FRANCHISE DISCLOSURE DOCUMENT

B & P Burke, LLC
A California Limited Liability Company
8100 E. Indian School Road, Suite 201
Scottsdale, Arizona 85251
714-846-3800
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We offer franchises for businesses that specialize in estates sale and business liquidation services under the trade name GRASONS®.

The total investment necessary to begin operation of a single Grasons franchise ranges from $66,050 to $107,800. This includes $55,400 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact B&P Burke, LLC at 8100 E. Indian School Road, Suite 201, Scottsdale, Arizona 85251and 714-846-3800.

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

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

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

Issuance date: April 22, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibit F.
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?	Exhibit D 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 Grasons 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 Grasons franchisee?	Exhibit F 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 clients, 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 A.

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 and/or litigation only in Arizona. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Arizona than in your own state.

2. **Guaranty of Performance.** All the owners of the franchise and their spouses will be required to execute personal guarantees. This requirement places the personal assets of the franchise owner(s) at risk.

3. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

4. **Financial Condition**. The franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.

5. **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.

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

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection 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 sub-franchisor.

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to: State of Michigan Department of Attorney General

G. Mennen Williams Building, 7th
Floor 525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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Receipt (2 copies)

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

In this disclosure document, "we", "us," or "our" refers to B & P Burke, LLC, the franchisor. "You" means the person to whom we grant a Franchise. If you are an entity, each owner must sign our Guaranty and Non-Compete Agreement, which means that all of the Franchise Agreement's provisions also will apply to your owners.

Corporate Information

We are a California limited liability company that was incorporated on May 8, 2014 (originally as a corporation). We converted to a limited liability company on November 16, 2022. Our principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, Arizona 85251. Our phone number is 714-846-3800. We do business under our corporate name, Grasons, Grasons Co., Grasons Estate Sale Services, and Grasons Co. Estate Sales & Business Liquidation Services. Our agent for service of process is disclosed in EXHIBIT "A" to this Disclosure Document.

Our Business History

We began offering Grasons franchises ("Franchises") in November 2014. We engage in no business activities other than offering franchises for Grasons businesses and administering the franchise system. We have never offered franchises in any other line of business. We have never directly owned and operated a Grasons business.

Predecessors, Parents and Affiliates

We do not have any predecessors. Our direct and indirect parent companies include:

PARENT COMPANIES		
Company Name	**Principal Business Address**	**Direct or Indirect Parent**
Evive Brands, LLC ("Evive")	Same as ours	Direct
EHC Holding Company, LLC ("EHCH")	630 Fifth Avenue, Suite 400 New York, New York 10111	Indirect
Riverside Micro-Cap Fund VI-A, L.P.*	45 Rockefeller Center 630 Fifth Avenue, Suite 400 New York, New York 10111	Indirect

* Riverside Micro-Cap Fund VI-A, L.P. is part of The Riverside Company, which is a global private equity firm focused on investing in and acquiring growing businesses. Riverside Micro-Cap Fund VI-A, L.P. indirectly acquired our franchise system in November 2021.

We do not have any affiliates that provide goods or services to our franchisees. As further described in the table below, we have 3 affiliates that offer franchises in other lines of business. None of these affiliates have operated a Grasons business.

AFFILIATE FRANCHISING COMPANIES				
Franchised Business	**Name of Affiliate Franchisor**	**Principal Place of Business**	**Period of Time Franchises Offered by Affiliate**	**Number of Open Franchisees in US (as of 12/31/2023)**
Executive Home Care [1]	Executive Home Care Franchising, LLC	Same as ours	June 2012 to present	24
Assisted Living Locators [2]	ALL Franchising, LLC	Same as ours	August 2022 to present	147
Brothers Gutters **Error! Reference source not found.**	Brothers Parsons Franchising LLC	Same as ours	November 2023 to present	110

1. Executive Home Care is a business that provides (a) in-home comprehensive care and non-medical services to

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home care clients and (b) supplemental healthcare staffing services to institutional clients, all under the service mark EXECUTIVE HOME CARE®.

2. Assisted Living Locators is a home-based business that assists seniors and their families in locating assisted living facilities, memory care communities, nursing homes, senior care homes and independent living senior communities under the service mark ASSISTED LIVING LOCATORS®.

3. Brothers Gutters is a business that provides gutter installation, maintenance, cleaning, repair, and related services and products under the service mark THE BROTHERS THAT JUST DO GUTTERS®.

We do not have any other affiliates that offer franchises in this or any other line of business.

Other Riverside Company Portfolio Franchise Companies

Through various private equity funds managed by The Riverside Company, the following portfolio companies of The Riverside Company offer franchises in the US:

EverSmith Brands

OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (EVERSMITH BRANDS)			
Franchised Business	**Name of Franchisor**	**Principal Place of Business**	**Number of Open Franchisees in US (as of 12/31/2023)**
1. US Lawns	U.S. Lawns, Inc.	6700 Forum Drive, Suite 150 Orlando, Florida 32821	208
2. milliCare Floor & Textile Care	milliCare Franchising, LLC	1515 Mockingbird Lane, Suite 410 Charlotte, North Carolina 28209	56
3. Kitchen Guard	Kitchen Guard Franchising, Inc.	1515 Mockingbird Lane, Suite 410 Charlotte, North Carolina 28209	0

1. US Laws is a business that offers outdoor commercial property and landscaping services mark US LAWNS.

2. milliCare is a business that offers cleaning and maintenance of floor coverings and interior finishes and related services under the service mark MILLICARE FLOOR & TEXTILE CARE.

3. Kitchen Guard is a business that offers commercial kitchen exhaust system cleaning, inspection, maintenance, and restoration services under the service mark KITCHEN GUARD.

Head-To-Toe Brands

OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (HEAD-TO-TOE BRANDS)			
Franchised Business	**Name of Franchisor**	**Principal Place of Business**	**Number of Open Franchisees in US (as of 12/31/2023)**
1. Bishops	BCC Franchising, LLC	Terminal Tower 50 Public Square 29th Floor Cleveland, Ohio 44113	42
2. Frenchies Modern Nail Care	Frenchies, LLC	2679 West Main #363 Littleton, Colorado 80120	23

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OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (HEAD-TO-TOE BRANDS)			
Franchised Business	**Name of Franchisor**	**Principal Place of Business**	**Number of Open Franchisees in US (as of 12/31/2023)**
3. Lash Lounge	The Lash Franchise Holdings, LLC	4370 Varsity Drive, Suite G. Ann Arbor, Michigan 48108	127

1. Bishops is a business that offers haircuts, coloring, and barber services under the service mark BISHOPS.
2. Frenchies is a business that offers hand and foot care under the service mark FRENCHIES MODERN NAIL CARE.
3. Lash Lounge is a business that offers permanent and temporary eyelash and eyebrow extensions and other eye enhancing services under the service mark LASH LOUNGE.

Best Life Brands

OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (BEST LIFE BRANDS)			
Franchised Business	**Name of Franchisor**	**Principal Place of Business**	**Number of Open Franchisees in US (as of 12/31/2023)**
1. Blue Moon Estate Sales	Blue Moon Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	109
2.Boost Home Healthcare	Boost Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	6
3.ComForCare Home Care	ComForCare Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	230
4.CarePatrol	CarePatrol Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	172
5.Next Day Access	Next Day Access, LLC	3150 Stage Post Drive Suite 101 Bartlett, Tennessee 38133	27

1. Blue Moon is a business that sells personal property as well as the provision of consignment sales for those who are downsizing, relocating, or are deceased under the service mark BLUE MOON ESTATE SALES.
2. Boost is a business that offers intermittent care ordered by a doctor and performed by a home health aide and other licensed healthcare providers to patients of all ages with acute and chronic long-term complex health conditions within the patient's residence or within health care facilities under the mark BOOST HOME HEALTHCARE.
3. ComForCare is a business that offers (a) companionship and personal/domestic care services, and other special needs services, primarily on a non-medical basis, for seniors and people of all ages so that they may remain in their residences, (b) supplemental healthcare staffing services for persons who need this kind of assistance in their home or a facility in which they reside, and (c) private duty nursing services, all under the mark COMFORCARE HOME CARE.
4. CarePatrol is a business that offers senior living placement, referral, and consulting services to families under the mark CAREPATROL.
5. Next Day is a business that offers ramps and other products and accessories that enhance the life of physically

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disabled or challenged persons under the mark NEXT DAY ACCESS.

Threshold Brands

OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (THRESHOLD BRANDS)			
Franchised Business	**Name of Franchisor**	**Principal Place of Business**	**Number of Open Franchisees in US (as of 12/31/2023)**
1. Maid Pro	Maid Pro Franchise, LLC	77 North Washington Street Boston, Massachusetts 02114	238
2. Patio Patrol	FlyFoe, LLC d/b/a Patio Patrol	77 North Washington Street Boston, Massachusetts 02114	7
3. Men in Kilts	Men in Kilts US, LLC	77 North Washington Street Boston, Massachusetts 02114	20
4. Pestmaster	Pestmaster Franchise Network, LLC	9716 South Virginia Street, Suite E Reno, Nevada 89511	52
5. USA insulation	USA Insulation Franchise, LLC	17700 Saint Clair Avenue Cleveland, Ohio 44110	100
6. Granite Garage Floors	Granite Garage Floors Franchising, LLC	110 Mansell Circle, Suite 375 Roswell, Georgia 30075	44
7. Mold Medics	Mold Medics Franchising, LLC	811 Washington Avenue Carnegie, Pennsylvania 15106	1
8. Sir Grout	Sir Grout Franchising, LLC	77 North Washington Street Boston, Massachusetts 02114	62
9. Miracle Method	Miracle Method, LLC	4310 Arrowswest Drive Colorado Springs, Colorado 80907	194 (2 Master franchises)
10.Plumbing Paramedics	PHP Franchise, LLC	750 E. 150th Street Noblesville, Indiana 46060	5
11.Heating + Air Paramedics	PHP Franchise, LLC	750 E. 150th Street Noblesville, Indiana 46060	5

1. Maid Pro is a business that offers home cleaning services for residential and commercial customers under the mark MAID PRO.
2. Patio Patrol is a business that offers residential and commercial mosquito, wasp, fly, tick control and other general pest control services under the mark PATIO PATROL.
3. Men in Kilts is a business that offers window cleaning, gutter cleaning, pressure washing, siding cleaning, snow removal and other related services under the mark MEN IN KILTS.
4. Pestmaster is a business that offers structural and agricultural pest control and related services under the mark PESTMASTER.
5. USA Insulation is a business that offers residential insulation services under the mark USA INSULATION.
6. Granite Garage Floors is a business that sells and installs residential garage floor coating systems under the mark GRANITE GARAGE FLOORS.
7. Mold Medics is a business that offers mold remediation, air duct cleaning, radon testing and mitigation

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services, and other services and products under the mark MOLD MEDICS.

8. Sir Grout is a business that offers grout and tile cleaning, sealing, caulking and restoration services and other services under the mark SIR GROUT.

9. Miracle Method is a business that offers refinishing and restoration of bathtubs, sinks, showers, tiles, countertops and similar surfaces under the mark MIRACLE METHOD.

10. Plumbing Paramedics is a business that offers plumbing service franchises under the mark PLUMBING PARAMEDICS.

11. Heating + Air Paramedics is a business that offers heating and air conditioning installation and service franchises under the mark HEATING + AIR PARAMEDICS.

The Franchise Rights Offered

If you sign a Franchise Agreement with us, you will develop and operate a business (your "Business" or your "Franchise") that specializes in the sale of personal property for individuals, trustees and personal representatives due to long-distance moves, divorce, death, or bankruptcy, or another change in circumstances ("Estate Sale Services") and for commercial enterprises due to business closures or moves, branch closures or moves, or other changes in circumstances ("Business Liquidation Services"). Together, Estate Sale Services and Business Liquidation Services are "Services".

We will license you the right to use certain service marks, trademarks, trade names, logos or other commercial symbols that we authorize from time to time, including Grasons, Grasons Co., Grasons Estate Sale Services, Grasons Co. Estate Sales & Business Liquidation Services and the associated logos (the "Marks"). You will operate the Business under our system (the "System"), the distinguishing characteristics of which include, without limitation: distinctive business formats; procedures; procedures for operations, accounting, and management; training and assistance; and advertising and promotional programs. We may periodically change the System. Our Confidential Operations Manual (the "Manual") describes the operational aspects of a Grasons Business. You will operate your Grasons Business using the Marks, the System, the information in the Manual, and the support, guidance and other methods and materials we provide.

You will provide Services for clients located within a geographic territory specified in the Franchise Agreement that will have a minimum population of 400,000 people (the "Territory"). Although you must have a valid business mailing address (that is not a residential address), in general, we anticipate that you will operate your Franchise from a home office which must be located in your Territory.

General Market and Competition

The general market for Services is well developed. Your clients for Estate Sale Services will include individuals, trustees and personal representatives of estates. Your clients for Business Liquidation Services will include retail and other commercial enterprises. You will compete against other providers of similar services, most of which are independently owned and operated. Sales are not seasonal.

Laws and Regulations

You must comply with all federal and state licensing and regulatory requirements relating to the operation of your Business. Some states may require you to obtain a surety bond. We are not aware of any other laws or regulations specific to our industry. You must comply with all laws that apply to businesses generally, including laws governing discrimination and sexual harassment in the work place, minimum wage, EEOC and OSHA standards, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes.

We recommend that you consult with legal counsel to investigate and comply with any laws and regulations.

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ITEM 2 BUSINESSEXPERIENCE

Chairman and Director: Tom Silk

Tom Silk has served as our Chairman and Director since February 2024. Since February 2024, he has held the same positions with: (a) our parent, Evive; (b) our affiliates, Executive Home Care Franchising, LLC, ALL Franchising, LLC and Brothers Parsons Franchising LLC; and (c) Eversmith Brands, Head-to-Toe Brands and Threshold Brands. From September 2022 to present, he has served as Chairman for TES Solutions in Cleveland, Ohio. Between 2013 and August 2022, he held various positions with WorkStride in New York, New York including: (a) Chief Executive Officer (October 2019 to August 2022); (b) Chief Customer Officer (July 2017 to October 2019); and (c) Executive Vice President and Member of the Board of Directors (2013 to October 2019).

