDIARY OF RW PURCHASER, LLC)

(Unaudited) Condensed Consolidated Financial Information as of February 28, 2022 and for the two months ended February 28, 2022

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES

TABLE OF CONTENTS

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES
(UNAUDITED) CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

(in millions)		Two months ended February 28, 2022
Revenue	**$**	**49.6**
Cost of services rendered		20.8
Selling and administrative expenses		12.8
Depreciation and amortization expense		3.5
Operating expenses		37.1
Operating income		**12.5**
Other expense		0.6
Interest expense		5.3
Net income and comprehensive income	**$**	**6.6**

SERVICEMASTER OPCO HOLDINGS, LLC AND SUBSIDIARIES
(UNAUDITED) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions)		As of February 28, 2022
Assets:		
Cash and cash equivalents	$	13.2
Restricted cash		10.1
Accounts receivable, less allowance		51.1
Current portion of notes receivable		2.1
Inventories		8.8
Prepaid expenses and other assets		15.8
Total Current Assets		**101.1**
Property and equipment, net		21.2
Operating lease right-of-use asset		14.9
Notes receivable, less allowance		6.4
Intangible assets, net		1,667.7
Investments in and advances to subsidiaries		0.2
Other assets		0.1
Total Assets	**$**	**1,811.6**
Liabilities and Member's Equity:		
Accounts payable	$	15.9
Payroll and related expenses		2.0
Accrued interest payable		5.3
Deferred revenue		3.0
Current portion of lease liability		2.0
Current portion of finance lease liability		0.2
Current portion of long-term debt		10.4
Other current liabilities		31.4
Total Current Liabilities		**70.2**
Long-term debt		993.9
Other long-term obligations		3.2
Intercompany payable		20.3
Long-term lease liability		14.1
Long-term portion of finance lease liability		0.2
Total Liabilities		**1,101.9**
Member's Equity		709.7
Total Liabilities and Member's Equity	**$**	**1,811.6**

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 4th 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) 586-2744	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 Bureau of Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236	Secretary of State of New York One Commerce Plaza 99 Washington Avenue Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
RHODE ISLAND	Securities Division Department of Business Regulations 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9585	Director of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of the Division of Insurance South Dakota Department of Labor and Regulation Division of Insurance 124 S. Euclid, Suite 104 Pierre, SD 57501
VIRGINIA	State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk, Virginia State Corporation Commission Tyler Building, Ninth Floor 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	Director of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
WISCONSIN	Division of Securities Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703 608-266-8557	Division of Securities, Department of Financial Institutions 201 W Washington Ave Suite 300 Madison, WI 53703

FDD EXHIBIT D

CURRENT FRANCHISEES
AS OF DECEMBER 31, 2021

#	First Name	Last Name	Address	City	State	Zip	Telephone
22467	David	Herring	6217 Foxwood Trail	Birmingham	AL	35242	(205) 699-8961
22632	David	Key	11564 Champion Rd.	Fairhope	AL	36532	(251) 210-2798
22439	James	Rowell	1929 Forest Knoll Drive	Hoover	AL	35244	(205) 982-0029
22151	Michael	Valentine	2310 44th Street E	Tuscaloosa	AL	35405	(205) 507-9170
22700	Jay	Hall	1602 SW Hayfield Avenue	Bentonville	AR	72712	(479) 587-9493
22732	Micheal	Wallis	5804 Driskill Drive	Cabot	AR	72023	(501) 258-6291
22597	Keith	Williams	135 Elmbrook Terrace	Pearcy	AR	71964	(501) 767-2724
22699	Jeffrey	Dornberg	3929 East Anne St.	Phoenix	AZ	85040	(602) 314-4547
22733	David	Schneider	15679 N 83rd Way Suite 6	Scottsdale	AZ	85260	(480) 300-7323
22417	Christopher	Vaaler	10434 East Morning Star Drive	Scottsdale	AZ	85225	(602) 442-0424
21947	Don	Soncrant	7739 E. Broadway Boulevard	Tucson	AZ	85710	(520) 290-3311
22784	Charles	Hoage	5451 Industrial Way	Benicia	CA	94510	(925) 899-1639
22661	Levi	Borcsa	810 N. Cummings Rd	Covina	CA	92503	(951) 552-4735
22781	Matt	Carlson	1026 Olson Ln. #614	El Dorado Hills	CA	95762	(916) 496-4413
22387	Brian	Olson	8600 Mecca Road	Elk Grove	CA	95624	(916) 912-0293
21575	William	Lakman	34121 Langhorn Court	Fremont	CA	94555	(510) 742-1944
22678	Kirk	Bitter	79760 Dandelion Drive	La Quinta	CA	92253	(760) 851-4928
22740	Ara	Avagyan	3233 N San Fernando Rd Unit #3	Los Angeles	CA	90065	(855) 276-5559
22311	Gerald	La Croix	5170 Eclipse Avenue	Mira Loma	CA	91752	(949) 378-1844
22535	Peter	Dak	331 Clark Ave.	Pomona	CA	91767	(626) 963-2174
22770	Christopher	Gilbert	3212 Luyung Drive	Rancho Cordova	CA	95742	(800) 936-3342
22736	Hamid	Razi	7018 Darby Avenue Unit A	Reseda	CA	91335	(818) 877-3937
22666	Levi	Borcsa	16367 E. Peak Ct.	Riverside	CA	92503	(844) 223-3193
22573	Michael	Schuck	3380 La Sierra Avenue Suite 104-270	Riverside	CA	92503	(951) 205-6409
22561	Luis	Kobayashi	308 Blu Coral Cove	San Diego	CA	92154	(858) 273-2201
22464	Ramon	Mata	4511 Rivera Shores Street	San Diego	CA	92154	(619) 799-3718
21009	Christopher	Gilbert	P.O. Box 2092	San Leandro	CA	94577	(800) 936-3342
21515	Christopher	Gilbert	P.O. Box 2092	San Leandro	CA	94577	(800) 936-3342
21516	Christopher	Gilbert	P.O. Box 2092	San Leandro	CA	94577	(800) 936-3342
22587	Christopher	Gilbert	P.O. Box 2092	San Leandro	CA	94577	(800) 936-3342

#	First Name	Last Name	Address	City	State	Zip	Telephone
22701	Christopher	Gilbert	P.O. Box 2092	San Leandro	CA	94577	(800) 936-3342
22722	Raul	Ramirez	1685 Precision Park Lane Suite M	San Ysidro	CA	92173	(619) 651-1913
22578	Michael	Sloan	26 American Avenue	Santa Barbara	CA	93105	(805) 563-1800
22434	Ronald	Steller	561 E. Inger Drive	Santa Maria	CA	93454	(805) 348-0098
22759	Diana	Cantea	1901 Enterprise Blvd.	West Sacramento	CA	95691	(916) 617-2603
22639	Jens	Saakvitne	15164 Goldenwest Circle	Westminster	CA	92683	(714) 893-6974
22674	James	Seljos	359 Potomac Circle, Apt. E-105	Aurora	CO	80011	(303) 359-3351
22712	Joseph,	Daniel	9800 E Easter Ave. Suite #140	Centennial	CO	80112	(303) 805-5554
22664	Gary	Muto	17656 Cabin Hill Lane	Colorado Springs	CO	80908	(719) 661-1132
22348	Robert	Borkovec	8700 E. Jefferson Ave. #370311	Denver	CO	80237	(303) 641-4070
21198	Sherri	Fey	2150 S Kalamath St	Denver	CO	80223	(303) 777-8030
21454	Sherri	Fey	2150 S Kalamath St	Denver	CO	80223	(303) 777-8030
22714	Hank	Schilling	3054 Lake Canal Court	Ft. Collins	CO	80524	(970) 667-0608
22769	Clark	Looney	590 W. Highway 105 #182	Monument	CO	80132	(719) 284-9878
22727	Michael	Tadlock	776 Chesapeake Ave.	Monument	CO	80132	(719) 482-4288
22775	Michael	Tadlock	776 Chesapeake Ave.	Monument	CO	80132	(719) 482-4288
22764	Jason	Frederick	10450 W 35th Place	Wheat Ridge	CO	80033	(720) 300-8785
22610	Mike	Vitti	69 Shadow Ridge Road	Stamford	CT	6905	(203) 585-3222
22356	Simon	Warren	10034 Spanish Isles Boulevard	Boca Raton	FL	33498	(561) 994-0999
22750	Tony	Wagner	980 South River Road	Englewood	FL	34233	(866) 385-9663
22745	Vincent	Bekiempis III	8374 Market St. Suite 484	Lakewood Ranch	FL	34202	(941) 777-1288
22735	Ricardo	De Marchi	8207 NW 66th St	Miami	FL	33166	(386) 445-5300
22012	Helen	Doyle	10661 SW 185th Terrace	Miami	FL	33157	(305) 666-2125
22734	Ricardo	De Marchi	8 South Osceola Ave.	Orlando	FL	32801	(386) 445-5300
22694	Ricardo	De Marchi	15 Hargrove Lane Unit 5K	Palm Coast	FL	32137	(386) 445-5300
22609	Robert	Taylor	40 Jefferson Avenue	Ponte Vedra Beach	FL	32082	(904) 535-2805
22648	Francis	Rakocy	31438 Saddle Lane	Zephyrhills	FL	33543	(813) 982-4192
22696	Francis	Rakocy	31438 Saddle Lane	Zephyrhills	FL	33543	(813) 982-4192
22479	Jeremy	Towns	159 Hannah Drive	Ellijay	GA	30540	(706) 889-6436
22520	Trevor	Phillips	5083 Union Street	Union City	GA	30291	(770) 632-4257
22454	Rebecca	Collins	91-1084 Maka`aloa St	Ewa Beach	HI	96706	(808) 623-5800
22518	John	Mahler	245 NW 52nd Avenue	Des Moines	IA	50313	(515) 288-2990
22598	Jeffrey	Smolik	1186 Marengo Avenue	Marengo	IA	52301	(319) 804-5429
22641	Joshua	Stumpp	2667 East 14th North	Ammon	ID	83401	(208) 206-8141
22739	Shawn	Beringer	119 E 46th St. #213	Garden City	ID	83714	(208) 810-3254
22386	Steven	Vanderzee	607A Country Club Drive	Bensenville	IL	60106	(847) 285-1177

#	First Name	Last Name	Address	City	State	Zip	Telephone
22527	Richard	Armstrong Jr.	250 Tubeway Drive	Carol Stream	IL	60188	(630) 562-0600
22774	Richard	Armstrong Jr.	250 Tubeway Drive	Carol Stream	IL	60188	(630) 562-0600
21166	Scott	Knudsen	406 North Edwin	Champaign	IL	61821	(217) 352-4179
21835	John	Ross	10134 Clowcreek Road	Plainfield	IL	60585	(630) 904-3002
22680	Jim	Laurson	7634 La Harve Drive	Rockford	IL	61103	(815) 985-0502
22402	Timothy	Eilrich	720 Greenbriar Lane	Schaumburg	IL	60193	(847) 373-2342
22756	Denise	Hassoun	8056 N. Central Park Ave.	Skokie	IL	60076	(847) 213-9308
22728	Bryan	Snyder	2213 Cambridge Dr.	Goshen	IN	46528	(574) 238-8433
22616	Nathan	Westphal	5522 West Raymond St	Indianapolis	IN	46241	(317) 462-5667
22644	Terry	Vanlaningham	9020 West Shilling Road	Mentone	IN	46539	(574) 551-7753
22112	Donald	Cook	13910 W. 58th Place	Shawnee Mission	KS	66216	(913) 634-8140
21936	Laverne	Klassen	1354 S. Ridge Road	Wichita	KS	67209	(316) 941-4766
22103	Robert	Diedrich	8821 Roman Court	Louisville	KY	40291	(502) 495-2141
21472	Robert	Dickson	198 Computrex Drive, Suite 3	Nicholasville	KY	40356	(859) 272-4000
22679	Walter	Berry	412 Ardoyne Drive	Houma	LA	70360	(985) 851-6122
22760	Michael	Coggins	201 Ellington Ave.	Luling	LA	70070	(504) 466-4771
22572	Betsy	Perret	89 Sunderland Road	Montague	MA	1351	(413) 575-8612
22667	Claude	Robotham	286 Park St.	North Reading	MA	1864	(857) 999-0599
22668	Claude	Robotham	286 Park St.	North Reading	MA	1864	(857) 999-0599
22724	Wanda	Goodwin	70 Greenville Rd.	West Townsend	MA	1474	(978) 877-6316
22391	Michael	Hufft	10364 Triplefeather Court	Columbia	MD	21044	(240) 370-2312
22649	Floyd	Bender	14412 ServiceMaster Lane	Cumberland	MD	21502	(240) 522-2550
22685	Dries	Borghans	7210 Newman Drive	Mount Airy	MD	21771	(443) 440-6440
22682	Al	Haase	8725 Loch Raven Blvd	Towson	MD	21286	(410) 862-2240
22690	Robert	Stearns	3 Watts Farm Way	Falmouth	ME	4105	(207) 560-7565
22720	Steve	Johnson	5318 South Division Avenue	Grand Rapids	MI	49548	(616) 364-2261
22721	Steve	Johnson	5318 South Division Avenue	Grand Rapids	MI	49548	(616) 364-2261
22541	Robert	Johnson	37851 Hamon	Harrison Township	MI	48045	(586) 292-4032
22669	Robert	Johnson	37851 Hamon	Harrison Township	MI	48045	(586) 292-4032
22670	Robert	Johnson	37851 Hamon	Harrison Township	MI	48045	(586) 292-4032
22749	Curtis	Ramsey	133 Parliamount Dr.	Blue Eye	MO	65611	(417) 230-1865
22602	Pat	Busch	603 E. US Hwy 24	Independence	MO	64050	(816) 373-0802
22672	William	Merriken III	2711 S. Big Bend Blvd.	Maplewood	MO	63143	(314) 862-2219
22399	Philip	Kemp	21263 Sacajawea Road	Sedalia	MO	65301	(660) 826-9663
22758	Suzy	Robertson	2412 Highway 69 South	Columbus	MS	39702	(662) 328-2784
22577	Kay	Swenson	9236 Old Field Road	Calabash	NC	28467	(877) 835-3697

#	First Name	Last Name	Address	City	State	Zip	Telephone
22773	Tim	Bumgardner	192 Hibriten Mtn Rd.	Lenoir	NC	28645	(828) 302-7321
22555	Richard	Carter	3260 Smith Farm Road	Matthews	NC	28104	(704) 839-0083
22779	Selamawit	Asrat	7427 Matthews Mint Hill Rd., Ste. 105-223	Mint Hill	NC	28227	(980) 233-0909
22725	Garvin	Bixler Jr.	7283 NC Highway 42 W, Ste 102-148	Raleigh	NC	27603	(984) 500-8449
22622	Stephen	Woodall	3905 Glenlake Garden Drive	Raleigh	NC	27612	(919) 422-2121
22245	Manuel	Campbell	2115 Ashland Court	Salisbury	NC	28147	(704) 855-1346
22624	Mark	Hamblin	700 River Rd.	Washington	NC	27889	(252) 388-8585
22783	Richard	Becht	5026 Lawyers Road E.	Wingate	NC	28174	(727) 389-7772
22726	Michael	Cox	248 N 129th St.	Omaha	NE	68154	(402) 350-7222
22113	Joseph	Wesley	12 Greenway Trail	Cream Ridge	NJ	8514	(609) 901-6122
21991	Robert	Lord	115 Franklin Turnpike #293	Mahwah	NJ	7430	(201) 358-6169
22743	Rachel	Dimitro	3535 Route 66, Building 6	Neptune	NJ	7753	(731) 842-6917
22658	Kamal	Elnajjar	1945 4th Street	North Brunswick	NJ	8902	(732) 355-0494
22659	Kamal	Elnajjar	1945 4th Street	North Brunswick	NJ	8902	(732) 355-0494
22752	John	Ahern	2202 Bethel Avenue	Pennsauken	NJ	8110	(215) 247-1500
22753	John	Ahern	2202 Bethel Avenue	Pennsauken	NJ	8110	(215) 247-1500
22684	Thomas	Mezzetti	2 Park Place	Redbank	NJ	7701	(732) 687-4610
22579	Jeff	Nademus	179 Route 46 West	Rockaway	NJ	7866	(201) 874-2748
22326	David	Stogoski	2300 S. Clinton Avenue	South Plainfield	NJ	7080	(908) 755-8440
22591	Mark	Ryan	440 Lafayette Place NE	Albuquerque	NM	87106	(505) 321-1033
22651	Randy	Roberst	213 N. Stephanie #G-240	Henderson	NV	89074	(702) 622-1209
22761	Mark	Cordova	5772 Mammoth Mountain Street	North Las Vegas	NV	89081	(951) 384-8857
22747	Tracy	Colman	382 RT 59 Suite 280	Airmont	NY	10952	(845) 674-2329
22748	Tracy	Colman	382 RT 59 Suite 280	Airmont	NY	10952	(845) 674-2329
22751	Chevy	Oberlander	670 Myrtle Avenue	Brooklyn	NY	11205	(718) 500-3050
21450	Robert	Lord	100 Red Schoolhouse Road, Unit A-12	Chestnut Ridge	NY	10977	(914) 948-0092
21422	Christopher	Tantilo	99 Florida Street	Farmingdale	NY	11735	(631) 815-5555
22507	David	Maxwell	16 Fullerton Avenue	Jamestown	NY	14701	(716) 720-2376
21732	Steve	Scott	652 State Avenue	Cincinnati	OH	45204	(513) 721-1502
22757	Lonnie	Caupp	6421 Durban Road	Dayton	OH	45459	(937) 717-8116
22333	Dale	Wik	8608 Pond Ridge Drive	Maineville	OH	45039	(513) 677-6130
22638	David	Stewart	2337 Benning Drive	Powell	OH	43065	(614) 572-9824
22710	Mark	Hancock	2554 Earl Street	Wooster	OH	44691	(330) 464-1010
22633	Justin	Spencer	11445 S 417th W Ave.	Bristow	OK	74010	(918) 352-4630
22778	Justin	Spencer	11445 S 417th W Ave.	Bristow	OK	74010	(918) 352-4630