Chief Executive Officer: Ryan Parsons

Mr. Parsons has served as our Chief Executive Officer since November 2023. Since November 2023, he has held the same position with our parent Evive and our affiliates Executive Home Care Franchising, LLC, ALL Franchising, LLC and Brothers Parsons Franchising LLC. From July 2014 to November 2023, he served as co-founder and Vice President of our affiliate, Brothers Parsons Franchising LLC, and its predecessor, The Brothers Franchising, Corp. Since 2002, Mr. Parsons has also served as the Vice President of Brothers Parsons HV LLC f/k/a The Brothers That Just Do Gutters HV, Inc., which owns and operates the original The Brothers That Just Do Gutters business located in Poughkeepsie, New York.

President, Secretary and Manager: Caroline Quoyeser

Ms. Quoyeser has served as our Manager, President and Secretary since November 2021. She has held the same positions with our parent Evive (since February 2023) and our affiliates Executive Home Care Franchising, LLC (since November 2021), ALL Franchising, LLC (since August 2022) and Brothers Parsons Franchising LLC (since November, 2023). Ms. Quoyeser joined The Riverside Company in June 2016 as a Summer Analyst in its Santa Monica, California office. Since that time, she has held the following positions: (a) Summer Analyst (June 2016 to August 2016); (b) Private Equity Analyst (June 2017 to June 2019); (c) Senior Associate (June 2021 to January 2023); and (d) Assistant Vice President (January 2023 to present).

Senior Vice President of Training and Development and Manager: Ken Parsons

Mr. Parsons has served as our Manager and Senior Vice President of Training and Development since November 2023. Since November 2023, he has also held the same positions with our parent Evive and our affiliates Executive Home Care Franchising, LLC, ALL Franchising, LLC and Brothers Parsons Franchising LLC. From July 2014 to November 2023, he served as co-founder and President of our affiliate, Brothers Parsons Franchising LLC, and its predecessor, The Brothers Franchising, Corp. Since its founding in 1999, Mr. Parsons has also served as the President of Brothers Parsons HV LLC f/k/a The Brothers That Just Do Gutters HV, Inc., which owns and operates the original The Brothers That Just Do Gutters business located in Poughkeepsie, New York.

Vice President and Manager: L. Joseph Lee

Mr. Lee has served as our Manager and Vice President since November 2021. He has held the same positions with our parent Evive (since February 2023) and our affiliates Executive Home Care Franchising, LLC (since November 2021), ALL Franchising, LLC (since August 2022) and Brothers Parsons Franchising LLC (since November, 2023). Mr. Lee joined The Riverside Company in March 2006 as a Principal in its Cleveland, Ohio office. He has served as a Senior Partner since April 2013.

Chief Financial Officer: Gregory Esgar

Mr. Esgar has served as our Chief Financial Officer since May 2022. He has held the same position with our parent Evive (since August 2023) and our affiliates Executive Home Care Franchising, LLC (since May 2022), ALL Franchising, LLC (since August 2022) and Brothers Parsons Franchising LLC (since November, 2023). From April 2018 to May 2022, Mr. Esgar served as Chief Financial Officer for Prose Franchising in Phoenix,

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Arizona.

Chief Growth Officer: Jason Wiedder

Mr. Wiedder has served as our Chief Growth Officer since December 2021. He has held the same positions with our parent Evive (since February 2023) and our affiliates Executive Home Care Franchising, LLC (since December 2021), ALL Franchising, LLC (since August 2022) and Brothers Parsons Franchising LLC (since November, 2023). From March 2018 to December 2021, he served as Vice President of Franchise Development for Always Best Care located in Roseville, California.

ITEM 3 LITIGATION

The following Settlement Order is currently effective against our affiliate Brothers Parsons Franchising LLC:

On January 6, 2016, our affiliate's predecessor, The Brothers Franchising, Corp., entered into a Settlement Order with the Commonwealth of Virginia, State Corporation Commission, Division of Securities and Retail Franchising relating to an unregistered sale of a franchise territory in Virginia (case number SEC-2015-00056). The transaction at issue involved the sale of a The Brothers That Just Do Gutters franchise territory in Virginia to the father of Ryan and Ken Parsons (who are the co-founders of that franchise system) before the franchise was registered in Virginia. The Settlement Order: (a) required The Brothers Franchising, Corp. to pay a $2,000 penalty plus $500 for the cost of the investigation; and (b) prohibited The Brothers Franchising, Corp. and its successors from violating Virginia's Retail Franchising Act in the future.

No litigation is required to be disclosed in this Item except for the 1 matter described above.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

When you sign a Franchise Agreement, you must pay us a nonrefundable initial franchise fee of $49,900. Included in the payment of the initial franchise fee is an initial inventory and equipment package that includes your microsite, 10 lawn signs, a banner, a tear drop sign, a tote, a notebook, a branded polo shirt, and 250 business cards (the "Initial Equipment Package"). The initial franchise fee also covers our initial training program for up to 2 trainees (you may send additional attendees subject to available space). We offer the following discounts:

Type of Discount*	Discount	Qualifications for Discount
Veterans Discount	10% discount	Person holding at least a 51% interest in the franchise is an honorably discharged veteran of any branch of the United States military and provides Form DD-214.
Diversity Discount	5% discount	Person holding at least a 51% interest in the franchise is a member of a recognized minority group as designated by the SBA.
Multi-Unit Discount	Franchise 1 – No discount Franchise 2 – $10,000 discount Franchise 3 and up – $15,000 discount	You must (a) purchase 2 or more Franchises from us at the same time, (b) sign Franchise Agreements for all of the Franchises at the same time, (c) pay full $49,900 initial franchise fee for 1st Franchise and discounted initial franchise fee for each additional Franchise at same time.

* The Veterans Discount and Diversity Discount may not be combined (if you qualify for both, you receive the higher 10% discount). If you qualify for the Multi-Unit Discount and you also qualify for either (a) the Veterans Discount or (b) both the Veterans Discount and the Diversity Discount, you will receive the Multi-Unit Discount plus an additional 10% off the total aggregate discounted initial franchise fees. If you qualify for the

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Multi-Unit Discount and you also qualify for the Diversity Discount (but not the Veterans Discount), you will receive the Multi-Unit Discount plus an additional 5% off the total aggregate discounted initial franchise fees.

In 2023, we sold additional franchises to existing franchisees for a discounted initial franchise fee of $29,900.

The initial franchise fee in uniformly imposed except for the discounts disclosed above.

Digital Marketing Fee

When you sign the Franchise Agreement, you pay us a nonrefundable $5,500 fee (the "Digital Marketing Fee") that we remit, in full, to our designated digital marketing company. The digital marketing company uses these funds to set up your digital marketing account and implement a digital marketing campaign to promote your Business and generate leads over a 5 to 6-month period after you complete training. After the 6-month period expires, you may continue working with this company or you may discontinue service. We may, at our option, require you to pay these funds directly to the digital marketing company (and not to us). We did not charge a Digital Marketing Fee in 2023, but we intend to uniformly impose this fee on a going forward basis.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Royalty Fee	*[Months 1 Through 6]* 6.5% of Gross Sales *[Remainder of Term]* Greater of 6.5% of Gross Sales or $500 per month	5th day of month for prior month's Gross Sales	You begin to pay royalty fees after you open. The minimum monthly royalty is waived for the initial 6 months after your opening date.
Brand Fund Fee	*[Months 1 Through 6]* 1% of Gross Sales *[Remainder of Term]* Greater of 1% of Gross Sales or $250 per month	Same as royalty fee	You must contribute this amount to the Brand Fund we administer. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the brand fund fee.
Local Marketing Commitment	$750 per month (commences when you complete initial training)	Monthly, as incurred	This is the minimum amount you must spend on advertising and marketing in your local market to promote your Business (the "Local Marketing Commitment"). This expenditure is in addition to the Brand Fund Fee and Digital Marketing Fee.
Cooperative Advertising Fee	Fee set by us or the coop (not to exceed Local Marketing Commitment unless higher fee approved by 2/3 majority vote)	Same as royalty fee	See Note 4.
Technology Fee	Currently $250 per month for Grasons email, Microsoft 365, Rallio, intranet CRM and SRM (subject to change annually upon 30 days prior notice)	Same as royalty fee or as otherwise specified	This fee includes all amounts you pay us and our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers. It may also include a reasonable administrative fee for managing the technology platform and negotiating/ managing relationships with third-party licensors. It does not include any amounts you pay directly to third-party suppliers.
Training Fees	*[Initial Training]* $1,500 per person	Prior to training	Payable for each person who attends initial training after you open, such as a new Operating Principal or general manager.

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TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
	[Other Training] Up to $600 per person per day, plus Travel Expenses for onsite training	As invoiced	Payable for each person who attends: (a) supplemental or refresher training; (b) remedial training; or (c) additional training you request. We do not currently require supplemental or refresher training but we may do so in the future. We may also charge this fee for any special assistance you request us to provide.
Conference Registration Fee	Up to $2,000 per person per conference (currently $495 per person per conference) (you are also responsible for your Travel Expenses)	Prior to conference	We may hold conferences to discuss matters affecting franchisees. Your Operating Principal must attend our annual conference unless (a) we designate attendance as optional or (b) we waive your obligation to attend based on showing of good cause. You must still pay the fee if the Operating Principal fails to attend a required conference without a waiver from us.
Third-Party Vendors	Pass through of costs plus administrative fee (not to exceed 20% of costs)	As invoiced	You must purchase certain goods and services from suppliers we designate. We may administer a centralized procurement program whereby franchisees purchase these items through us and we remit payment to the suppliers. We do not currently operate such a program.
Client Complaint Resolution Fee	Actual costs we incur to respond to complaints from your clients	As invoiced	Imposed if we decide to respond to a client complaint about you or your business. We may take any actions we deem appropriate and you must reimburse us for the costs.
Transfer Fee	$15,000	At time of Transfer	No transfer fee for a Permitted Transfer. You pay the transfer fee for all other Transfers. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker.
Renewal Fee	$10,000	Prior to or at time of renewal	Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.
Audit Fee	Actual cost of audit (including Travel Expenses for audit team)	10 days after invoice	Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Gross Sales by 2% or more.
Late Fee	$100 plus default interest at lesser of (a) 10% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law	10 days after invoice	If we debit your account but there are insufficient funds or your check is returned for insufficient funds, then we may charge (in addition to the late fee) an NSF fee of $50 per incident.
Noncompliance fee	$250 per incident	Upon demand	Imposed if you fail to comply with a mandatory standard or operating procedure (including timely submission of required reports, but excluding extra-territorial sales) and do not cure within the time period we require. We may impose an additional $250 fee each week until you cure the noncompliance issue.
Extra-Territorial Sales	Greater of $500 or 75% of revenue received from sale	Upon demand	Imposed if you provide Services to a client outside of your Territory without prior approval.

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TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Default Reimbursements	All costs we incur to cure default plus administrative fee up to 20% of our costs	10 days after invoice	If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf and you must reimburse us for our costs (examples include failure to pay suppliers, maintain insurance or meet quality standards).
Indemnification	Amount of our damages, losses or expenses	10 days after invoice	You must indemnify and reimburse us for all damages, losses or expenses we incur due to the operation of your Business or your breach of the Franchise Agreement.
Enforcement Costs	All costs we incur due to your breach or to enforce the Franchise Agreement (including attorneys' fees)	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur as a result of your breach or to enforce the terms of the Franchise Agreement if you fail to comply.

Notes:

1. Nature and Manner of Payment: All fees are imposed by and payable to us except: (a) you pay the cooperative advertising fee directly to your advertising cooperative (we may instead require you to pay this fee to us, in which case we will remit the fee to the cooperative on your behalf); and (b) you spend the Local Marketing Commitment directly with third-party suppliers. All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form permitting us to electronically debit your designated bank account for all amounts owed to us. You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date.

2. Definitions: As used in this Disclosure Document, the following capitalized terms have the meanings given to them below:

   "***Brand Fund***" means the brand and system development fund we currently administer to advertise, market and promote our brand.

   "***Gross Sales***" means the gross sales price of all personal property directly or indirectly sold by you or your Business via any method of sale or channel of distribution, including: (a) sales at physical locations; (b) consignment/auction sales; and (c) sales advertised or marketed by any media including on the Internet (or any other electronic method) or by classified ad, flyer, brochure or catalog. Gross Sales do not include bona fide refunds given to clients or sales taxes properly remitted to the taxing authority. Credit card charges may not be deducted from Gross Sales.

   "***Operating Principal***" means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Business.

   "***Permitted Transfer***" means: (a) a Transfer from one owner to another owner who was an approved owner prior to the Transfer; (b) a Transfer to a newly established business entity with respect to which the transferring owners collectively own and control 100% of the ownership interests; and/or (c) a Transfer of less than a 25% ownership interest. However, any Transfer described in (a), (b) or (c) will not be deemed a "Permitted Transfer" if the Transfer results in a change of control or results in the Operating Principal no longer holding a 10% or greater ownership interest in the Business or the entity that is the "franchisee".

   "***Technology Systems***" means all information and communication technology systems that we designate, including computer systems, point-of-sale systems, telecommunications systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

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"***Transfer***" means a transfer or assignment of: (a) the Franchise Agreement; (b) substantially all of the assets of the Business; (c) any ownership interest in the Business or the entity that is the "franchisee".

"***Travel Expenses***" means all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Territory; or (b) by you or your personnel to attend training programs or conferences.

3. CPI Adjustments: All fees (and minimum fees) expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on changes to CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We may implement no more than 1 fee adjustment during any 5-year period.