#	First Name	Last Name	Address	City	State	Zip	Telephone
22257	Warren	Winitzky	105 S E Craven Road	Bend	OR	97702	(541) 389-9200
22713	Andrew	Jensen	12155 SW Grant Ave., Suite A	Tigard	OR	97223	(503) 860-7212
22576	Paul	Slater	5255 Boise St SE	Turner	OR	97392	(503) 588-7222
22593	John	Sutton	1705 Briarwood Drive	Bethlehem	PA	18020	(610) 625-2330
22746	Steven	Yeagley	536 Chaparral Dr.	Cranberry Township	PA	16066	(724) 553-5103
22030	Mark	Lambert	1812 Blush Drive	Easton	PA	18045	(610) 691-6797
22090	Michele	Switalski	21 W. High Street	Elizabethtown	PA	17022	(717) 361-7600
21526	Joseph	Samek	2274 Manor Ridge Drive	Lancaster	PA	17603	(717) 393-8545
22671	David	Taylor	4545 Walnut Ridge Circle	McDonald	PA	15057	(412) 973-7473
22004	David	Friday	4063 Greensburg Pike	Pittsburgh	PA	15221	(412) 708-4480
22600	Doug	Coonce	1405 Denny Road	Columbia	SC	29203	(803) 331-1399
22134	Ashley	Riddle	30 Country Club Drive	Greer	SC	29651	(864) 862-8860
22500	William	Rowehl	51 Barlowe Court	Murrells Inlet	SC	29576	(843) 685-0209
22687	Coy	Huffman IV	4541 Savannah Hwy. Bld. B2, Unit 7	Ravenel	SC	29470	(843) 693-3304
22495	Willis	Hunter	4235 West Mesa Pass	Sioux Falls	SD	57106	(605) 553-1516
22350	William	Leahy	3519 Valley Trail	Chattanooga	TN	37415	(423) 595-0860
21922	George	Collier	2183 Monroe Avenue	Memphis	TN	38104	(901) 274-0208
22675	Wayman	Holt	2242 Vinton Avenue	Memphis	TN	38104	(901) 299-5640
21899	Bill	McCrary	8673 East Shelby Drive	Memphis	TN	38125	(901) 753-8211
22655	Greg	Faulhaber	304 Chippewa Circle	Nashville	TN	37221	(615) 873-1409
22782	Marnie	Hankins	245 Burton Place Drive	Oakland	TN	38060	(901) 930-5266
22044	Gerald	Uhrine	6644 Bethesda-Arno Road	Thompsons Station	TN	37179	(615) 368-3159
22708	Gregory	Gehlhoff	1518 Scottsman Drive	Allen	TX	75013	(214) 784-9313
22528	Dallas	Hensley Jr.	1838 South Saunders Street	Aransas Pass	TX	78336	(361) 717-7017
22493	Brian	Dragstrem	2202 Bahama Road	Austin	TX	78733	(512) 288-7195
22203	Bill	Ferguson	2705 Cedar Springs Court	Bedford	TX	76021	(817) 354-2286
22532	Gunnar	Lovblom	600 S. Bell Boulevard	Cedar Park	TX	78613	(512) 336-2436
22533	Gunnar	Lovblom	600 S. Bell Boulevard	Cedar Park	TX	78613	(512) 336-2436
21527	Mark	McHugh	1508 Colby Lane	Cedar Park	TX	78613	(512) 257-9200
22565	Eugen	Blau	18208 Preston Rd, Ste D9-325	Dallas	TX	75252	(972) 736-6636
22627	James	Bridges	222 Mayhill Road, Unit 102	Denton	TX	76208	(940) 387-4746
22715	Sheri	Todd	13915 Denton Drive	Farmers Branch	TX	75234	(469) 499-3003
22755	Lydia	Brasher	5770 Park Vista Circle #100	Fort Worth	TX	76244	(682) 999-9824
22523	Giovani	Ferreira	4560 W 34th St. # E/F	Houston	TX	77092	(713) 355-7600
22559	Neil	Ness	12121 Veterans Memorial Drive	Houston	TX	77067	(281) 537-7277
22550	Bob	Llorente	602 Hobbs Road	League City	TX	77573	(281) 332-3900

#	First Name	Last Name	Address	City	State	Zip	Telephone
22695	Jamie	Friend	16786 CR 706	Leonard	TX	75452	(214) 799-3174
22777	Diego	Valedz	7950 County Rd 831	Princeton	TX	75407	(714) 679-7057
22691	Ben	Hill	12851 State Hwy 155 South	Tyler	TX	75703	(903) 630-6400
22737	David	Compton	711 Farris Ave. Suite 106	Waxahachie	TX	75165	(469) 297-0667
22723	Michael	Albert	7940 Seymour Hwy.	Wichita Falls	TX	76310	(940) 723-4722
22776	Kurt	Brattos	15172 Steep Mountain Drive	Draper	UT	84020	(801) 831-3994
21550	Dale	Martinez	533 West 630 South	Orem	UT	84058	(801) 229-2860
21551	Dale	Martinez	533 West 630 South	Orem	UT	84058	(801) 229-2860
22418	Brad	Osman	44264 Huron	Ashburn	VA	20147	(703) 478-0080
22437	Joseph	Calemine	17342 Ivy Lane	Culpeper	VA	22701	(540) 829-0747
22554	Chet	Novak	112 Kingston Drive	Forest	VA	24551	(540) 586-8998
21903	Brad	Osman	13852 Park Center Rd	Herndon	VA	20171	(703) 478-0080
22771	Justin	Smith	8715 Avalon Dr.	Richmond	VA	23229	(804) 355-3521
22240	Raymond	Rinaldo	294 Commerce Road	Staunton	VA	24401	(540) 886-1886
22472	Dail	Dekker	1809 Cooper Road	Virginia Beach	VA	23454	(757) 481-9663
21037	Richard	Wade	140-A Tewning Road	Williamsburg	VA	23188	(757) 220-3939
22156	Gregory	Nimm	411 W. Humbird Street	Rice Lake	WI	54868	(715) 736-5550
22686	Robert	Bullock	1455 Silver Fox Lane	Cheyenne	WY	82009	(307) 421-4505

FDD EXHIBIT E

Terminations, Transfers, Cancellations and Non-Renewals
In the Fiscal Year Ending December 31, 2021

# of licenses	First Name	Last Name	City	State	Telephone	Category
2	Evert	Achterberg	Escalon	CA	(209) 838-2916	Terminated
1	Aaron	Shiah	Oxnard	CA	(805) 427-5167	Transfer
1	Michael	Philipps	Davis Junction	IL	(815) 393-3300	Terminated
1	Mark	Beimfohr	Freeburg	IL	(618) 246-6146	Terminated
2	Darrell	Duff	Minnetonka	MN	(612) 940-6304	Terminated
1	Michael	Fuglestad	Goldsboro	NC	(919) 920-4078	Terminated
1	Mark	Tardy	Nashville	TN	(615) 352-001	Terminated

FDD EXHIBIT F

Required State Addenda to FDD and Franchise Agreement (where applicable)

ADDENDUM TO THE DISCLOSURE DOCUMENT
<u>FOR THE STATE OF CALIFORNIA</u>

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

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

2. <u>Item 1</u>. Item 1 is amended to state the following:

> "Commencing in December 2019 and continuing throughout the first quarter of 2020, the COVID-19 virus began spreading throughout the world including the first outbreak in the US in February. COVID-19 has significantly disrupted, and continues to significantly disrupt, local, regional, and global economies and businesses. Franchised Businesses were impacted by COVID-19 and local shelter-in-place orders, but, due to the nature of their business, Franchised Businesses did not have to significantly change their operations. During the pandemic, most Franchised Businesses have focused on picking up furniture from customer locations to provide the services at the Franchised Business' workshop and on servicing jobs on-site where customers would not be present."

3. <u>Item 3</u>. Item 3 is amended to provide that neither Furniture Medic 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.

4. <u>Item 6</u>. Item 6 is amended to note that the highest interest rate permitted by law in California is 10%.