4. Cooperative Advertising Fee: We may establish regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We may either: (a) collect cooperative advertising fees and remit them to the applicable cooperative; or (b) require you to pay these fees directly to the cooperative. Cooperative advertising fees are uniformly imposed on all Grasons businesses in the cooperative, including company-owned outlets. We may set the minimum cooperative advertising fee, which will not exceed 3% of Gross Sales (a higher fee may be imposed if approved by majority vote of all members of the cooperative). Each member is entitled to 1 vote for each Franchise that is owned by the member and located in the cooperative. Any company-owned Grasons Business located in a cooperative may, but need not, participate in the cooperative and contribute cooperative advertising fees. If it chooses to participate, it would contribute on the same basis, and have the same voting rights, as other franchisee members. However, if the majority of Grasons Businesses in the cooperative are company-owned and choose to participate, they may not increase the cooperative advertising fee to an amount exceeding the Local Marketing Commitment unless a majority of all franchisee members vote in favor of the increase. All cooperative advertising fees you pay are credited towards your Local Marketing Commitment. There were no advertising cooperatives in effect as of December 31, 2023.

ITEM 7 ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee [2]	$49,900	Check or wire transfer	At time you sign Franchise Agreement	Us
Digital Marketing Fee [3]	$5,500	Check or wire transfer	At time you sign Franchise Agreement	Us or digital marketing company
Initial Training Expenses [4]	$2,000 to $3,000	Check/debit/credit card	During training	Hotels, restaurants and airlines
Technology Systems [5]	$450 to $5,900	Check/debit/credit card	Before opening	Suppliers
Vehicle [6] (lease or finance payments)	$0 to $3,000	Check	At time of purchase and then monthly	Finance or leasing company
Office Expense & Supplies [7]	$950 to $1,250	Check/debit/credit card	As incurred	Suppliers
Dues & Subscriptions	$1,000 to $3,000	Check/debit/credit card	As incurred (annual or monthly)	Vendors & trade organizations
Business Licenses & Permits	$500 to $1,500	Check/debit/credit card	Before opening	Government agencies
Surety Bond [8]	$500 to $750	Check	Before opening	Bonding company
Preopening Advertising [9]	$750 to $1,500	Check/debit/credit card	Before opening	Suppliers

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YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Professional Fees [10]	$0 to $7,500	Check/debit/credit card	Before opening	Lawyer & accountants
Insurance [11]	$500 to $3,000	Check/debit/credit card	Before opening	Insurance company
Additional Funds [12] (3 months)	$4,000 to $22,000	As incurred	As incurred	Suppliers and employees
Total Estimated Initial Investment [13]	$66,050 to $107,800			

Notes:

1. Financing and Refunds: We do not offer direct or indirect financing. No amounts paid to us are refundable. We are not aware of any amounts paid to third-party suppliers that are refundable.

2. Initial Franchise Fee: Item 5 describes the initial franchise fee discounts we currently offer. For purposes of this initial investment table, we have assumed you do not qualify for any discounts. The initial franchise fee includes the costs for your Initial Equipment Package.

3. Digital Marketing Fee: You pay us the Digital Marketing Fee which we remit to our designated digital marketing company, which uses the funds to set up and implement a digital marketing campaign to promote your Business and generate leads over a 5 to 6-month period. After the 6-month period expires, you may continue working with this company or you may discontinue service.

4. Initial Training Expenses: This estimates your expenses to send 1 to 2 people to our 5 to 6 day initial training program held in Huntington Beach, California. Your actual training expenses may vary depending on: (a) the number of people you send to training; (b) the distance they must travel; and (c) the level and quality of accommodations, travel and dining selected.

5. Technology Systems: This estimates your initial cost to purchase and set up our designated Technology Systems (currently limited to the computer and point-of-sale system described in more detail in Item 11).

6. Vehicle: You will need a vehicle in order to operate your Business. Your vehicle must be in good condition, clean, dent-free and present a professional appearance. We do not require a participate brand or impose any other standards or specifications. The low end assumes you will use your current vehicle, in which case you will not incur any additional expense. The high end assumes you lease (or finance the purchase of) a used vehicle that you will use in operating the Business, and includes your initial payment (including fees for title and registration). The amount of your initial payment (due when you sign the lease or finance agreement) and monthly payments depend on a number of factors, including the value of the vehicle, the lease term, the amount of your down payment, your creditworthiness, leasing or finance rates applicable in your market, etc.

7. Office Expense & Supplies: We expect you will operate your Business from a home office. However, before you open you must obtain a separate business mailing address (not a residential address). We estimate the cost for a separate commercial mailing address will range from $100 to $400 per year. This time includes the estimated cost for a commercial mailing address and miscellaneous office supplies.

8. Surety Bond: Some states may require you to purchase a surety bond. The low estimate assumes a bond is not required. The high estimate includes the estimated cost to purchase a $25,000 surety bond.

9. Preopening Advertising: As soon as you complete initial training, you must begin spending at least $750 per month on local advertising and marketing activities. This minimum required expenditure is in addition to your $5,500 Digital Marketing Fee and Brand Fund Fees. This estimate assumes you complete initial training between 1 and 2 months prior to opening.

10. Professional Fees: This includes the estimated fees for professionals you may choose to hire in order to:

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- assist you in reviewing this Disclosure Document and negotiating your Franchise Agreement
- advise you regarding local laws and regulations applicable to your Business
- form a business entity
- set up your books, records and accounts
- develop a business plan and budget for the development and operation of your Business

These services are optional but highly recommended.

11. Insurance: This estimate includes 3 months of insurance premium. Item 8 includes a description of the insurance policies you must purchase and maintain.

12. Additional Funds: This estimates your expenses during the first 3 months of operation including: payroll costs, including estimated salary for 1 general manager on the high estimate (excluding any wage or salary paid to you); marketing and advertising expenses; technology fees; third-party software fees; additional equipment/inventory (e.g., folding tables, tablecloths, pop-up tent, sales tags, blue tape, etc.); gas and vehicle-related expenses (high estimate includes monthly lease/finance payments for a used vehicle); and other miscellaneous expenses and required working capital. Your initial 3 months of insurance premium is separately stated in the table above. These figures are estimates based on the experience of our franchisees in developing, opening and operating Grasons businesses.

13. Budget and Initial Investment Report: We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the development, opening and operation of your Business. Within 120 days after your opening date, you must send us a report, in the form we designate, listing the expenses you incur to develop and open your Business. We may use this data to update the initial investment estimate in future versions of our Franchise Disclosure Document.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source-Restricted Purchases

You must purchase or lease certain "source-restricted" goods and services for the development and operation of your Business, such as inventory, equipment, Technology Systems, insurance, marketing materials, marketing services, accounting services and any goods or services we designate. By "source-restricted", we mean the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and supplier list. We notify you of changes to our specifications and suppliers by email, updates to the Manual or other means of communication. We typically (but need not) evaluate and test changes to our specifications before we implement them. We may also conduct limited market testing by 1 or more Grasons businesses before rolling out the change on a system-wide basis.

Supplier Criteria

Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier or product, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke our approval based on criteria we deem appropriate at the time. Our criteria for evaluating a supplier (or the products or services it sells) include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. We also consider the supplier's capacity and capabilities for meeting demand from our franchisees. We may require that you send us samples from the supplier for testing. We may also require that we be allowed

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to inspect the supplier's facility. There is no fee for us to review or approve suppliers you propose. We will notify you of our decision within 30 days after we receive your request for approval and all additional information and samples we require. We may periodically re-inspect the facilities and products of an approved supplier and revoke our approval if the supplier fails to meet our then-current criteria.

Current Source-Restricted Purchases and Leases

We estimate between 20% and 50% of the total purchases and leases to establish your Business and 10% to 20% of ongoing operating expenses will consist of source-restricted goods or services. The following are our current source-restricted purchases and leases:

Insurance

You must obtain the insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers, including the following:

Policy Type	Minimum Coverage
Commercial General Liability Insurance	$1,000,000 per occurrence and $2,000,000 in the aggregate
Automobile Liability Insurance (primary vehicle, trailers and box trucks used in the Business)	$1,000,000 per occurrence and $2,000,000 in the aggregate
Worker's Compensation Insurance	As required by law

The required coverage and policies are subject to change. All insurance policies must be endorsed to name us and our affiliates as additional insured and satisfy all other requirements in the Manual. You must also obtain a $25,000 bond.

Technology Systems

Your Technology Systems (including hardware, software, equipment, software applications, mobile apps and similar items) must meet our standards and specifications. Certain components of your Technology Systems must be purchased from approved or designated suppliers while other components may be purchased from any supplier of your choosing. We may also require that certain services relating to the establishment, use, maintenance, monitoring, security or improvement of your Technology Systems be purchased from approved or designated suppliers.

Initial Equipment Package

All inventory, equipment, supplies and other items included in your Initial Equipment Package must be purchased exclusively from us (the initial franchise fee includes the cost for these items). If you need to purchase additional or replacement items after opening, you purchase the items directly from third-party suppliers instead of purchasing them from us.

Marketing Materials and Services

All marketing materials must comply with our brand standards and other requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from us or other suppliers we designate or approve. We may require that you contract with and utilize a company we designate to: (a) develop and/or implement your digital marketing campaign; and/or (b) manage your social media. You may only contract with digital marketing companies we designate or approve. Under current policy, you must contract with our designated digital marketing company for a minimum 6-month period following completion of initial training. You may discontinue service after the 6-month period expires, although we may change this policy and require you to continue to contract with the company beyond the 6-month period.

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Accounting Services

We may require you to use an accounting firm, platform, program, service or software program that we designate or approve. We do not impose any such requirement at this time, other than your obligation to license and use QuickBooks Online.

Purchase Agreements

We may attempt to negotiate purchase agreements with suppliers, including favorable pricing terms, for the benefit of our franchisees. If we succeed, you may purchase these goods or services at the discounted prices we negotiate (less any rebates or other consideration paid to us). As of the date of this Disclosure Document, we have not negotiated any purchase agreements (including pricing terms) with suppliers. Currently there are no purchasing cooperatives but we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

Franchisor Revenue from Source-Restricted Purchases

We are the exclusive supplier for: (a) the Initial Equipment Package; and (b) the software, technology and related services we provide in exchange for the technology fee (most of these are flow through costs that we remit to third-party licensors). We may designate ourselves or an affiliate as an approved or designated supplier for other goods or services in the future. We and our affiliates may generate a profit from these purchases.

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner. As of the issuance date of this Disclosure Document, we do not have any relationships with suppliers that involve rebates, payments or other material benefits based upon franchisee purchase or leases.

Our total revenue during the fiscal year ended December 31, 2023 was $697,971. During that year, we generated $7,175 in revenue as a result of franchisee purchases or leases of goods or services from designated or approved suppliers (including purchases from us), which represents 1% of our total revenue for that year.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA), Area Development Agreement (ADA) and other agreements. It will help you find more detailed information about your obligations in these agreements and other items in this Disclosure Document.

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchases/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.3, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.7, 10.5, 11.2, 11.3, 14.5,15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.8 – 7.10, 7.12, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16

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OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
j. Warranty and client service requirements	§§ 7.7, 7.8	Item 8
k. Territorial development and sales quotas	7.20	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Not applicable	Item 7
n. Insurance	§ 7.12	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/ staffing	§ 2.4	Items 15
r. Records/reports	Article 10	Item 11
s. Inspections/audits	§§ 10.5	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

ITEM 10 FINANCING

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

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

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

Our Pre-Opening Obligations

Before you open your Franchise:

1. *Your Site*. Because we expect you will have a home-based business, we do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises.

2. *Hiring and training employees*. All hiring decisions and conditions of employment are your sole responsibility. (Section 7.5)

3. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your Franchise. We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items. (Section 5.4)

4. *Operating Manual*. We will give you access to our Manual, which is described below in more detail. (Sections 5.1 and 7.1)

5. *Initial Training Program.* We will conduct our initial training program. The current initial training program is described below. (Section 6.3)

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6. *Business plan review*. If you request, we will review your pre-opening business plan and financial projections. We will not provide these services prior to signing the Franchise Agreement. (Section 5.4)

7. *Market introduction plan*. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4)

8. *On-site opening support.* If you request, we will send a representative to your Territory to provide 2 days of on-site support at the time your Business opens. There is no fee associated with this support. (Section 5.4)

9. *Equipment Package.* We provide you with the Initial Equipment Package at no charge. (Section 5.4)

Length of Time To Open

The typical length of time between signing the Franchise Agreement and the opening of your Franchise is 60 days. Factors that may affect the time period include your ability to obtain financing, obtain business permits and licenses, schedule initial training, and hire employees. You must open within 90 days after signing the Franchise Agreement. If you fail to do so, we reserve the right to terminate the Franchise Agreement.

Our Post-Opening Obligations

After you open your Franchise:

1. *Developing products or services you will offer to your clients*. Although it is our intent to refine and develop the products and services that you will offer to your clients, the Franchise Agreement does not require us to do so.

2. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2) and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

3. *Improving and developing your Franchise; resolving operating problems you encounter*. If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your Franchise, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5).

4. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you with our recommended procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our System. Upon request, we will provide recommended prices for products and services offered by franchisees of the System. (Section 5.5). However, you retain the sole discretion to determine the prices charges for products and services.

5. *Brand Fund*. We will administer the Brand Fund. (Section 5.5).

6. *Website*. We will maintain a website for the Grasons brand, which will include your Franchise information and telephone number. (Section 5.5)

7. *Ongoing Training*. We may, but need not, provide ongoing training programs, as further discussed below. (Section 7.6)

Advertising

Our Obligation

You pay us a $5,500 Digital Marketing Fee when you sign the Franchise Agreement, which we remit to our designated digital marketing company. The digital marketing company uses these funds to set up your digital

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marketing account and implement a digital marketing campaign to promote your Business and generate leads over a 5 to 6-month period. We will administer the Brand Fund, as further discussed below. Under current policy, company-owned Grasons Businesses pay brand fund fees and cooperative advertising fees on the same basis as franchisees. We have no other obligation to spend any amount of money on advertising in your Territory. We will maintain the brand website (which will be paid for by the Brand Fund). We have no other obligation to conduct advertising.

Your Obligation

You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your Franchise. We require you to spend a minimum of $750 each month the Business is open and operating on local marketing, including Internet advertising. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising Council

We do not have an advertising council composed of franchisees. The Franchise Agreement does not give us the power to form an advertising council.

Local or Regional Advertising Cooperatives

We may, but need not, form advertising cooperatives for the benefit of all Grasons Businesses operating within a particular region. We will determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative's members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve.

If your Territory is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed the Local Marketing Commitment unless 2/3 of the cooperative members vote in favor of a higher fee. All cooperative advertising fees you pay are credited against your Local Marketing Commitment. Under currently policy, any company-owned Grasons Business located in a cooperative would pay cooperative advertising fees on the same basis as other members.

Advertising cooperatives are not required to prepare annual or periodic financial statements, although we may change this policy. Any financial statements that are prepared will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time.

Brand Fund

You and all other franchisees must contribute to our Brand Fund. You must pay a monthly brand fund fee equal to the greater of (a) 1% of monthly Gross Sales or (b) $250 per month. However, the brand fund fee imposed during the initial 6-month period after you open is calculated as 6% of Gross Sales (no $250 minimum). Other franchisees may have contractual obligations for higher or lower contributions. Under current policy, company-owned Grasons Businesses pay brand fund fees on the same basis as franchisees.

We administer the Brand Fund. We will use the Brand Fund only for marketing and related purposes and costs. We have the right to reimburse ourselves from the Brand Fund for such reasonable costs and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the Brand Fund. The Brand Fund is

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not audited. We will make unaudited annual financial statements available to you upon request.

We direct and have complete control and discretion over all advertising programs paid for by the Brand Fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used for the programs. Media coverage is primarily local. We may use outside vendors and consultants to produce advertising.

We also have the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein.

During the fiscal year ended December 31, 2023 we spent the marketing funds in the following manner:

Allocation of Marketing Expenditures From Brand Fund (2023)				
Use of Funds	**Production**	**Media Placement**	**Administrative Expenses**	**Other***
Percentage Allocation	9%	62%	0%	29%

* Other includes public relations.

All monies deposited into the Brand Fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies may be invested and we may lend money if there is a deficit. We will keep records of any such borrowing described above. No money from the Brand Fund is spent principally to solicit new Franchise sales, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity.

The Brand Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Brand Fund. We may suspend or terminate the Brand Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended.

Computer Systems

Description of Computer System and How It's Used

We require you to use a personal computer and a tablet, which may be one that you already own. You will also use Square for your POS system. You must purchase a compatible tablet, stand and cash drawer (and you cannot operate Square from your phone), along with Wi-Fi capabilities. You will use QuickBooks Online for financial accounting. You must have typical office software such as Outlook, Excel and the latest operating program for Microsoft Windows. You must upgrade or update any system (hardware and/or software) when we determine. There is no contractual limit on the frequency or cost of this obligation.

The Square system is a portable point-of-sale system, capable of taking credit cards, debit cards, and cash transactions for all items pre- and post-sold and at the actual sale. Your computer systems will generate or store data such as daily sales report, complete final sales report per sale (which you will provide to us and to your clients) and monthly revenue, credit card charges and discounts given to buyers. A detailed list of items sold must be input into the Square system which must be shared with your clients and us.

Fees and Costs

We estimate the cost of your personal computer and tablet will range from $450 to $5,900 dollars (the low end assuming you use a computer and tablet you already own). The table below identifies the ongoing fees and costs you must pay for the software, technology, Apps, subscriptions and related services (including the software, technology and related services covered by the technology fee):

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COMPUTER SYSTEM – ONGOING FEES AND COSTS			
Item	**Fee (Monthly)**	**Fee (Annual)**	**To Whom Paid?**
Technology Fee (includes Grasons email, Microsoft 365, Rallio, intranet CRM and SRM)	$250	$3,000	Us
Square (point-of-sale system)	$0 to $90*	$0 to $1,080	Third-Party Licensor
QuickBooks Online (financial accounting software)	$150 to $180	$1,800 to $2,160	Third-Party Licensor
TOTAL	***$400 to $520***	***$4,800 to $6,240***	

* Square offers a free version of the point-of-sale system that may include higher merchant processing fees and may not include support and updates.

Maintenance, Support, Updates and Upgrades

In exchange for the monthly fees listed above, the licensor of QuickBooks online will provide any required maintenance or updates for the software. If you choose to purchase additional maintenance and support contracts, we estimate the total cost could range from $360 to $1,800 per year.

Except as otherwise disclosed above: (a) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system; and (b) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

Collection, Sharing and Protection of Data

We own all customer and operational data pertaining to your Business (excluding personnel records of your employees). We grant you a license to use this data solely for purposes of operating your Business.

You must enter all data we require into your point-of-sale and other designated systems on a daily basis in accordance with our data entry policies and procedures in the Manual. You must give us independent access to all information that will be generated or stored in your computer and point-of-sale system and any other systems we designate, including any merchant processing system. The information that we may access includes sales data, client data, financial data, operational data and reports. It will not include personnel records of your employees. You also provide us with independent access to your QuickBooks Online account, allowing us to view your financial accounting data. There is no contractual limitation on our right to access the data and information described above.

You must protect all customer data and other personal data you collect with a level of control proportionate to the sensitivity of data. You must comply with all applicable data protection laws and our data processing and data privacy policies in the Manual. You must also comply with the standards established by PCI-DSS to protect the security of credit card information. The risks associated with the lack of contractual limits on our ability to access software data include risk of disclosure of your sensitive client/customer, employee, or company information resulting from cyber security events and/or data breaches.

Manual

We provide you with access to our Manual during the term of the Franchise Agreement. The Manual may include, among other things:

- a list of (a) goods and services (or specifications for goods and services) you must purchase to develop and operate your Business and (b) designated and approved suppliers
- a description of the authorized goods and services you may offer, sell and provide
- specifications, techniques, methods, operating procedures and quality standards

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- policies and procedures pertaining to various matters such as: (a) marketing and advertising; (b) reporting; (c) insurance; (d) data entry; and (e) data ownership, protection, sharing and use.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. All mandatory provisions in the Manual are binding on you. We can modify the Manual at any time, but the modifications will not alter your status or fundamental rights under the Franchise Agreement. Modifications are effective at the time we notify you of the change. However, we may provide you with a reasonable period of time to implement certain changes (for example, implementing new software or technology). The Manual is confidential and remains our property. The Manual includes 221 pages. The Table of Contents is attached to this Disclosure Document as Exhibit "E".

Training Programs

Initial Training

We will provide an initial training program for your Operating Principal and general managers (if any). These individuals must successfully complete initial training to our satisfaction before you may open. Initial training requires 5 to 6 days of training (the 6th day of training is optional). Upon your request, we will also provide you with 2 days of onsite training and assistance with the opening of your Business. Our initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On- The-Job Training	Location
Monday – on site at office - Review operations manual, sign completion - How to Get Ready for the Sale	8	0	Huntington Beach, CA
Tuesday – off site at sale Staging and Set Up a Mock Sale - How to Stage - How to Price - How to Get Ready for the Sale - On the Job Training - Managing an Actual Set up of a Sale	0	8	Huntington Beach, CA
Wednesday – onsite at office - Review Q&A for previous day of staging etc. - Guest speaker by recognized Social Media and website expert - Marketing - Internet Advertising - Setting up social media, listing sites & web page - Review and teach the Sale Contract - Mock up Interview to prepare for a Client Appointment - Attend a Client appointment (time can vary)	8	0	Huntington Beach, CA

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Subject	Hours of Classroom Training	Hours of On- The-Job Training	Location
Thursday – offsite at sale - Actual Sale - Signage and Set Up - How to Manage and Handle the Actual Sale - Greeting clients, helping buyers, staging thru out sale, register training - Security - Q & A	0	8	Huntington Beach, CA
Friday – onsite at office - Q&A review of previous day sale experience - Guest speaker renowned business owner importance of branding - Supply list review, order supplies signs, banners, marketing etc. - Photography protocol for sales - Entering listing into all sites and media - Information provided for local Chamber and Industry leaders - Intranet training, accounting review - Wrap Up and Conclusion	8	0	Huntington Beach, CA
Saturday – Offsite at sale (optional) - Final Day of Sale - Assist and prepare to run the final day of sale with experienced franchisee - Train on final day discounts - Clean Out - Q&A	0	8 (optional)	Huntington Beach, CA
TOTAL	24	16 to 24	

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes once per month. Training will be held at our offices in Huntington Beach, California. Classroom training may be offered virtually.

The instructional materials consist of the Manual and other materials, lectures, discussions, and on-the-job demonstration and practice. We do not charge you for training materials.

Ongoing Training Programs

From time to time, we may require that your Operating Principal and general managers attend refresher or supplemental training courses. At this time, we do not conduct refresher or supplement training courses. Any new Operating Principal you appoint must successfully complete our initial training program before assuming responsibility for the management of your Business. If we determine you are not operating your Business in compliance with the Franchise Agreement and the Manual, we may require that your Operating Principal and general managers attend remedial training relevant to the operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or in your Territory). We are not required to provide additional training you request.

We intend to hold an annual franchisee conference each year, which may, but need not, including a training component. Your Operating Principal must attend unless we provide you with a written waiver.

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Instructors

Training classes will be led by Dave Dembinski, who has served as our Vice President of Operations since June 2023. Mr. Dembinski has 8 years of experience in the finance and sales industry. Additionally, our training managers Brad Roop and Brenda Gomez assist in training. Mr. Roop has been with us since 2023 and has 10 years of marketing experience. Ms. Gomez has been with us since 2016 and has 9 years of industry experience.

Training Fees and Costs

We provide our preopening initial training program at no additional charge. We may charge a $1,500 initial training fee for any person you send to initial training after your opening date. We may charge you a training fee of up to $600 per person per day for each person who attends: (a) remedial training; (b) refresher or supplemental training; or (c) additional training you request. We may also charge this fee if you request any special assistance that we are not otherwise required to provide.

If we hold an annual franchisee conference, you must pay us a conference registration fee to help cover the costs. The registration fee is currently $495 per person per conference. The maximum conference registration fee we may charge is $2,000 per person per conference.

If we agree to provide onsite training or assistance, you must also reimburse us for all Travel Expenses we incur (this reimbursement obligation does not apply to any onsite initial training we conduct at the time your Business opens). You are responsible for all wages and Travel Expenses that you and your trainees incur for training or to attend franchisee conferences.

ITEM 12 TERRITORY

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

Location of Your Business

We anticipate that you will operate from a home office which must be located in your Territory. However, you must have a valid business mailing address (i.e., not a residential address) for the Business prior to opening. You may relocate your office anywhere in your Territory, and your Territory will remain unchanged.

Description of Territory

Your Franchise Agreement will specify a Territory which that includes a minimum population of approximately 400,000 people. Your Territory will be specified by zip codes, county or city lines, or other boundaries. We have no obligation to modify your Territory based on population changes during the term of the Franchise Agreement. Upon renewal, we reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria.

Territorial Protections and Limitations

We grant you certain territorial protections in your Territory. Except as described below, we will not (a) provide Services under the Marks for clients in your Territory; or (b) license or franchise another party to provide Services under the Marks for clients in the Territory. We and our affiliates reserve the right to:

- provide, and license third parties to provide, Services for clients in your Territory at any time that you are in default, or you are incapable of meeting client demand in your Territory, as determined by us in our reasonable discretion
- operate, and license third parties to operate, businesses that offer services that are the same as or similar to the Services for clients in your Territory, as long as these businesses do not operate under the Marks
- acquire, be acquired by, or merge with other competitive businesses and operate them anywhere and, at our option, convert them to businesses operating under the Marks or any other name, even if located in

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your Territory

Alternative Channels of Distribution

We reserve the right to sell and distribute, and license third parties to sell and distribute, products and services bearing the Marks (or different trademarks) within your Territory through other channels of distribution, including over the Internet or through telemarketing, direct marketing or catalogs. You are not entitled to any compensation for sales made by us or third parties within your Territory through other channels of distribution.

You have no right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales within or outside your Territory.

Minimum Performance Requirements

You must meet or exceed the following minimum performance criteria (the "Minimum Performance Criteria") during each 12-month period during the term of the Franchise Agreement (each such 12-month period is referred to herein as a "Performance Year"):

MINIMUM PERFORMANCE CRITERIA	
Measuring Period	**Minimum Number of Estate or Business Liquidation Sales**
1st Performance Year	12
2nd Performance Year	24
3rd & Subsequent Performance years	36 (Per Performance Year)

We may terminate the Franchise Agreement if you fail to meet the Minimum Performance Criteria for any given Performance Year. Your territorial protections under the Franchise Agreement do not depend on achieving any other sales volume, market penetration or other contingency.

Restrictions on Marketing and Operations Outside of Territory

You cannot solicit or market to potential clients for Services outside of your Territory, except for any solicitation or marketing that is primarily targeted inside your Territory with only incidental circulation or distribution outside your Territory. You may only provide Services for clients located in your Territory, unless we provide our written permission for you to provide Services for clients outside your Territory. We may withdraw permission at any time. If you provide Services for a client outside your Territory without our prior written permission, we may impose a fee equal to the greater of (a) $500 or (b) 75% of the revenue you receive from the client. This fee is a reasonable estimate of our internal cost of personnel time attributable to addressing your breach of these territorial provisions and is not a penalty or estimate of all damages arising from your breach. We also reserve the right to terminate the Franchise Agreement due to your breach.

The extra-territorial marketing restrictions described above only apply to marketing activities intended to solicit clients for the purchase of Services. They do not apply to advertising or marketing you conduct outside your Territory to attract prospective buyers who may be interested in purchasing items from your client as part of an estate sale or business liquidation.

There are no other restrictions on your right to solicit clients, whether from inside or outside of your Territory.

Additional Franchises and Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or Franchises. If you desire to do so, you must: (a) meet our then-current criteria for new franchisees; (b) demonstrate your capability to operate a multi-Territory Franchise successfully; (c) have substantially complied with your other Franchise Agreement(s) at all times since opening your Business(es); and (d) obtain our approval and execute our then-current form of Franchise Agreement and pay us an initial fee.