5. <u>Item 10</u>. Item 10 is amended to note that before offering financing in California, RWL will obtain any licenses required under the California Financing Law, if any.

6. <u>Item 11</u>. Item 11 is amended to note that as a result of COVID-19, we have begun to offer an online version of our initial training program and have been able to accommodate all franchisees who elect to attend the program. We may discontinue this online training program once it is safe to do so. The pandemic has not impacted the time it takes to open a Franchised Business.

7. <u>Item 17</u>. 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 non-renewal 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 Furniture Medic to give the Franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

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

E. The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

F. The Franchise Agreement requires application of the laws of the State of Georgia. This provision may not be enforceable under California law.

G. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

H. The Franchise Agreement requires binding arbitration to be conducted in the metropolitan area of our then-current principal place of business (currently, Atlanta, Georgia). You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

I. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

ADDENDUM TO THE FRANCHISE AGREEMENT
<u>FOR THE STATE OF CALIFORNIA</u>

This Addendum relates to franchises sold in the state of California and is intended to comply with California statutes and regulations. In consideration of the execution of the Franchise Agreement ("Agreement"), the parties agree to amend the Agreement as follows:

Article V: FRANCHISEE'S OBLIGATIONS, Section T.2., is amended by the addition of the following language at the end of the paragraph:

"The Franchisee's obligations stated in this Section T.2. 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.

Article VIII: VIOLATION AND TERMINATION shall be supplemented by the following paragraphs:

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

Article IX: RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION, TERMINATION OR NON-RENEWAL is amended by the addition of the following language that appears therein:

"Sections 20000 through 20043 of the California Business and Professions Code provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, the law still controls.

"The Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law."

Article XII: ALTERNATE DISPUTE RESOLUTION is amended by the addition of the following language that appears therein:

"The Agreement requires binding arbitration. The arbitration will occur in the metropolitan area of the Franchisor's then-current principal place of business (currently, Atlanta, Georgia) with the costs being borne by the non-prevailing party to the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California."

Article XIII: MISCELLANEOUS, is amended by the addition of the following language to the original language that appears therein:

"The Agreement requires application of the laws of the State of Georgia. This provision may not be enforceable under California law."

[Signature page follows.]

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.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	______________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

ADDENDUM TO THE DISCLOSURE DOCUMENT
<u>FOR THE STATE OF HAWAII</u>

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

1. <u>Cover Page</u> Risk Factors:

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OF HAWAII OR A FINDING BY THE DIRECTOR 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 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 FRANHCISE 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 DISCLOSURE DOCUMENT STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENT RELATING TO THE SALE OF THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

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

2. <u>Item 1</u>. Item 1 is amended by the addition of the following language to the original language that appears therein:

If you intend to restore, repair or provide rejuvenation services for cabinetry, wood paneling or other similar fixtures, you may be required to obtain a contractor's license. The State of Hawaii has enacted a statute which requires persons providing certain services, the value of which exceeds $1,000, who are defined as contractors, to obtain a license from the state prior to providing such services. This statute is not specifically applicable to persons who restore or rejuvenate furniture or other similar surfaces. Rather, it is generally applicable to all persons who fall within the state's definition of contractor. You may wish to contact an attorney with knowledge of your state's licensing requirements or the appropriate state agency to determine whether you will be required to obtain a license before operating a Furniture Medic Franchised Business.

ADDENDUM TO DISCLOSURE DOCUMENT
<u>FOR THE STATE OF ILLINOIS</u>

The following information applies to franchises and Franchisees subject to the Illinois Disclosure Act of 1987. Item numbers correspond to those in the main body:

1. <u>Cover Page</u>

A. The risk factors stated on this cover page may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41, pertaining to jurisdiction, venue and waiver of rights.

2. <u>Item 17</u>

A. The conditions under which your franchise may be terminated or not renewed may be affected by Illinois law, 815 ILCS §§ 705/19 and 705/20.

B. Item 17v and 17w are amended to provide as follows:

"Georgia law applies, subject to the Illinois Franchise Disclosure Act."

3. <u>Item 21</u>

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.

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”), Furniture Medic SPE LLC (the “Franchisor”) and Franchisee agree to amend the Agreement as follows:

The conditions under which the Franchise Agreement can be terminated and the rights upon nonrenewal may be affected by Illinois Law, 815 ILCS 705/19 and 705/20.

Pursuant to 815 ILCS 705/4, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State. Therefore, Article XIII.G (1) of the Agreement, under the heading “Miscellaneous - Law,” is amended by the substitution of the following language for the original language that appears therein:

“This Agreement shall be interpreted and construed under the laws of the State of Illinois and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of Illinois, which laws shall prevail in the event of any conflict of law a except as provided for in Article XII(A), Arbitration, of this Franchise Agreement.

Article XIII.I of the Agreement, under the heading ‘Miscellaneous – Time Limitations” is deleted and replaced by the following language;

“Any claim arising under the Illinois Franchise Disclosure Act, in connection with or in relation to this Agreement or its interpretation or enforcement, or alleging non-performance or any breach hereof on the part of FM shall be filed no later than 3 years from the date of its creation, or such claim will be automatically waived and forever barred.

Article XIII.L of the Agreement under the heading “Miscellaneous – Entire Agreement” shall not be construed to mean that Franchisee may not rely on representations in the Franchise DISCLOSURE DOCUMENT that Franchisor provided to Franchisee in connection with the offer and purchase of the franchise granted under the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same day and year that the Franchise Agreement has been executed.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	______________________________
By:______________________________	By:______________________________
Name:______________________________	Name:______________________________
Title:______________________________	Title:______________________________

ADDENDUM TO THE 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:

Item 17, under the heading "Renewal, Termination, Transfer and Dispute Resolution," is amended by the addition of the following language to the original language that appears therein:

"The Maryland Franchise Registration and Disclosure Law allows a franchisee to bring a lawsuit in Maryland for claims arising under this law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

Item 17, under the heading "Renewal, Termination, Transfer and Dispute Resolution," is amended by the addition of the following language to the original language that appears therein:

"The general release required as a condition of sale, assignment, or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

And;

"Any provision in the Franchise Agreement which provides for termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)"

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"), Furniture Medic SPE LLC (the "Franchisor") and Franchisee agree to amend the Agreement as follows:

Article XIII.G of the Agreement, under the heading "Miscellaneous – Law," is amended by the addition of the following language to the original language that appears therein:

"The Maryland Franchise Registration and Disclosure Law allows a franchisee to bring a lawsuit in Maryland for claims arising under this Law." And;

"Any provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11
U.S.C. Section 101 et seq.)."

Article VII.B2.h of the Agreement, under the heading "Transferability of Interest" is amended by the addition of the following language to the original language that appears therein:

"The general release required as a condition of assignment, sale or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Article XIII.I of the Agreement, under the heading, "Miscellaneous – Time Limitations," is amended by the addition of the following language that appears therein:

"Any claim arising under the Maryland franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

Article XIII of the Agreement, under the heading, "Miscellaneous," is amended by the addition of the following language that appears therein:

"All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability 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.":

Article XIII. L. of the Agreement, under the heading, "Miscellaneous," is amended by the addition of the following language:

Nothing in this Agreement or in any related agreement is intended to disclaim the representations contained in the Furniture Medic Franchise Disclosure Document.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	____
By:____	By:____
Name:______________________________________	Name:______________________________________
Title:_______________________________________	Title:_______________________________________

ADDENDUM TO 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:

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 13

Item 13 is amended by the addition of the following language to the original language that appears therein:

With respect to franchises governed by Minnesota law, we will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee for any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. Item 17

Item 17 is amended by the addition of the following language to the original language that appears therein:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Stat. Sec. 80C.14, 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.

Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

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”), Furniture Medic SPE LLC (the “Franchisor”) and Franchisee agree to amend the Agreement as follows:

Articles II and VIII of the Agreement, under the headings, “Term and Renewal” and “Violation and Termination” are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Section 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.”

Article V.D of the Agreement, under the heading, “Franchisee’s Obligations” is amended by the addition of the following language to the original language that appears therein:

“The franchisor will protect the franchisee’s rights 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.”

Article VII of the Agreement, under the heading, “Transferability of Interest”, Section B, 2 h is hereby deleted pursuant to Minn. Rule 2860.4400D which prohibits a franchisor from requiring a franchisee to assent to a general release.

Article VIII of the Agreement, under the heading, “Other Remedies,” Section F, is amended pursuant to Minn. Rule 2860.4400J, by the addition of the following language to the original language that appears therein:

“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.”

Articles XII and XIII. G, under the headings, “Alternate Dispute Resolution” and “Miscellaneous” are amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J, prohibit franchisor from requiring litigation, to be conducted outside Minnesota. In addition, nothing in the 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.

Article XIII.S.6 of the Agreement, under the headings, “Specific Claims and/or Representations to Franchisee” is hereby deleted in its entirety.