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Competitive Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the Services sold by a Grasons Business. However, we reserve the right to do so.

ITEM 13 TRADEMARKS

The Item contains information regarding the principal Marks that we license to you. Under the Franchise Agreement, we may require you to modify or discontinue using a Mark, at your expense. All Marks are owned by us. The Marks appearing in the following table have been registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Date (Renewal Date)	Registration Number
	March 10, 2015 (November 16, 2020)	4,698,802
	April 6, 2021	6,314,307
GRASONS	May 11, 2021	6,345,453

All required affidavits relating to the Marks detailed in the chart above have been or will be filed at the appropriate time.

There are currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation matters involving any of the Marks; (d) infringing uses we are aware of that could materially affect your use of the Marks; or (e) agreements that limit our right to use or sublicense use of the Marks.

You must notify us of the use of, or claims of rights to, a Mark identical to or confusingly similar to a Mark licensed to you. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We may require your assistance, but you may not control any proceeding or litigation relating to our Marks.

If you use our Marks in accordance with the Franchise Agreement, then (a) we will defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the Mark, and (b) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Except as disclosed above, the Franchise Agreement does not require that we: (a) protect your right to use the Marks; (b) protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (c) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our Marks or if the proceeding is resolved in a manner unfavorable to you.

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ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the Franchise Agreement, in a manner consistent with our ownership rights, solely for your Franchise.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright. There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The Franchise Agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you. We have a proprietary, confidential Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, client data, information and know-how.

You (and your owners, if the Franchise is owned by an entity) must protect the confidentiality of our Manual and other proprietary information and use our confidential information only for your Franchise. We may require your managers and key employees to sign confidentiality agreements.

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

Owner Participation

You must designate an owner with primary responsibility for the management and operation of your Business (the "Operating Principal"). The Operating Principal must:

- successfully complete all training programs we require
- have binding decision-making authority
- dedicate full-time and best efforts to day-to-day management of the Business
- make reasonable efforts to attend all in-person and remote meetings (including telephonic meetings) and conferences we required (failure to attend 3 consecutive required meetings is a default under the Franchise Agreement)
- at all times hold at least a 10% ownership interest in the Business (or the entity that is the franchisee under the Franchise Agreement)

When your Business performs Services for a client, the Operating Principal is not required to personally conduct "on-premises" supervision of each sale, but we highly recommend it.

Except for your Operating Principal, we do not require that your owners personally participate in the management

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or operation of your Business. If your business is owned by an entity, all owners of the business and the spouse of each owner must sign our Guaranty and Non-Compete Agreement that is attached to the Franchise Agreement.

General Managers

You may hire one or more general managers to assist the Operating Principal with the day-to-day management of the Business. Any person you hire as a general manager must successfully complete all training we require and sign the Brand Protection Agreement attached to the Franchise Agreement as Exhibit C. We have no other requirements or restrictions on who you may hire as a general manager. We do not require that your general manager own any equity interest in the Franchise or the entity that is the franchisee.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved. You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes. You must offer the Services only for clients located in your Territory. You may not offer other types of services under the Marks. There are no limitations with respect to the clients who purchase items from estate or business liquidation sales for clients located in your Territory.

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.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
a. Length of franchise term	§ 3.1	10 years from date of Franchise Agreement.
b. Renewal or extension of the term	§ 3.2	If you meet our conditions for renewal, you can enter into 2 consecutive successor franchise agreements. Each renewal term will be 5 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).
c. Requirements for you to renew or extend	§ 3.2	You must: not be in default; give us timely notice; sign then-current form of franchise agreement; sign general release (subject to state law); pay renewal fee; conform your Business to then-current standards for new franchisees; have met your Minimum Performance Criteria. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
d. Termination by you	Not Applicable.	You may terminate the Franchise Agreement under any grounds permitted by law or if you and we mutually agree to terminate.
e. Termination by us without cause	Not Applicable	We may only terminate for cause.
f. Termination by us with cause	§ 14.1	We can terminate if you default.
g. "Cause" defined - curable defaults	§ 14.1(a) and 14.1(b)	You have 10 days to cure any monetary default. You have 30 days to cure any other default, other than defaults described below under "non-curable defaults".

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THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
h. "Cause" defined - non-curable defaults	§ 14.1(c)	The following defaults cannot be cured: insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to open in timely manner; abandonment (ceasing operation for 5 days or more); conviction of certain crimes; violation of material law; commission of act that may adversely affect reputation of System or Marks; material misrepresentations; intentional submission of false information; refusal to cooperate with inspection; unauthorized Transfers; breach of brand protection covenant; failure to meet Minimum Performance Criteria; 3 or more default notices in a 12-month period; or termination of any other agreement between you (or your affiliate) and us (or our affiliate) due to your default.
i. Your obligations on termination/ non-renewal	§§ 14.2 – 14.4	Obligations include: pay all amounts due; return Manual and proprietary items; notify phone, Internet, and other providers and transfer service; cease doing business and using the Marks and System; remove identification; cancel fictitious names relating to Marks; and provide us a copy of your business records, including client list.
j. Assignment of contract by us	§ 15.1	No restriction on our right to assign.
k. "Transfer" by you – definition	Article 1	Includes ownership change or transfer of Franchise Agreement or assets.
l. Our approval of transfer by you	§ 15.2	You may engage in a Permitted Transfer (defined in Note 2 in Item 6) without approval. We must approve other Transfers but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	§ 15.2	Transferee must: meet our qualifications; not be a competitor; successfully complete training (or arrange to do so); sign then-current form of franchise agreement for remainder of term or, at our option, assume your Franchise Agreement; sign guaranty; and conform Business to our then-current System specifications. You must: be in compliance with Franchise Agreement; pay transfer fee; and sign general release (subject to state law).
n. Our right of first refusal to acquire your business	§ 15.7	We have the right to match any bona fide, arms-length offer for your Business.
o. Our option to purchase your business	Not Applicable	We do not have an option to purchase your Business except for our right of first refusal described above.
p. Your death or disability	§§ 15.4, 11.9	Within 9 months, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers. We may designate manager to operate the Business prior to Transfer.
q. Non-competition covenants during the term of the franchise	§ 13.2(a)	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any business competitive with a Grasons Business which offers Estate Sale Services or Business Liquidation Services.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2(b)	For 2 years, no ownership or employment by a competitor operating: (a) within your Territory or anywhere within a 25-mile radius from your Territory; or (b) within the Territory of any other Grasons Business or anywhere within a 25-mile radius of any such Territory.

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THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
s. Modification of the agreement	§ 18.4	No modification or amendment of the Franchise Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or System specifications.
t. Integration/ merger clause	§ 18.3	The Franchise Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. However, this does not disclaim the representations made by us in this disclosure document. Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
u. Dispute resolution by arbitration or mediation	§§17.1; 17.2. 17.3	You must first bring any claim or dispute between you and us to our President and provide us with 30 days' notice and opportunity to cure. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. After exhausting this internal dispute resolution procedure, at out option, all claims or disputes must be submitted first to mediation, except for certain disputes involving our intellectual property or compliance with restrictive covenants. (subject to applicable state law).
v. Choice of forum	§§ 17.3; 17.5	All legal proceedings will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (Currently Maricopa County, Arizona) (subject to applicable state law).
w. Choice of law	§ 18.8	Subject to state law, the laws of Arizona shall govern.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote your Franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Defined Terms

For purposes of this financial performance representation, the following terms have the meanings given to them below.

"***Company-Owned Outlet***" means any Grasons Business that is owned by: (a) us; (b) any affiliate of ours;

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or (c) any person listed in Item 2 of this Disclosure Document if that person, or another person listed in Item 2 of this Disclosure Document, is also involved with the management of the Grasons Business.

"***FPR***" means the financial performance representation set forth in Item 19 of this Disclosure Document.

"***Franchised Outlet***" means any Grasons Business that is owned by a franchisee.

"***Gross Sales***" means the gross sales price of all personal property directly or indirectly sold by the Grasons Business via any method of sale or channel of distribution, including: (a) sales at physical locations; (b) consignment/auction sales; and (c) sales advertised or marketed by any media including on the Internet (or any other electronic method) or by classified ad, flyer, brochure or catalog. Gross Sales do not include bona fide refunds given to clients or sales taxes properly remitted to the taxing authority. Credit card charges are not deducted from Gross Sales

"***Measuring Period***" means the period of time commencing January 1, 2023 and expiring December 31, 2023.

"***Relocated Outlet***" means any Grasons Business that closed and relocated to a new territory at any point during the Measuring Period.

"***Qualifying Outlet***" means any Company-Owned Outlet or Franchised Outlet that satisfies all of the following criteria: (a) the outlet was open and operating throughout the entire Measuring Period; (b) the outlet provided us with all data we requested in order to prepare the financial performance representation; (c) the outlet is not a Relocated Outlet.

System Statistics

For purposes of this FPR, each Grasons Business may be referred to as an "outlet." If a franchisee owns Franchises for multiple territories, each Franchise/territory is considered a separate outlet. As of December 31, 2023 (the last day of the Measuring Period), there were: (a) 50 Franchised Outlets in operation, 30 of which are Qualifying Outlets; and (b) 0 Company-Owned Outlets in operation. The table below summarizes the outlet statistics and the number of Qualifying Outlets:

2023 Outlet Statistics						
Outlet Type	**Open Outlets (Jan 1, 2023)**	**Open Outlets (Dec 31, 2023)**	**Outlets Opened During 2023**	**Outlets Closed During 2023**	**Relocated Outlets During 2023**	**Qualifying Outlets**
Franchised	31	50	19	1*	0	30
Company-Owned	0	0	0	0	0	0

* This outlet did not permanently close. However, the owner ceased operating for an extended period of time during the Measuring Period due to health issues.

Because there were no Company-Owned Outlets in operation during the entire Measuring Period, this FPR is limited to data from Franchised Outlets. Of the 50 outlets that were open as of the end of the Measuring Period, 20 did not qualify as "Qualifying Outlets" for the following reasons:

- 19 outlets were excluded because they opened in 2023 and were not open the entire Measuring Period
- 1 outlet was excluded because the owner had health issues that forced him to cease operating the business for an extended period of time during the Measuring Period

There are no material differences between the operations of the Qualifying Outlets whose data has been provided in this FPR and the franchised business offered under this Disclosure Document.

Subsets Utilized

We have broken out the data into brackets based on total Gross Sales, including top 25%, mid-upper 25%, mid-lower 25%, bottom 25%, upper 50% and bottom 50%. Each bracket is a "subset". The following table identifies

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the total number of Qualifying Outlets in each subset:

SUBSETS		
Subset	**Criteria**	**Number of Qualifying Outlets in Subset**
Subset 1	Top 25% of Outlets by Gross Sales	8 Outlets
Subset 2	Mid-Upper 25% of Outlets by Gross Sales	7 Outlets
Subset 3	Mid-Lower 25% of Outlets by Gross Sales	7 Outlets
Subset 4	Bottom 25% of Outlets by Gross Sales	8 Outlets
Subset 5	Top 50% of Outlets by Gross Sales	15 Outlets
Subset 6	Bottom 50% of Outlets by Gross Sales	15 Outlets

Financial Performance Representation

The following table presents the historical Gross Sales achieved by the Qualifying Outlets during the Measuring Period. The data includes highest Gross Sales, lowest Gross Sales, median Gross Sales, average Gross Sales and the number and percentage of outlets that attained or surpassed the stated average Gross Sales.

2023 GROSS SALES: FRANCHISED OUTLETS					
Subset (Number of Outlets in Subset)	**Highest**	**Lowest**	**Median**	**Average**	**Number & Percent that Achieved/Surpassed Average**
Subset 1 – Top 25% (8 Outlets)	$1,162,110	$351,380	$647,498	$653,167	4 of 8 (50.0%)
Subset 2 – Mid-Upper 25% (7 Outlets)	$340,179	$264,204	$296,794	$294,826	4 of 7 (57.1%)
Subset 3 – Mid-Lower 25% (7 Outlets)	$246,366	$111,319	$176,899	$168,716	4 of 7 (57.1%)
Subset 4 – Bottom 25% (8 Outlets)	$101,539	$16,675	$59,147	$60,383	4 of 8 (50.0%)
Subset 5 – Top 50% (15 Outlets)	$1,162,110	$264,204	$351,380	$485,942	6 of 15 (40.0%)
Subset 6 – Bottom 50% (15 Outlets)	$246,366	$16,675	$101,539	$110,939	8 of 15 (53.3%)

Notes:

1. Source of Data: We prepared the FPR for Franchised Outlets based on data we obtained from the point-of-sale systems utilized by the franchisees. The data has not been audited.

2. Expenses: The FPR does not include any expense information. As a franchisee, you will incur expenses, such as payroll and benefits, bank charges, advertising costs, accounting and management costs, licenses and permits, printing and supplies, training expense, telephone expense, insurance, maintenance and utilities, debt service, taxes, and royalties and other amounts due to us under the Franchise Agreement.

You should consult with your advisors to develop your own estimates of revenue for your Business.

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

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Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income you should report it to our management by contacting Tim Hadley, B&P Burke, LLC, 8100 E. Indian School Road, Suite 201, Scottsdale, Arizona 85251, 714-846-3800, the Federal Trade Commission and the appropriate state agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2021	25	28	+3
	2022	28	31	+3
	2023	31	46	+15
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	25	28	+3
	2022	28	31	+3
	2023	31	46	+15

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021 TO 2023		
State	**Year**	**Number of Transfers**
California	2021	5
	2022	2
	2023	0
Total	2021	5
	2022	2
	2023	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	5	0	0	0	0	6

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TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
California	2021	23	3 [1]	0	0	0	0	26
	2022	26	1	0	0	0	1[2]	26
	2023	26	0	0	0	0	0	26
Colorado	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Florida	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Georgia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Ohio	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Indiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
New Jersey	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
New York	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

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TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Texas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Washington	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Totals	2021	25	3	0	0	0	0	28
	2022	28	4	0	0	0	1[2]	31
	2023	31	15	0	0	0	0	46

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2023			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
Arizona	3	3	0
California	0	0	0
Colorado	1	1	0
Florida	1	1	0
Georgia	0	1	0
Illinois	0	1	0
Indiana	0	1	0
Kentucky	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Missouri	0	1	0
Nevada	1	1	0

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TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2023			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
New Jersey	0	1	0
New Mexico	0	1	0
North Carolina	0	1	0
Ohio	0	1	0
Oklahoma	0	1	0
Pennsylvania	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	0	1	0
Virginia	1	1	0
Totals	7	23	0

Notes to Tables:

1. Multiple outlets were created and merged from existing Franchises, such as the Santa Clara Territory being integrated into East Alameda.

2. This Grasons Business closed and relocated from California to Texas in 2022.

3. Some franchisees have opened up 2 offices in their Territory, as reflected on Exhibit F, although they are counted only once in the chart above.

A list of all current franchisees is attached to this Disclosure Document as Exhibit F (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2023. In addition, Exhibit F (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

As a standard practice, when we enter into a Termination and Release Agreement with a former franchisee, we require the former franchisee to maintain all information that the former franchisee has about us confidential. In the last 3 fiscal years, some franchisees have signed confidentiality agreements with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no: (a) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit D-1 are: (a) audited consolidated financial statements for EHC Holding Company, LLC, our parent, for the fiscal years ended December 31, 2023 and December 31, 2022; and (b) our audited financial statements for the fiscal year ended December 31, 2021.

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Our parent, EHC Holding Company, LLC, has guaranteed our performance with you. A copy of the guaranty of performance is attached as Exhibit D-3. EHC Holding Company, LLC has not been in business for 3 or more years and cannot therefore provide all of the financial statements that would otherwise been required in this Item.

Our fiscal year end is December 31 of each year.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

EXHIBIT B Franchise Agreement (with Guaranty and Non-Compete Agreement and Brand Protection Agreement)

EXHIBIT C Form of General Release

EXHIBIT G State Addenda to Franchise Agreement

ITEM 23 RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last 2 pages of this disclosure document.

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EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible or the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Bureau Indiana Secretary of State Securities Division Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard Ave. State Capital Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–68-2 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Washington	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760	
Wisconsin	Division of Securities State of Wisconsin Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 266-0448	Administrator Division of Securities State of Wisconsin Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 266-0448

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE

1. Effective Date (first paragraph): _____

2. Franchisee's Name (first paragraph): _____

3. Franchisee is a (check one):

_____ Sole Proprietorship
_____ Partnership
_____ Limited Liability Company
_____ Corporation

State of Organization *(if applicable):* _____

4. Territory (Section 2.1) *(attach map if necessary)*: _____

_____

5. Ownership of Franchisee (Section 2.3): If the franchisee is an entity, the following persons constitute all the owners ("Owners") of a legal and/or beneficial interest in Franchisee:

Name	Percentage Ownership

6. Operating Principal (Section 2.4): _____

7. Initial Franchise Fee (Section 4.1): $_____

8. Franchisee's Address for Legal Notices: _____

_____

_____

9. Additional Terms *(if any)*: _____

_____

_____

Initials: _____(B & P Burke, LLC) _____(Franchisee)

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the date (the **"Effective Date"**) set forth on the Summary Page, which appears after the cover page of this Agreement (the **"Summary Page"**) (the Summary Page and all appendices and schedules attached to this Agreement are hereby incorporated by this reference), by and between **B & P Burke, LLC**, a California limited liability company (**"Franchisor"**) and the individual or entity identified on the Summary Page as the franchisee (**"Franchisee"**) with his, her or its principal place of business as set forth on the Summary Page.

Background Statement:

A. Franchisor has created and owns a system (the **"System")** for developing and operating businesses that specialize in providing Services (as defined) under the trade name Grasons.

B. The distinguishing characteristics of the System include, without limitation, distinctive business formats; procedures; the Confidential Operating Manual (the **"Manual"**); procedures for operations, accounting, and management; training and assistance; and advertising and promotional programs, which may be changed periodically.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a Grasons business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Products and Services which has been approved by Franchisor.

"**Brand Fund**" means the fund established (or which may be established) by Franchisor into which Brand Fund Contributions are deposited.

"Brand Fund Contribution" is defined in **Section 4.3**.

"Business" means the Grasons franchise owned by Franchisee and operated under this Agreement.

"Business Liquidation Services" means the sale and disposal of business assets of commercial enterprises due to business closures or moves, branch closures or moves, or another change in circumstances.

"**Competitor**" means any business means any business competitive with a Grasons Business which offers Estate Sale Services or Business Liquidation Services (except for any businesses operated by Franchisee pursuant to a license from Franchisor or one of Franchisor's affiliates).

"**Confidential Information**" means all non-public information of or about the System, Franchisor, and any Grasons business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, client data, information, intellectual property and know-how.

"Digital Marketing" is defined in **Section 9.6.**

"Effective Date" is defined on the Summary Page.

"Estate Sale Services" means the sale of personal property for individuals, trustees and personal representatives due to long-distance moves, divorce, death, bankruptcy, or another change in circumstances.

"Gross Sales" is the gross sales price of all personal property sold, directly or indirectly, by Franchisee or any of its owners by any method including, without limitation, (a) sales at physical locations; (b) consignment/auction sales; and (c) sales advertised or marketed by any media including on the Internet (or other electronic method), or by classified ad, flyer, brochure and catalog. Gross Sales do not include bona fide refunds given to clients and sales taxes properly remitted to the taxing authority. Credit card charges may not be deducted from Gross Sales.

"Indemnitees" is defined in **Section 16.1.**

"Innovations" is defined in **Section 11.4.**

"**Location**" is defined on the Summary Page.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means Franchisor's confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use in a Grasons business.

"Minimum Performance Criteria" is defined in **Section 7.20.**

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual, then **"Owner"** means Franchisee.

"Performance Year" is defined in **Section 7.20.**

"Operating Principal" is defined on the Summary Page.

"Permitted Transfer" means: (a) a Transfer from one owner to another owner who was an approved owner prior to the Transfer; (b) a Transfer to a newly established business entity with respect to which the transferring owners collectively own and control 100% of the ownership interests; and/or (c) a Transfer of less than a 25% ownership interest. However, any Transfer described in (a), (b) or (c) will not be deemed a "Permitted Transfer" if the Transfer results in a change of control or results in the Operating Principal no longer holding a 10% or greater ownership interest in the Business or the franchisee entity.

"**Privacy Information**" means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet protocol address, email address, account name, social security number, driver's license or state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer's interaction with an Internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"**Products and Services**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating the Business.

"**Required Vendor**" means a supplier, vendor, or distributor of Products and Services that Franchisor requires Franchisee to use.

"Restricted Parties" is defined in **Section 13.2(a).**

"Royalty Fee" is defined in **Section 4.2**.

"Services" means Estate Sale Services and Business Liquidation Services.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, including without limitation, any procedures, requirements and/or standards for appearance, business metrics, uniforms, vehicles, cleanliness, client service, data protection and privacy, design, equipment, inventory, marketing and public relations, minimum numbers and types of personnel, operating hours, presentation of Marks, product offerings, quality of services, reporting, safety, service offerings, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, other software, backup and archiving systems, communications systems, payment acceptance systems (including credit and debit card systems, check verification services, and other payment systems, as well as any compliance programs relating to those systems), and Internet access, as well as upgrades, supplements, and modifications thereto).

"Summary Page" is defined in the first paragraph of this Agreement.

"Technology Fee" is defined in **Section 4.4.**

"**Territory**" is defined on the Summary Page.

"**Transfer**" means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

(a) this Agreement (or any interest therein);

(b) the franchise or intellectual property rights granted by this Agreement (or any interest therein);

(c) the Business you conduct pursuant to this Agreement (or any interest therein);

(d) substantially all of the assets of the Business; or

(e) an equity or ownership interest in the Business or the franchisee entity;

including by: merger or consolidation; judicial award, order or decree; issuance of additional equity or ownership interests in the Business or franchisee entity; foreclosure of a security interest by a lender; or operation of law, will or a trust upon the death of an Owner, including the laws of intestate succession.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate a Business solely in the Territory. Franchisee shall develop, open and operate the Business in the Territory for the entire term of this Agreement. The parties acknowledge that Franchisee must operate the Business according to System Standards, however, the means of satisfying the System Standards are left to the control and discretion of Franchisee.

2.2 Protected Territory.

(a) Limitation. Franchisee shall not solicit or market to potential clients for Services outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory, and which incidentally reach potential clients outside of the Territory.

(b) Service. Franchisee shall not provide Services for clients outside of the Territory without Franchisor's prior written permission. Franchisor may withdraw permission at any time. If Franchisee provides Services for a client outside of the Territory without Franchisor's prior written consent, Franchisor may impose a fee equal to the greater of (i) $500, or (ii) 75% of the amount paid by such client to Franchisee. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing Franchisee's breach

of this Section and is not a penalty or estimate of all damages arising from Franchisee's breach. This fee is in addition to Franchisor's other rights and remedies.

(c) Territorial Protections. Except as provided below, Franchisor and its affiliates shall not (i) provide Services under the Marks for clients in the Territory; or (ii) license or franchise another party to provide Services under the Marks for clients in the Territory. Except as expressly provided in the preceding sentence, Franchisee is not granted any exclusive or protected territorial rights and Franchisor reserves all rights. Without limiting the generality of the foregoing, Franchisor and its affiliates reserve the right to:

(1) provide, and license third parties to provide, Services for clients in the Territory at any time Franchisee is in default or incapable of meeting client demand in the Territory, as determined by Franchisor in its reasonable discretion;

(2) operate, and license third parties to operate, businesses that offer services and products, which may be the same as or similar to the Services offered by Franchisee, for clients in the Territory as long as these businesses do not operate under the Marks;

(3) operate businesses that offer the Services under the Marks outside of the Territory and grant third parties the right or license to operate Services businesses under the Marks outside of the Territory;

(4) sell and distribute, and license third parties to sell and distribute, products and services (including the Services) bearing the Marks (or different trademarks) within the Territory through other channels of distribution, including, without limitation, over the Internet or through telemarketing, direct marketing or catalogs;

(5) acquire, be acquired by, or merge with other competitive businesses and operate them anywhere and, at Franchisor's option, convert them to businesses operating under the Marks or any other name, even if located and operated within the Territory; and

(6) establish, own or operate, and grant others the right to establish, own or operate a business offering the same or similar services as those offered through a Grasons Business, or different services under different trademarks (other than the Marks) inside and outside the Territory.

(d) Policies. Franchisor may set policies binding on all franchisees regarding soliciting, marketing, and serving clients in another franchisee's territory, and Franchisor may waive or modify such policies in any circumstance as Franchisor determines. If Franchisee obtains a client in the protected territory of another franchisee, then, in addition to all other rights and remedies Franchisor may have, Franchisor may in its discretion require Franchisee to transfer the client to such other franchisee or fashion such other remedy as Franchisor deems appropriate.

2.3 Franchisee Control. Franchisee represents that the Summary Page identifies each owner of Franchisee and describes the nature and percentage of each owner's interest in Franchisee. If any owner information on the Summary Page changes, Franchisee shall notify Franchisor within 10 days.

2.4 Operating Principal. Franchisee agrees that the person designated as the **"Operating Principal"** on the Summary Page is the executive primarily responsible for the Business, has decision-making authority on behalf of and authority to bind Franchisee. The Operating Principal must have at least 10% ownership interest in Franchisee. The Operating Principal must devote his or her full time and best efforts to the operation of the Business. If the Operating Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Operating Principal, subject to Franchisor's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Attachment 1.

2.6 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed

or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to two additional periods of five years each, subject to the following conditions prior to each renewal:

(i) Franchisee notifies Franchisor of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to Franchisor) renovations and changes to the Business as Franchisor requires to conform to the then-current System Standards;

(iv) Franchisee executes Franchisor's then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that the form of the franchise agreement will be amended to provide that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

(v) Franchisee pays renewal fee of $10,000;

(vi) Franchisee and each Owner executes a general release (on Franchisor's then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees; and

(vii) Franchisee has met the Minimum Performance Criteria in **Section 7.20**.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable under any circumstances.

4.2 Royalty Fee. During the first six months of operations, Franchisee shall pay Franchisor a monthly royalty fee equal to 6.5% of Gross Sales, and thereafter, the greater of $500 per month or 6.5% of Gross Sales (the **"Royalty Fee"**). The Royalty Fee is due on or before the fifth (5th) day of the month following the month in which the Gross Sales accrued.

4.3 Brand Fund Contribution. Franchisee shall pay Franchisor a monthly contribution to the Brand Fund of 1% of Gross Sales during the first six months of operation, and thereafter, the greater of $250 per month or 1% of Gross Sales (the **"Brand Fund Contribution"**), payable at the same time as the Royalty Fee. Franchisor reserves the right to modify the frequency, manner, or method of payment upon providing reasonable notice to Franchisee (which need not exceed 30 days).

4.4 Technology Fee. Franchisee shall pay Franchisor a monthly technology fee, currently $250 (the **"Technology Fee"**), in exchange for software and other technology-related services and products provided by or through Franchisor, payable at the same time as the Royalty Fee or as otherwise specified by Franchisor from time to time. The Technology Fee does not have to be a pass-through of Franchisor's costs. Franchisor has no liability or obligation to Franchisee with respect any third-party software or other technology-related services and products that Franchisor provides to Franchisee. The Technology Fee for a given period is due and payable at the same time as the Royalty Fee, unless Franchisor determines otherwise. Franchisor may add, remove, or alter the software or technology products or services that it provides. Franchisor may increase the Technology Fee annually upon 30 days' prior written notice.

4.5 Third Party Vendors. If Franchisor requires Franchisee to use a designated third-party vendor, Franchisor has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If Franchisor does so, it may impose a reasonable markup or charge for administering the payment program.