“The Limitations of Claims must comply with Minnesota Statutes, Section 80C.17, Subd.5.”

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.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	______________________________
By:______________________________	By:______________________________
Name:______________________________	Name:______________________________
Title:______________________________	Title:______________________________

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
<u>FOR THE STATE OF NORTH DAKOTA</u>

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. <u>Item 17</u>

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."

Item 17 is amended to read as follows:

"Any provision of this Agreement requiring the Franchisee to execute a release in a format designated by Furniture Medic is hereby made null and void."

"The Franchisee may terminate this Agreement only if the Franchisee is in full compliance with all of the provisions of this Agreement and upon giving Furniture Medic sixty (60) days advance notice of intent to terminate."

"Any provision of the 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."

"Any provision of the Agreement requiring you to consent to waiver of exemplary and punitive damages is hereby made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law"

"Arbitration and mediation proceedings shall be conducted within the State of North Dakota." "The prevailing

party in any enforcement action is entitled to recover all costs and expenses
including attorneys' fees."

"The venue of any litigation arising out of the franchise relationship between you and Furniture Medic will be within the State of North Dakota."

"Both franchisor and franchisee will be allowed the option of a jury trial."

"Any provision of this Agreement requiring the Franchisee to consent to a waiver of any statute of limitations is null and void."

ADDENDUM TO THE 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"), Furniture Medic SPE LLC (the "Franchisor") and Franchisee agree to amend the Agreement as follows:

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."

Article II B.4 of the Agreement, under the heading, "Term and Renewal," is amended to read as follows: "Any

provision of this Agreement requiring the Franchisee to execute a release in a format
designated by Furniture Medic is hereby made null and void."

Article VIII.D of the Agreement, under the heading, "Termination by franchisee," is amended to read as follows:

"The Franchisee may terminate this Agreement only if the Franchisee is in full compliance with all of the provisions of this Agreement and upon giving Furniture Medic sixty (60) days advance notice of intent to terminate."

"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."

Article XII.A. 4 of the Agreement, under the heading "Powers of Arbitrators" is hereby amended by the addition of the following language:

"Any provision of the Franchise Agreement which requires the franchisee to consent to waiver of exemplary and punitive damages is hereby by made null and void pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law."

Article XII.A.1 of the Agreement, under the heading, "Arbitration", is amended to read as follows: "Arbitration and

mediation proceedings shall be conducted within the State of North Dakota. Any
provision of this Agreement requiring the franchisee to agree to a waiver of any statute of limitations is null and void."

Article XIII.G of the Agreement, under the heading, "Law", is amended to read as follows:

"The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees."

Article XIIIG.1 of the Agreement, under the heading, "Law" is amended to read as follows:

"The venue of any litigation arising out of the franchise relationship between you and Furniture Medic will be within the State of North Dakota."

Article XIII G.3 of the Agreement, under the heading, "Miscellaneous Law" is amended to read as follows:

"Both franchisor and franchisee will be allowed the option of a jury trial."

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.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	______________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

ADDENDUM TO DISCLOSURE DOCUMENT
<u>FOR THE STATE OF NEW YORK</u>

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. <u>Cover Page</u>

Risk Factors:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES 28 LIBERTY STREET, 21ST FLOOR NEW YORK, NY 10005

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS; HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE: TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

2. <u>Item 3</u>

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):

> Other than this action, neither FM, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the FM principal trademark:
>
> a. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, there are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
> b. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten- year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging; violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.
> c. Is subject to 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 an order or 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 FM, 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 17

Item 17, Section d, is amended by the addition of the following language to the original language that appears therein:

"The Franchisee may terminate the Agreement upon any grounds available by law"; and

Item 17, Section w, 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"

Item 17, Section j, is amended by the addition of the following language:

"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"

ADDENDUM TO THE 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"), Furniture Medic SPE LLC (the "Franchisor") and Franchisee agree to amend the Agreement as follows:

Article VIII of the Agreement, under the heading "VIOLATION AND TERMINATION", Section D: "Termination by Franchisee" is amended by the addition of the following language to the original language that appears therein:

"Franchisee may terminate this agreement on any grounds available by law."

Article VII of the Agreement, under the heading "TRANSFERABILITY OF INTEREST", Section I : FM's Right to Transfer 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."

Article XIII of the Agreement, under the heading "MISCELLANEOUS", Section G: 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.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	______________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

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

1. Item 1

Item 1 is amended by the addition of the following language to the original language that appears therein:

If you intend to restore, repair or provide rejuvenation services for cabinetry, wood paneling or other similar fixtures, you may be required to obtain a contractor's license. The State of Rhode Island has
enacted a statute which requires persons providing certain services, the value of which exceeds $500, who are defined as contractors to obtain a license from the state prior to providing such services. This statute is not specifically applicable to persons who restore or rejuvenate furniture or other similar surfaces. Rather, it is generally applicable to all persons who fall within the statute's definition of contractor. You may wish to contact an attorney with knowledge of your state's licensing requirements or the appropriate state agency to determine whether you will be required to obtain a license before operating a Furniture Medic Franchised Business.

2. Item 17

Item 17v and w is amended by the addition of the following language to the original language that appears therein:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act."

ADDENDUM TO 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"), Furniture Medic SPE LLC (the "Franchisor") and Franchisee agree to amend the Agreement as follows:

Article XIII of the Agreement, under the heading "Miscellaneous" Section G: Law", is amended by the addition of the following language to the original language that appears therein:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under
the Act.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	______________________________
By:______________________________	By:______________________________
Name:______________________________	Name:______________________________
Title:______________________________	Title:______________________________

ADDENDUM TO DISCLOSURE DOCUMENT
<u>FOR THE STATE OF VIRGINIA</u>

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

ADDENDUM TO FRANCHISE AGREEMENT
<u>FOR THE STATE OF WASHINGTON</u>

This Addendum relates to franchises sold in the state of Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the Franchise Agreement (the “Agreement”), Furniture Medic SPE LLC (the “Franchisor”) and Franchisee agree to amend the Agreement as follows:

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

RCW 19.100.010(7), (12) and Franchise Act Policy Statement 6 may require franchisees who receive financial incentives to refer franchise prospects to the Franchisor to register as franchise brokers in Washington.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Article III.A. 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.

Article XIII.S.6 of the Franchise Agreement is hereby deleted in its entirety.

[Signature page follows.]

The undersigned does hereby acknowledge receipt of this addendum. Dated this_day of________, 20___

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	____
By:____	By:____
Name:______________________________________	Name:______________________________________
Title:_____________________________________	Title:_____________________________________

ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

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

1. Item 17

"The Wisconsin Fair Dealership Law supersedes any provision of the applicant's franchise contract or agreement inconsistent with that law."

ADDENDUM TO THE FRANCHISE AGREEMENT
<u>FOR THE STATE OF WISCONSIN</u>

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"), Furniture Medic SPE LLC (the "Franchisor") and Franchisee agree to amend the Agreement as follows:

Article XIII.G of the Agreement, under the heading "Law," shall be amended by the addition of the following language:

"The Wisconsin Fair Dealership Law supersedes any provisions of the applicant's franchise contract or agreement inconsistent with that law."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

FURNITURE MEDIC SPE LLC:	**FRANCHISEE:**
	____
By:____	By:____
Name:______________________________________	Name:______________________________________
Title:_______________________________________	Title:_______________________________________

FDD EXHIBIT G

Inventory and Equipment Opening Package

QTY	UOM	DESCRIPTION
5	PK	3X High Performance Sandpaper (PK of 20 - Different grits)
2	BX	6" Orbital Sanding Discs (BX of 50 - Different grits)
4	BX	Abralon Pads (Different grits)
1	BX	Abranet Mesh Asst.
1	EA	Aerosol Activator
1	EA	Airbrush, Professional System
1	QT	Amalgamator
1	PK	Background Marker 12pk
1	EA	Basic Color Wheel
5	PK	Black Ice Wet Sand (PK of 50)
1	PK	Blendal Powder Stain (12 color assortment)
6	EA	Blendal Powder Stain (Additional colors)
1	PK	Blendal Sticks (12 Stick Assortment)
1	EA	Block, Rubber 3-3/4" x 2" x 1"
1	EA	Bob Flexner Book- Understanding Wood Finishing
1	GA	Brush and Gun Cleaner
4	EA	Brush, Luna Red Sable various sizes
4	PK	Brush Tip Graining Marker (24 Different Colors)
1	EA	Burn-In Balm Paste 4 Oz
1	EA	Burn-In Knife, Butane Cordless (Mohawk)
1	CS	Carpet and Upholstery Cleaner
1	EA	DefendAir HEPA 500 Air Scrubbing System
1	EA	Dust Extractor (Festool)
2	GA	Enduro Poly (Different Finishes)
1	GA	Enduro Var Satin
1	PK	Epoxy Sticks (12 Color Assortment)
1	EA	EZ Flow™ Burn-in Sticks (clear stick)
1	EA	EZ Seal Pen
1	EA	E-Z Vinyl Sealer Aerosol
1	EA	FM Apron
1	EA	Fastners (Headless nails)
1	EA	Fil-Stik (12 Color Assortment)
1	PK	Filter Bag for CT 26 (Festool Dust Extractor Bags)
1	QT	Finish Up Polyurethane (Satin)
1	EA	Finisher's Colorwheel
2	EA	Furniture Medic Courtesy cloths
4	GA	Furniture Wash
1	PK	Graduated Cup 1 oz.

QTY	UOM	DESCRIPTION
1	EA	Graining liquid
1	EA	Hard Fill Kit
3	GA	High Performance Poly Acrylic (Different sheens)
1	EA	ID Badge
1	EA	Instant Advesive De-Bonder 2 oz
1	EA	Instant Medium 2 oz
1	EA	Instant Thin 2 oz
2	PK	Knead-A-Mold (6 oz. each)
1	EA	Knife, Curved blade
1	KT	KregJig Master System
3	QT	Level 2 Polishing System
2	EA	Magic Strip (Thick) and (Thin) Pail
1	EA	Matching Tint Glass
1	EA	MicroTherm Flameless Heat Gun
1	EA	No Blush Blender - Flat
1	EA	OdorKlenz filter
1	EA	Oscillating Tool
1	EA	OZ Furniture Polish Aerosol
1	EA	Padfolio
3	EA	Perfect Blend Aerosol (Different Sheens)
3	EA	Perfect Blend WB Lacquer Aerosol (Different Sheens)
1	EA	Grex Pin Nailer
1	PK	Planestick (36 Stick Assortment)
1	EA	Portable Compressor
1	KT	PPS System
3	EA	Pre-Catalyzed Clear Finish (Different Sheens)
1	EA	Pre-Catalyzed Sanding Sealer
1	PK	Pro-Mark II (24 Dye Color Marker Assortments)
1	EA	Quick Clean
1	PK	Quick Fill Burn-In Sticks (36 Stick Assortment)
14	EA	Ready-To-Match (RTM) Dye Stains pint
1	EA	Ready-To-Match (RTM) Stain System Chip Box
12	EA	Ready-To-Match (RTM) System lids
11	QT	Ready-To-Match (RTM) Water Based Stain System (Array of Colors)
1	EA	Restoration Cleaner
1	KT	RO150FEQ 6"OrbitalSander+CT26 (Festool)
5	BX	SoftTouch (BX of 20 - Different grits)
1	PK	Spray Gun Package
1	EA	Super Blush Retarder

QTY	UOM	DESCRIPTION
1	EA	Tone Finish Flat Easy Sanding Sealer
10	EA	Tone Finish Toner (Different Colors)
1	EA	Tumbler
1	EA	Rolling Tool Box
6	EA	Ultra Classic Toner (Different Colors)
3	EA	Ultra Flo Ultra Bond (Different Sheens)
1	PK	Ultra Mark™ (24 Marker Assortment)
1	PT	Water Base Accelerator
1	GA	Water Base Topcoat Extender
1	EA	Wet Mil Gauge
1	QT	Wood Turner Finish
1	EA	Wool Lube
1	EA	CPPC Membership
1	EA	Photo Id Badge double sided
2	PK	White microfiber cloths (12 per pack)
1	EA	Technical Operations Manual
4	EA	Uniform polo shirts
1	EA	Uniform button down twill shirt
1	EA	Laptop Computer
1	PK	Software Package
1	EA	QuickBooks On-Line Study Course
TOTAL*		**$13,000**

*Plus Sales Tax, Shipping and Handling

FDD EXHIBIT H

Furniture Medic Franchise Operations Manual Tables of Contents

	No. of Pages
1. Cabinets	3
a. Resources	9
2. Color	
a. Color Basics	4
b. Mohawk Videos	1
3. Contract Compliance	1
4. Commercial	8
5. Convention	
a. 2013 Convention-St. Louis MO	12
b. 2014 Convention-Orlando FL	1
6. Disaster Restoration	3
a. QFR Call Recordings	2
b. QFR Program Procedures	13
c. QFR Resources	14
7. Finishing	1
a. Basics	10
b. Bleaching	1
c. General Finishes Products	0
d. General Finishes Videos	9
e. Leveling & Deluxing-Mohawk	1
f. Mohawk Videos	5
g. Spraying Equipment	2
h. Spraying Techniques	3
i. Staining	2
j. Surface Prep & Stripping	3
k. System One	1
l. Workshop Registration	1
8. Home Office	
a. Awards	5
b. Calendar	1
c. Scorecard	1
d. Home Office Roster	1
e. Medic Connection Community	1
f. National Franchise Council	10
g. Special Offers	4
9. Image Enhancement	
a. General Information	2
b. Grain Filling	1
c. Mohawk Videos	2
d. Padding/Finish-up	1
e. Toning	0
10. Innovation	0
11. Legal	1
12. Market Expansion	5
13. Marketing	
a. Brand Promise/Guidelines	6
b. Domains/Websites/Digital	7
c. Gift Card Redemption	3
d. Identity Compliance	2
e. Marketing Materials Pro/Con	1
f. National Ad Fund	1
g. New Owner Marketing Kit	4
h. Press Releases	1
i. Stationery Samples	3
j. Trade Shows	1
k. Uniforms/Promotional Attire	1
l. Vehicle Decal Kits	14
14. Moving Industry	7
15. National Accounts	1
a. Costco	3
b. Customer Instructions	8
c. National Account Resources	13
16. Operations	
a. Archived Bulletin Boards	44
b. Archived Facebook Group	36
c. Archived Friday Flash Facts	79
d. CPPC Information	1
e. Business Operation Tools	19
f. DBA Policy	3
g. Financial Resources	13
h. GoFormz	2
i. Human Resources	2
j. Remote Data Backup	1
k. Royalty Reporting	3
l. Tell Furniture Medic	1
m. Training Tuesday	1
17. Precision Repair	
a. Airbrush	2

FDD EXHIBIT I

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. Furniture Medic SPE LLC (**“Franchisor”**) and Franchisee are parties to the following Franchise Agreements (collectively, the “**Franchise Agreements**”):

Franchise Agreement Number(s)	Date of Agreement

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

___ (i) Franchisor consenting to a transfer of any interest in the Franchise Agreement or Franchisee’s business or entity;

____(ii) Franchisor agreeing to enter into a successor Franchise Agreement with Franchisee; or

____(iii) Franchisor agreeing to amend the Franchise Agreement or waive any of its rights under the Franchise Agreement.

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

AGREEMENT

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

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

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

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

FRANCHISEE:

By: ______________________________

Print Name: ______________________

Title: ___________________________

Date: ___________________________

TRANSFEREE:

By: ______________________________

Print Name: ______________________

Title: ___________________________

Date: ___________________________

OWNER:

____

Print Name: ______________________

Date: ___________________________

OWNER:

____

Print Name: ______________________

Date: ___________________________

OWNER:

____

Print Name: ______________________

Date: ___________________________

FDD EXHIBIT J

Furniture Medic QFR (Quality Furniture Restoration)
Program Agreement

FURNITURE MEDIC®

2022 Furniture Medic QFR (Quality Furniture Restoration)

Program Agreement

This 2022 Furniture Medic QFR Program Agreement (this "Agreement") is entered into as of the date indicated below by and between the Franchise Owner indicated below (the "Franchisee") and Furniture Medic Limited Partnership ("Furniture Medic"). All references herein to the "Home Office" shall mean Furniture Medic's headquarters.

I. Franchise Prerequisites

1. Franchisee understands that the QFR program is a voluntary program and agrees to uphold the standards and requirements outlined in this QFR Program Agreement.

2. Franchisee agrees to enroll in EFT (electronic funds transfer) and receive all claim payments and Disaster Restoration related payments through EFT before they are QFR certified for 2022

3. Franchisee agrees to attend or has already attended Post Academy QFR training prior to being considered and approved to participate in the QFR program.

4. Franchisee will comply with Insurance Requirements of Furniture Medic's Franchise Agreement (the "Franchise Agreement"). The undersigned Franchisee carries the required insurance coverage and **<u>has provided a certificate of insurance with proof of the following</u>:**

- **Comprehensive General Liability Insurance** including product liability coverage with a minimum limit of $1,000,000 per occurrence. Furniture Medic, LP must be named as Additional Insured with Waiver of Subrogation coverage.
- **Commercial Automobile Liability Insurance** covering either 1) Any Auto, 2) Owned Autos, Hired Autos & Non Owned Autos OR 3) Scheduled Autos, Hired Autos & Non-Owned Autos with a minimum limit of $1,000,000 Combined Single Limit. Furniture Medic, LP must be named as Additional Insured with Waiver of Subrogation coverage.
- **Workers' Compensation Insurance** sufficient to meet statutory limits in the states where Services will be performed and the location of the principal place of franchise. Franchise agreements must maintain workers' compensation insurance with a minimum of $500,000 employer's liability coverage for all employees, unless Franchisee's state requirements are higher than the minimum, and once each of the following years of the term

of the Franchise Agreement. In states where workers compensation is not available, alternative insurance may be purchased with notice to and consent from Furniture Medic Home Office. This coverage may not be waived when you participate in QFR.