4.6 Noncompliance Fees and Reimbursements. Franchisee acknowledges the importance of every one of Franchisor's standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If Franchisor notifies Franchisee of a breach of Franchisor's standards or operating procedures (including failure to submit required reports in a timely manner) and Franchisee fails to correct the noncompliance within the period of time Franchisor prescribes, then, in addition to any other remedies available to Franchisor under this Agreement, Franchisor may impose a noncompliance fee of $250 per occurrence. Franchisor may impose an additional $250 fee every week the same noncompliance issue remains uncured after Franchisor imposes the initial fee. Any noncompliance fees Franchisor collects are paid in consideration of Franchisor refraining from exercising its contractual right to terminate this Agreement. This fee also constitutes a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing the non-compliance and is not a penalty or estimate of all damages arising from Franchisee's breach. If Franchisor takes steps to cure a default committed by Franchisee after the expiration of any applicable cure period, including, without limitation, obtaining required insurance coverage on Franchisee's behalf or paying amounts Franchisee owes to approved or designated suppliers, then Franchisee must (a) reimburse Franchisor for all costs and expenses Franchisor directly or indirectly incurs in connection with its efforts to cure the default and (b) pay Franchisor an administrative fee calculated as 20% of the total amount of such costs and expenses. Franchisor's acceptance of noncompliance fees and default expense reimbursements shall not be construed as a waiver of any of Franchisor's rights or remedies under this Agreement and Franchisor retains the right to terminate this Agreement in accordance with **Section 14.1** should the default continue after Franchisor collects these amounts. All fees and expense reimbursements set forth in this Section are due 15 days after invoicing, except we may automatically debit your account for the $250 non-compliance fee as of the expiration of the cure period for the associated default, and each thereafter until fully cured.

4.7 CPI Adjustments. Franchisor reserves the right to periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the Consumer Price Index in the United States (CPI). Franchisor may periodically review and increase these fees based on CPI changes, but only if the then-current CPI ("Current CPI") is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustment); or (b) the date Franchisor implemented the last fee adjustment (for subsequent fee adjustments) ("Baseline CPI"). The adjusted fee shall be calculated by multiplying the current fee by a fraction: (a) the numerator of which is an amount calculated as the product of (i) 100 and (ii) the difference of Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. Franchisor may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that Franchisor deems appropriate. Franchisor currently uses the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), "All Items". Franchisor will notify Franchisee of any CPI adjustment at least 60 days before the fee adjustment becomes effective. Franchisor may implement no more than one (1) fee adjustment during any five (5) year period. If Franchisor declines to exercise its right to increase the fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied in connection with a subsequent fee adjustment.

4.8 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Fund Contribution, Technology Fee, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Franchisor by the 5th day of the following month. If Franchisee fails to report monthly Gross Sales, then Franchisor may withdraw estimated Royalty Fees equal to 125% of the last Gross Sales reported to Franchisor, and Brand Fund Contributions and Technology Fees as specified in **Sections 4.3** and **4.4** above. The parties will true-up the actual Royalty Fees due after Franchisee reports Gross Sales. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee's computer software and hardware to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 10% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge $50 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection/Enforcement. Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee and otherwise enforcing Franchisor's rights under this Agreement, even if such amounts are incurred prior to the filing of a lawsuit or other legal proceeding.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

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

(h) Taxes. Franchisee will be responsible for all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Franchisor or its affiliates and on services or goods furnished to Franchisee by Franchisor or its affiliates, unless the tax is an income tax assessed on Franchisor or its affiliate for doing business in the state where the Business is located.

ARTICLE 5. ASSISTANCE

5.1 Manual. Franchisor shall make its Manual available to Franchisee.

5.2 Staffing Suggestions. Franchisor shall provide its suggested staffing levels to Franchisee. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. Franchisor shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of Franchisee's new employees.

5.4 Pre-Opening Assistance.

(a) Selecting Location. If Franchisee's Location is not listed on the Summary Page, Franchisee shall select a Location to serve as its primary place of business within the Territory prior to opening.

(b) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, Franchisor shall provide Franchisee with (i) applicable System Standards and other specifications as Franchisor deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) Franchisor's lists of Approved Vendors and/or Required Vendors.

(c) Business Plan Review. If requested by Franchisee, Franchisor shall review and advise on Franchisee's pre-opening business plan and financial projections. Franchisee acknowledges that Franchisor accepts no responsibility for the performance of the Business.

(d) Pre-Opening Training. Franchisor shall make available its standard pre-opening training to the Operating Principal and up to one other employee, at Franchisor's headquarters and/or at a Grasons business designated by Franchisor. Franchisee may send additional owners or employees to initial training only with Franchisor's prior written approval, which approval shall not be unreasonably withheld provided that the designated training facility has adequate space to accommodate the additional attendees. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. The Operating Principal must successfully complete pre-opening training within 90 days after the Effective Date.

(e) Market Introduction Plan. Franchisor shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(f) On-Site Opening Assistance. If requested by Franchisee, Franchisor shall have a representative support Franchisee's business opening with at least two days of onsite opening training and assistance.

(g) Initial Equipment Package. Franchisor will provide Franchisee with an initial equipment package at no charge.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Franchisor will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Franchisor shall manage the Brand Fund.

(e) Internet. Franchisor shall maintain a website for the Grasons brand, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Location. Franchisee is solely responsible for selecting the Location. If the Location is not stated on the Summary Page, then Franchisee shall find a suitable Location within the Territory. Franchisee's Location is subject to Franchisor's reasonable approval.

6.2 Development. If the Location will not be operated from a home office, franchise may secure a commercial office space located in the Territory. Because Franchisor expects Franchisee to operate the Business as a home-based business, Franchisor will not assist Franchisee in (i) locating a site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises.

6.3 New Franchisee Training. Franchisee's Operating Principal must complete Franchisor's training program for new franchisees. If the Operating Principal fails to complete the initial training program to Franchisor's satisfaction within 90 days after the Effective Date, then Franchisor may terminate this Agreement.

6.4 Conditions To Opening. Franchisee shall notify Franchisor at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions and present satisfactory evidence to Franchisor that it has done so upon Franchisor's request: (1) Franchisee has obtained all required governmental permits and authorizations, (2) Franchisee has hired sufficient employees, (3) Franchisee's officers and employees have completed Franchisor's required pre-opening training, (4) Franchisee has obtained all required insurance required under **Section 7.12**; (5) Franchisee has conducted the market introduction campaign required under **Section 9.4**, (6) Franchisee has obtained a valid business mailing address (i.e., not a residential address) for the Business, (7) Franchisee has opened a business checking account to be used solely for the Business, (8) Franchisee has provided a copy of its duly filed articles or certification of formation or incorporation, as the case may be, to Franchisor, (9) Franchisee has obtained all required technology and software licenses, (10) Franchisee is otherwise in compliance with this Agreement and System Standards, and (11) Franchisor has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business to the public within 90 days after the Effective Date.

ARTICLE 7. OPERATIONS

7.1 Compliance With Manual and System Standards. Franchisee shall at all times and at its own expense

comply with all mandatory obligations contained in the Manual, as they are now or hereafter established. Franchisee acknowledges and agrees that the products and services offered under the Marks have a reputation for excellence and that Franchisee's strict compliance with all System Standards it critical to the goodwill associated with the Marks. The Manual may contain, among other things:

(i) a list of (a) goods and services (or specifications for goods and services) Franchisee must purchase to develop and operate the Business and (b) designated and approved suppliers;

(ii) a description of the authorized goods and services Franchisee may offer, sell and provide;

(iii) specifications, techniques, methods, operating procedures and quality standards; and

(iv) policies and procedures pertaining to: (a) reporting; (b) insurance; (c) marketing and advertising; (d) data entry; (e) data ownership, protection, sharing and use; and (f) any other matters Franchisor deems appropriate.

The Manual is designed to establish and protect Franchisor's brand standards and the uniformity and quality of the goods and services offered by Grasons Businesses. Franchisor can modify the Manual at any time. Modifications are binding at the time Franchisor notifies Franchisee of the change, subject to any "grace period" Franchisor provides to implement the change. All mandatory provisions in the Manual (whether included now or in the future) are binding on Franchisee.

7.2 Compliance With Law. Franchisee and the Business shall comply with all laws, rules, ordinances and regulations applicable to Franchisee or to the Business. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products and Services. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Manual or otherwise in writing.

7.4 Prices. Franchisee retains the sole discretion to determine the prices it charges for products and services.

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all clients and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be an agent or employee of Franchisor.

7.6 Post-Opening Training. Franchisor may at any time require that the Operating Principal and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs (not to exceed $600 per trainee per day). Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Operating Principal or any other employee, then Franchisee shall pay all travel, living and other expenses. If, after opening the Business, Franchisee sends a new Operating Principal or other employee to attend Franchisor's initial training program, Franchisor may charge an initial training fee of $1,500 per person.

7.7 Client Complaints. Franchisee shall use its best efforts to promptly resolve any client complaints. Franchisor may take any action it deems appropriate to resolve a client complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses immediately upon demand.

7.8 Client Evaluation and System Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining client evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a client feedback system, client survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these

programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs.

7.9 Payment Systems. Franchisee shall accept payment from clients in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.10 Vehicles. If Franchisee purchases or leases one or more vehicles for the Business, Franchisee shall ensure that all vehicles comply with all applicable System Standards, including without limitation required equipment and exterior décor. Franchisee shall keep all vehicles in good repair, clean, and free of dents and other damage, and shall ensure that the vehicles present a first-class image appropriate to Franchisor's System. Franchisee shall use the vehicle solely for the Business.

7.11 Meetings, Annual Conference. The Operating Principal shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any local affiliate, national or regional brand conventions. If Franchisor holds an annual franchisee conference, the Operating Principal must attend. Franchisee must pay a reasonable per person registration fee (currently $495, not to exceed $2,000 per person per conference) which is non-refundable and due and payable regardless of whether Franchisee or the Operating Principal attend.

7.12 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual, which may be increased by Franchisor at any time. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

(i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage for primary vehicle along with any trailers and box trucks used in the Business in an amount of not less than $1,000,000; and

(iii) Workers ' Compensation coverage as required by state law.

(b) Franchisee's policies must list Franchisor and its affiliates as an additional insured and the policies must stipulate that Franchisor shall receive a 30-day prior written notice of cancellation. Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor prior to opening and upon annual renewal of the insurance coverage, as well as at any time within 15 days after request from Franchisor.

(c) Franchisee must obtain a bond of at least $25,000 from a bonding agency acceptable to Franchisor.

(d) If Franchisee fails to maintain any required insurance coverage, Franchisor has the right to obtain the coverage on Franchisee's behalf (which right shall be at Franchisor's option and in addition to Franchisor's other rights and remedies in this Agreement), and Franchisee must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to Franchisor, within 10 days after invoicing, all costs and premiums that Franchisor incurs. You are free to purchase any additional insurance that you deem appropriate.

7.13 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Grasons Services, the Business, or any particular incident or occurrence related to the Business, without Franchisor's prior written approval.

7.14 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor's prior written approval.

7.15 No Other Businesses. If Franchisee is an entity, Franchisee shall not own or operate any other business except Grasons businesses.

7.16 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Franchisor, which will not be unreasonably withheld.

7.17 No Co-Branding. Franchisee shall not "co-brand" or associate any other business activity with the Business in a manner which is likely to cause the public to perceive it to be related to the Business.

7.18 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a client (other than engaging individuals as independent contractors in the ordinary course of business).

7.19 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor.

7.20 Minimum Performance Criteria. Franchisee must meet or exceed the following minimum performance criteria (the **"Minimum Performance Criteria"**) during each 12-month period during the term of this Agreement (each such 12-month period is referred to herein as a **"Performance Year"**):

(a) During the first Performance Year, Franchisee must have had at least 12 estate or business liquidation sales;

(b) During the second Performance Year, Franchisee must have had at least 24 estate or business liquidation sales; and

(c) During the third Performance Year and for each remaining Performance Year during the initial term, Franchisee must have had at least 36 estate or business liquidation sales.

7.21 Privacy Practices.

(a) With respect to Privacy Information, Franchisee must comply with applicable privacy laws, including any local, state, or federal data privacy or data security law or regulation.

(b) Franchisee shall not sell any Privacy Information. Franchisee further agrees to not access, use, or process the Privacy Information except in the furtherance of its obligations under this Agreement, but in all times, in compliance with applicable privacy laws and industry standards.

(c) To the extent Franchisor does not have the then-current ability to address requests made under any applicable privacy law by individuals that are the subject of any of the Privacy Information, Franchisee shall, upon Franchisor's request, provide reasonable assistance to Franchisor in responding to such requests.

7.22 Communications. Franchisee shall respond promptly to requests for communication from Franchisor and, in any event, within three business days.

7.23 Business Practices. Franchisee, in all interactions with clients, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values issued by Franchisor. Franchisee shall not take any action which injures or is likely to injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Products and Services required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Products and Services from Franchisor, Franchisor's designee, Required Vendors, Approved Vendors, and/or under Franchisor's specifications. Franchisor may change any such requirement or change the status of any vendor. To make such requirement or change effective, Franchisor shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular Product or Service only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Product or Service from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notification of the approval or disapproval of any propose new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Product or Service Approval. If Franchisor requires Franchisee to purchase a particular Product or Service, and Franchisee desires to purchase an alternate to the Product or Service, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Product or Service within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Franchisor may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. In order to compensate Franchisor for administering the program, Franchisee may be required to pay Franchisor an administrative fee not to exceed 20% of the total amount of purchases made by Franchisee through Franchisor's centralized purchasing system. Franchisor also may receive rebates or payments from vendors in connection with purchases by franchisees. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

ARTICLE 9. MARKETING

9.1 Implementation. Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, social media marketing, and sponsorships) that have not been approved by Franchisor. To obtain Franchisor's approval, Franchisee must submit any proposed advertising or marketing material at least 14 days prior to use. If Franchisor does not respond, the material is deemed rejected. Franchisee shall implement any marketing plans or campaigns determined by Franchisor. Any marketing materials or campaigns developed by or on behalf of Franchisee shall automatically become the property of Franchisor, without compensation to Franchisee.