- **Crime/ Employee Theft** (not a bond), with a minimum limit of $25,000 for Theft of Client Property coverage.
- Current Certificates of Insurance must be provided to Home Office on a yearly basis by the franchise.

5. Franchisee has a current signed Franchise Agreement with Furniture Medic and is in good standing.

6. Franchisee is current with all the following financial responsibilities: fee payments, national ad fund contributions, SMAC notes (if applicable), product account, Royalties, and Respond365 lead fees.

7. As required by the Franchise Agreement, Franchise and its employees will drive an identity- correct vehicle to a customer's home or business when performing program work.

8. Franchisee and its employees must be dressed appropriately and Furniture Medic identified shirts or uniforms must be worn to the customer's home or business.

9. Franchisee agrees to perform annual national background checks on all owners of the Franchise and on any employee who in their day-to-day job function comes in contact with and provides services for Disaster Restoration customers. [Per our insurance partners, no employee with a felony conviction can work on any QFR related job sites.]

   The Background Screening must include a review of the following, in the sequence shown and covering the past ten (10) years or the longest period for which records exist in such state/county (the "**Look-Back Period**"), to achieve acceptable results:

   A. *Ten-Year County Criminal Background Check*: Must include felony/misdemeanor county criminal record searches in the county in which the candidate currently resides, as well as all counties in which the candidate has lived, worked, or attended school, during the last five years. Must include all names the candidate has used.

   B. *Ten-Year Federal Criminal Background Check*: Conducted by Federal District based on the candidate's residence history, work history, and school locations. Must include all names the candidate has used.

C. *Education Verification*: Verifies the type of diploma of the highest degree and dates of attendance/graduation.

D. *Social Security Trace*: Address and name search generated using SSN.

E. *Government Watch List*: Multiple government databases associated with global terrorism, narcotics, trafficking, and those barred from contracting with government agencies including office of Financial Activity Control Compliance.

F. *National Sex Offender*: Identifies individuals associated with sex related crimes.

G. *Professional License Verification*: Verifies professional or technical licensing (license number, issue date, expiration date, and current status).

H. *Drug Screen*: Complete a 5 panel pre-employment drug screening on all candidates before beginning an assignment.

This requirement must be completed prior to certification and will require acknowledgement by the Franchise owner that checks have been completed. For any new employees, the background check must be performed before hiring and a list sent to the Home Office to be retained on file. The list will include the name of the owners, all employees, and the date the background was checked. Do not send the actual background checks to Home Office, only the list of those checked. <u>The list will be emailed to Furniture Medics Restoration Program Manager</u> by March 2nd of the corresponding year. Any employees hired after March 2nd of the corresponding year, must have all <u>background information completed before hiring. The name of the employee along with the date the background check was completed must be sent to Home Office within one month of hiring.</u>

Suggested Providers: *Fullidentity.com; factsondemand.com;*

10. Franchisee agrees to verify the employment history for all employees for the past five (5) years or the three (3) most recent employers.

11. Franchisee has the following QFR mandatory franchise items:

    - High speed internet access
    - www.medicconnection.com access
    - Respond 365 access

- Digital camera
- Mobile Smart phone and iPad or similar notebook
- Microsoft Excel on computer or utilization of GoFormz

12. Franchisee will be Environmental Protection Agency ("EPA") Renovation, Repair, and Painting (RRP) lead certified within 6 months of signing this Agreement. The Franchisee agrees to maintain at all times during the term of this Agreement a current certification with the United States Environmental Protection Agency ("EPA") for renovations involving lead-based paint and fully comply with the EPA's Lead Renovation, Repair and Painting Rule ("LRRP Rule"), 40CFR 745, Subpart E promulgated under the Toxic Substances Control Act ("TSCA"), 15 U.S.C. 2682 and 2686 and to provide a copy of such certification annually to Furniture Medic Home Office. Additionally, at all times during the term of this Agreement, at least one employee of Franchisee must be certified as a Certified Renovator (as defined in the LRRP Rule) and shall be responsible for training other Franchise employees and for supervising work practices involving lead-based paint including, but not limited to, removal, clean-up and waste disposal. All removal, clean-up and waste disposal procedures involving lead-based paint must fully comply with the TSCA and the LRRP Rule. Additionally, the Certified Renovator shall maintain complete project files for the services provided to each customer for there (3) years following completion of the project in compliance with the TSCA and the LRRP Rules applicable to record-keeping. At a minimum, such project files shall include verifications of owner/occupant receipt of the Renovator Rights pamphlet or documentation of all attempts to inform, documentation of work practices, Certified Renovator certifications, and proof of training of franchise employees by the Certified Renovator.
    - Detailed RRP lead certification information can be found at http://www.epa.gov/lead/renovation-repair-and-painting-program
    - A list of available classes can be found at https://www.greenedu.com

13. As required by the Franchise Agreement, Franchise will have **live** answering between normal business hours (8am-5pm). This is monitored by the Furniture Medic Home Office. If the Franchisee is unable to provide live answering, Furniture Medic Home Office recommends using an answering service. (e.g., AnswerLINK. Visit www.kansasanswers.com)

14. Franchise is required to be qualified to perform the following services or provide these services through a qualified third party (e.g. independent contractor):
    - Precision repair
    - Color toning and surface over coating
    - Stripping and refinishing

- Cabinetry restoration – Franchisee may be required to have a contractor's license depending on Franchisee's state laws and regulations. If it is required, a copy must be sent to the Restoration Program Manager at the Home Office to be retained on file.
- Millwork repair and restoration
- Antique restoration
- Minor upholstery repair
- Furniture Repair and Restoration

15. Furniture Medic Home Office recommends that the Franchisee use approved vendors for cabinetry restoration products and supplies.

16. Franchisee will have at least one person from their franchise register for the Furniture Medic Convention if their total Disaster Restoration Program (QFR) revenue exceeds $7,500 for the past 12 months. This registration fee is non-refundable if Franchisee does not attend convention. If franchise does not register for convention, the cost of convention registration will be deducted from future payments.

17. Franchisee agrees to provide Furniture Medic approved **branded marketing material** to every policy holder and customer. Material can be found on BFC website.

18. Marketing efforts will be consistent with and support national efforts. It is important that Furniture Medic maintain brand standards in all of its marketing efforts and create a consistent appearance and brand identity when representing Furniture Medic. Furniture Medic's brand guidelines outline proper use of the Furniture Medic name and logo as well as a style guide for Franchisee's marketing materials. All custom pieces created by the Franchisee must meet the then-current brand guidelines.

19. Franchise agrees to report ALL DR jobs that were done for an insurance claim on a monthly basis. This report is due on the 10th of each month, and should contain all INVOICED jobs from the prior month. (example: On February 10th, you will report ALL insurance-claim-related jobs that were invoiced in the month of January) This includes revenue that was collected from the policy holder who may have paid you directly after being paid their settlement by the insurance carrier.

II. QFR Agreement

1. Franchise agrees to pay to pay all fees by the 25th of the month following the month in which any revenue producing Respond365 leads were accepted**. The fees are for all revenue producing LEADS and the fee is $42 per lead for 2022 or the then-current rate, as may be amended from time to time.** The fees must be paid through the invoice on Medic Connection, or such other software used by Furniture Medic Home Office. All fees that are not paid by the 25th will be rolled over into Franchisee's open account. If the franchise is delinquent in paying for the fees, there will be a **$100** delinquency fee due in addition to paying the delinquent $42 job fee. If a QFR Franchisee is consistently delinquent in paying the fees, Franchisee will be suspended from the QFR Program until Franchisee becomes current. Furniture Medic may collect any delinquent job fees (including the delinquency fee) by exercising its offset rights as set forth in the franchise agreement.

   a. Additional information on Fees can be found in the Intranet library or by contacting Furniture Medic Home Office

2. Furniture Medic reserves the right, in its sole discretion, to deny QFR program certification to a Franchisee even if Franchisee meets the QFR requirements.

   a. Furniture Medic Home Office reserves the right to suspend any franchise from the QFR program for any reason (e.g., past due lead fees, unpaid royalties, insurance non-compliance, Franchise Agreement non-compliance, excessive customer complaints, etc.)

   b. Insurance partners reserve the right to remove or suspend any franchise from their program for any reason. The Furniture Medic Home Office may advocate for any Franchisee that has been removed, but it is the sole decision of the insurance company to either remove or suspend a Franchisee from their program. The period of suspension can range depending on the severity of the claim against a Franchisee.

   c. Franchisee understands it is Franchisee's sole responsibility to resolve all customer complaints with the customer or with the insurer. If Franchisee is unable to resolve the issue, Franchisee will be responsible to pay for correcting the problem. Furniture Medic Home Office's only role is to facilitate the communication and accountability between the two parties involved in the complaint.

3. In order to keep Furniture Medic's insurance partners satisfied and to help Franchisees if issues arise, a weekly note in Respond 365 is required for any open assignments.

   a. For items in storage for long periods or when inspections cannot be scheduled for several weeks due to the homeowner schedule only one note is required indicating the amount of time it is in storage. The claim must be put on hold in Respond 365 by notifying Home Office. Any changes in the time frames or important updates must be documented in Respond 365.

4. Franchisee agrees to manage all necessary QFR job assignments via Respond 365 for estimating and billing and to follow the guidelines requested by the insurance company.

FURNITURE MEDIC®

5. Franchisee agrees to follow all program guidelines for each individual insurance program by following and completing all of the tasks in Respond 365, or other such software used by Furniture Medic Home Office.

6. It is understood and agreed to by the QFR Franchisee that it shall have no exclusive right to any lead generated under the terms of this document and that Furniture Medic has full discretion in assigning or not assigning any lead received under any Program to the QFR Franchisee. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, LIQUIDATED, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES WHATSOEVER IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT.**

7. If a Franchise consistently fails to comply with all of this Agreement, the Furniture Medic Home Office has full discretion to place a Franchisee on suspension or remove them permanently from the program.

III. QFR Standards

1. Franchisee agrees to notify the Home Office immediately if they receive a check or electronic funds transfer ("EFT") payment that does not belong to them. If EFT payment, Franchise will notify the Home Office accounting department to refund payment. If check payment, check will be returned to the Home Office the same day it is received.

2. Franchisee must be pro-active in notifying the Furniture Medic Home Office in writing, via email any request to be turned off of the QFR Program temporarily. Reasons to include: at maximum capacity, illness or on vacation.

    a. Franchisee understands that to be reactivated, after being turned off for any reason, they must notify the Furniture Medic Home Office in writing, via email, requesting to be turned back on to accept Respond365 leads.

3. Franchisee must provide repair and replace values on inspection reports except for specific Insurance partners as indicated in the program guidelines.

4. Franchisee agrees to complete all claims processing tasks and SLAs in Respond 365 to ensure insurance partner requirements are met. The tasks and SLAs can be found in the QFR Manual.

5. Franchisee will respond within 24 hours to Home Office staff when request is made for information, documentation, or status updates. Failure to do so may result in removal from the QFR program for 30 days and/or until information is provided.

6. Franchisee will use the standardized Inspection Report form sent from Home Office for all QFR/DR (Disaster Restoration) jobs. (Available on Medic Connection)

7. Franchisee will participate in customer service results survey program.

IV. QFR Respond Lead Requirements

1. Franchisee agrees to manage assignments in Respond365 for any program leads received. Part of our agreement with our insurance customers is to provide detailed reporting monthly including number of leads, cycle times, and total reduced severity (savings).

2. Franchisee will not reject a lead from Respond365 and then produce the job locally for the company outside of Respond365 and/or the vendor program.

3. Franchisee will not transfer any leads or jobs that they have received from Respond365 to any other Furniture Medic franchise or any other company. If franchise is unable to perform the job, contact 1-800-RESPOND or ClaimsCapture@FurnitureMedic.com to have the lead reassigned.

4. Franchise will utilize Respond 365, or other such software used by Home Office, to process all necessary QFR/DR jobs. Franchise agrees that all tasks on all jobs in Respond 365, or other software, will be completed on every job unless Home Office directs otherwise.

5. All program jobs should be paid by the insurance partner to Home Office. It is suggested that the Franchisee includes payment information to the adjuster when sending a copy of the invoice.

6. Franchise also agrees to report ALL disaster restoration jobs that were done for an insurance claim. This includes revenue that was collected from the policy holder who may have paid you directly after being paid their settlement by the insurance carrier.

V. Furniture Medic Code of Conduct

References to “you” or “your” are references to Franchisee or Franchisee’s representatives. Your professionalism and quality work is your best salesman. Naturally, as representatives of Furniture Medic, your actions should always be unquestionably proper. Franchisee agrees to the following examples, which include, but are not limited to, the following types of conduct:

1. Maintain a neat and professional appearance (identification, personnel and equipment)
2. Have no criminal convictions
3. Exhibit a professional demeanor
4. Be prompt and timely deliver, in accordance with commitments
5. Be prepared for the job (Vendor has all required equipment and information)
6. Be a licensed and courteous driver
7. Offer identification when meeting customer
8. Adhere to gifts and gratuities guidelines for all work applicable to Farmers Insurance and all other applicable carriers
9. Conduct and discuss claim assignment related information only with the adjuster/carrier representative

10. Do not discuss policy information/ coverage with the customer unless authorized
11. Do not disclose any customer information
12. Use good judgment when interacting with the customer
13. Do not speak poorly of others or provide advice on areas outside your expertise.
14. Restore work area (after completing the claim)
15. Do not suggest contractors
16. Do not discuss deductible
17. Do not use the customer's restroom
18. Do not use customers' phone or computer
19. Respect the customer's privacy and home
20. Never use anything belonging to the customer without obtaining permission from the customer first
21. Use cell phones allowed for work related issues only
22. Eat away from the work site
23. Do not enter premises unless an adult is present or you have authorization
24. Use professional language
25. Accommodate customer's timeframe
26. Restrict use of customer's premises to work area
27. Explain process and timeframes to the customer upfront and update them as required
28. Maintain only professional relationships and conduct with the customer, customer's family members and other employees
29. Comply with all laws, rules and regulations
30. Do not consume any tobacco, alcoholic products or illegal drugs
31. Clean up the work area when leaving
32. Always ensure the property is left secure
33. Maintain and leave a safe working environment
34. Do not play any music or the radio at the work area
35. Do not remove or move any property unless authorized
36. Permit only work related personnel into the work area
37. Limit photos and videos to those that are work-related

Furniture Medic Franchise Owner Agreement:

By signing below you are committing to implementing and maintaining the program standards of the Furniture Medic QFR Program as outlined in this document.

Name of Franchise____

Mailing Address____

City State/Zip Phone____________________

Additional Phone Numbers____________________________________

Print Franchise Owner Name ____________________________________

Signature____

Date____________________

Furniture Medic Home Office Agreement:

Brand Leader Signature________________________________

Date _______________

FDD EXHIBIT L

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 Furniture Medic SPE LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Furniture Medic SPE 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 listed in Exhibit C.

The franchise seller(s) for this offering is (are):

( ) Tim Arpin	( ) Rochelle Castiglione	( ) Christopher Gammill
( ) Amber James	( ) Maryum Samah	( ) __________________

at Furniture Medic SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328, Telephone: 800-756-5656.

Issuance Date: April 27, 2022

See Exhibit C for franchisor's agent for service of process in your state.

I have received a franchise disclosure document dated April 27, 2022 that included the following Exhibits:

A. Franchise Agreement
B. Financial Statements and Guaranty
C. State Franchise Administrators and Agents for Service of Process
D. Franchisee List
E. Former Franchisee List
F. Required State Addenda (if applicable)
G. Inventory and Equipment Opening Package
H. Operations Manual Table of Contents
I. General Release
J. QFR Program Standards and Application
K. State Effective Dates and Receipts

Signature	Print Name	Date

Signature	Print Name	Date

(Please retain this copy for your files)

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 Furniture Medic SPE 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, Furniture Medic or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa, Michigan and Oklahoma require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Furniture Medic SPE 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):

( ) Tim Arpin	( ) Rochelle Castiglione	( ) Christopher Gammill
( ) Amber James	( ) Maryum Samah	( ) __________________

at Furniture Medic SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328, Telephone: 800-756-5656.

Issuance Date: April 27, 2022

See Exhibit C for franchisor's agent for service of process in your state.

I have received a franchise disclosure document dated April 27, 2022 that included the following Exhibits:

A. Franchise Agreement
B. Financial Statements and Guaranty
C. State Franchise Administrators and Agents for Service of Process
D. Franchisee List
E. Former Franchisee List
F. Required State Addenda (if applicable)
G. Inventory and Equipment Opening Package
H. Operations Manual Table of Contents
I. General Release
J. QFR Program Standards and Application
K. State Effective Dates and Receipts

____
Signature   Print Name   Date

____
Signature   Print Name   Date

(Please sign and return this copy to Furniture Medic)