9.2 Brand Fund. Franchisor has established Brand Fund to promote the System on a local, regional, national, and/or international level. Franchisee shall pay Franchisor a monthly contribution to the Brand Fund of 1% of Gross Sales during the first six months of operation, and thereafter, the greater of $250 per month or 1% of Gross Sales (the "Brand Fund Contribution"), payable at the same time as the Royalty Fee.

(a) Separate Account. Franchisor shall hold the Brand Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts. The Brand Fund is not a trust and Franchisor has no fiduciary obligations to Franchisee with respect to its administration of the Brand Fund.

(b) Use. Franchisor shall use the Brand Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level for Grasons Services, and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; Internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal, collections, and other expenses related to the Brand Fund).

(c) Discretion. The Brand Fund will be spent at Franchisor's sole discretion and Franchisee acknowledges that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. The Brand Fund will not be used for the direct solicitation of franchise sales, but Franchisor reserves the right to include a notation in any advertisement indicating "Franchises Available." Franchisor has the right to reimburse

itself from the Brand Fund for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Fund. In Franchisor's sole discretion, businesses owned and operated by Franchisor, or its affiliates may, but are not obligated to, contribute to the Brand Fund. Franchisee acknowledges that the use of the Brand Fund or other advertising funds or accounts and the expenditures made thereby, may benefit Franchisor and its businesses, even though the businesses operated by Franchisor, or its affiliates may or may not contribute to the Brand Fund or other advertising funds or accounts. Franchisor assumes no obligation or liability to Franchisee with respect to the maintenance, direction or administration of the Brand Fund or any other advertising funds or accounts maintained in connection with this Agreement, except as expressly set forth in this Section. Franchisor also has the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as Franchisor deems appropriate, and such successor entity will have all of the rights and duties specified herein. Franchisor may suspend or terminate the Brand Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended.

(d) Surplus or Deficit. Franchisor may accumulate funds in the Brand Fund and carry the balance over to subsequent years or spend more than the total contributions to the Brand Fund in any given year. If the Brand Fund operates at a deficit or requires additional funds at any time, Franchisor, any affiliate or other lender may loan such funds to the Brand Fund on reasonable terms.

(e) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

9.3 Regional Advertising and Promotional Cooperative. Franchisor may, in Franchisor's discretion, designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Business. Franchisor reserves the right to administer the Cooperative. If a Cooperative is established applicable to the Business, Franchisee must participate in the Cooperative. Cooperative contributions will be credited towards the Local Marketing Commitment discussed in Section 9.5 below. The following provisions will apply to each Cooperative:

9.3.1 Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Franchisor;

9.3.2 Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Franchisor's approval, standardized advertising materials for use by the members in local marketing;

9.3.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without Franchisor's prior approval. All such plans and materials must be submitted to Franchisor in accordance with the procedure set forth in Section 9.1 hereof;

9.3.4 Each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; however, the Cooperative may, by a two-thirds majority vote of its members, require a Cooperative contribution in excess of the Local Marketing Commitment;

9.3.5 Each member franchisee must submit to the Cooperative its respective contribution together with such other statements or reports as Franchisor may require or as may be required by the Cooperative with Franchisor's approval;

9.3.6 Franchisor may grant to Franchisee, in its sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request from Franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request for exemption will be final;

9.3.7 Franchisor will have the power to require any Cooperative to be formed, changed, dissolved, or merged at any time; and

9.3.8 Franchisor owned outlets may, but are not required to, participate in a Cooperative, but if they do, the Franchisor owned outlet will have the same voting power as franchisee members.

9.4 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Franchisor's approval of the marketing plan at least 30 days before the projected opening date of the Business.

9.5 Local Marketing. Franchisee must spend a minimum of $750 each month the Business is open and operating on advertising and marketing the Business, including Internet advertising, within the Territory (the "**Local Marketing Commitment**"). Franchisor will provide written notice of any changes to the Local Marketing Commitment, and any such changes will go into effect the following calendar month. Upon Franchisor's request, Franchisee must provide Franchisor with invoices or other proof of Franchisee's monthly expenditures on local advertising and marketing. Franchisee may not advertise and promote the Business outside of the Territory, unless (a) the geographic area wherein you wish to advertise is contiguous to the Territory and that area has not been granted to any other franchisee, or (b) Franchisor otherwise provide prior written consent in writing.

9.6 Digital Marketing.

(a) Control Over Digital Marketing. Franchisor has the exclusive right to conduct and manage all marketing and commerce on the Internet or other electronic medium, including all websites and "social media" marketing (collectively, **"Digital Marketing"**). Franchisee shall not conduct such Digital Marketing, nor establish any website or social media presence independently, except as Franchisor may specify, and only with Franchisor's consent. Franchisee must immediately modify or delete any Digital Marketing that Franchisor determines, in its sole discretion, is not compliant with its policies, standards, guidelines, or requirements. Franchisor may withdraw approval for any Digital Marketing at any time.

(b) Digital Marketing Accounts Established by Franchisee. Franchisee must establish all Digital Marketing accounts that Franchisor specifies in the Manuals. Any and all Digital Marketing accounts that Franchisee establishes in relation to the Business shall be Franchisor's exclusive property. Franchisee must do all things necessary to provide Franchisor with access to such Digital Marketing accounts (as specified in the Manuals or otherwise) and permit Franchisor to post and delete information on Franchisee's Digital Marketing accounts.

(c) Digital Marketing Fee. Franchisee shall pay Franchisor a $5,500 digital marketing fee upon execution of this Agreement, which Franchisor shall remit to a designated digital marketing company. The digital marketing company uses these funds to set up Franchisee's digital marketing account and implement a digital marketing campaign to promote Franchisee's Business and generate leads over a five (5) to six (6) month period commencing after completion of initial training. After this period expires, Franchisee may continue working with this company or discontinue service (unless Franchisor requires Franchisee to continue to contract with this company after the expiration of this initial period). The digital marketing fee is in addition to, and not credited towards, the Local Marketing Commitment.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such client data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing. Franchisor may require that Franchisee utilize such accounting and/or data management firm, platform, program, service or software that Franchisor designates or approves. Without limiting the generality of the foregoing, Franchisee shall: (a) license and utilize QuickBooks Online (or such other program Franchisor designates or approves in the future); and (b) provide Franchisor within independent access to the account with permission to read all reports.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including:

(i) a quarterly profit and loss statement and balance sheet for the Business within 30 days after the end of each fiscal quarter of Franchisor's fiscal year;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of each calendar year; and

(iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document, within 30 days after request.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any client, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business, but in no event later than 48 hours after Franchisee has become aware of the Action. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request. Franchisor acknowledges that all personnel records of the Business belong to Franchisee and that this Agreement does not grant Franchisor the right to access personnel records of Franchisee's employees.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other reasonable information as Franchisor may request.

10.4 Business Records. Franchisee shall keep accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years ("**Business Records**"). Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall also reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by at least 2% over the period of the audit.

10.6 Data Entry and Franchisor Access. Franchisee must comply with all of Franchisor's data entry policies and procedures set forth in this Agreement and/or the Manual. Without limiting the generality of the foregoing, Franchisee must enter each item sold on behalf of a client in its point-of-sale system and otherwise strictly adhere to Franchisor's instructions and policies regarding use of the point-of-sale system. Franchisor may require that Franchisee record transactions, sales data and other data on a daily basis so that the information entered into the designated point-of-sale system (or other system designated by Franchisor) is current as of the close of business. Franchisee shall give Franchisor unlimited access to Franchisee's point-of-sale system and other computer and software systems related to the operation of the Business, by any means designated by Franchisor. Franchisor shall have the right to independently access Franchisee's computer system, point-of-sale system and other technology systems to retrieve and compile business and operational data and generate any reports Franchisor deems appropriate, including Gross Sales reports. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems and authorizes Franchisor to access such communications.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under **Section 18.9**). In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

11.2 Franchisor's Right To Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus 20% as an administrative fee, as further described in **Section 4.6**.

11.3 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.4 Innovations. Franchisee shall disclose to Franchisor all software, marketing and promotional materials, ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, **"Innovations"**) conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations and will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee.

11.5 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or a third party.

11.6 System Variations. Franchisor may vary or waive any System Standard for any one or more franchisees due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.7 Business Data. All client data collected by or generated by the Business and all data collected or generated by the primary software operating system of the Business is Confidential Information (other than data related to employees of the Business) and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.8 Communication Systems. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems and authorizes Franchisor to access such communications.

11.9 Franchisor's Discretion. Franchisor may engage in any activity not expressly prohibited by this Agreement. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute, and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement. Whenever Franchisor agrees to exercise its rights reasonably or in good faith, Franchisor will have satisfied its obligations whenever it exercises reasonable business judgment in making a decision or exercising its rights. Franchisor's decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System or the Grasons brand generally even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the System or the Grasons brand include enhancing the value of the Marks, improving

client service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System and Grasons businesses.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Franchisor, and only in the manner as Franchisor may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement By Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interest in any such litigation, any United States Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain Franchisor's interest in the Marks and Confidential Information.

ARTICLE 13. BRAND PROTECTION COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor and Franchisee acknowledges that all client data collected or generated by the Business and all data collected or generate by the primary software system (other than data regarding employees) is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the **"Restricted Parties"**) shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly (i) own, maintain, engage in, be employed as an officer, director, principal, or of, lend money to, extend credit to or have any interest in any Competitor (a) within a twenty-five (25) mile radius of the Territory, (b) within the Territory of any other Grasons business, or within a twenty-five (25) mile radius of the Territory of any other franchised

Grasons business, or (c) within a twenty-five (25) mile radius of any Grasons business operated by Franchisor or its affiliate, provided that this Section13.2(b) does not apply to: (1) such person's ownership of a Grasons Business under a Franchise Agreement with Franchisor; or (2) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing services the same as or similar to a Competitor; or (ii) solicit any current, former, or prospective customer of the Business or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System or other franchisees for any competitive purpose.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Franchisor, Franchisee will cause its general manager, independent contractors, officers and other key employees to sign Franchisor's then current Brand Protection Agreement in the form attached hereto as Exhibit C.

13.4 Non-Disparagement. Franchisee and the Owners shall not at any time slander or make disparaging, libelous or negative comments about: Franchisor; Franchisor's employees, directors, or officers; the System; and/or any Grasons Business.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisor.

(a) Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due under this Franchise Agreement or otherwise, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Franchisor gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) and fails to cure such breach to Franchisor's satisfaction within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee intentionally submits any false report or intentionally provides any other false information to Franchisor;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee or any Owner, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) if Franchisee or the Operating Principal fails to satisfactorily complete the initial training program in the manner required by **Section 6.3** or Franchisee fails to open for business by the date specified in **Section 6.6**;

(v) Franchisee or any Owner commits a material violation of **Section 7.2** (compliance with laws) or **Section 13.1** (confidentiality), violates **Section 13.2** (non-compete) or **Article 15** (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vi) Franchisee abandons or ceases operation of the Business for more than 5 consecutive days;

(vii) Franchisee fails to meet the Minimum Performance Criteria in any Performance Year;

(viii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Franchisor or its agents or contractors, or otherwise fails to comply with **Section 10.5.**

(x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xi) Franchisor (or any affiliate) terminates or accelerates indebtedness under any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate); or

(xii) Franchisee or any Owner is charged with, pleads guilty to, or is convicted of a felony or engages in conduct that is reasonably likely to materially and unfavorably affect Franchisor's brand.

14.2 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Franchisor based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items (to the extent in the possession or control of Franchisee) and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing;

(iv) immediately and permanently cease to operate the Business or use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System and the Marks;

(v) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks; and

(vi) provide us with a copy of all of your Business Records and a list of all of your current, former and prospective clients.

14.3 Remove Identification. If Franchisee operates from a Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Grasons business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be

charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.4 Other Claims. Termination of this Agreement by Franchisor will not affect or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether arising before or after termination.

ARTICLE 15. TRANSFERS

15.1 By Franchisor. Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer (other than a Permitted Transfer) without providing Franchisor with at least 60 days prior notice of the proposed Transfer, and without obtaining Franchisor's consent. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

(i) Franchisor receives a transfer fee equal to $15,000;

(ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the form will be amended to provide that the proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed assignee provide a guaranty in accordance with **Section 2.5**;

(vi) Franchisee has paid all monetary obligations to Franchisor in full, and Franchisee is not otherwise in default or breach of this Agreement;

(vi) the proposed assignee and its owners and employees undergo such training as Franchisor may require;

(viii) Franchisee and its Owners execute a general release of Franchisor in a form satisfactory to Franchisor; and

(ix) the Business fully complies with all of Franchisor's most recent System Standards.

15.3 Permitted Transfers. Franchisee and the Owners may engage in a Permitted Transfer without Franchisor's prior approval, but Franchisee must give Franchisor at least 15 days' prior written notice. If the Permitted Transfer results in a new entity becoming the franchisee, then Franchisee shall: (a) provide Franchisor with copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Franchisor; and (b) cause any individual or entity that was the franchisee (or an owner of the franchisee) immediately prior to the Permitted Transfer to sign a guarantee in accordance with **Section 2.5** to secure performance of the new franchisee entity's financial obligations under this Agreement and all related agreements. Franchisee and the Owners (and the transferee) must sign all documents Franchisor reasonably requests to effectuate and document the Permitted Transfer.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor within nine months after death or incapacity. Such transfer must comply with **Section 15.2.**

15.5 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.6 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

15.7 Franchisor's Right of First Refusal. If Franchisee or an any Owner desire to engage in a Transfer, including a Transfer pursuant to Section 15.4, Franchisee or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to Franchisor. Franchisor will have 30 days after receipt of the offer to decide whether Franchisor will purchase the interest in the Business or the ownership interest in Franchisee for the same price and upon the same terms contained in the offer (however, Franchisor may substitute cash for any form of payment proposed in the offer). If Franchisor notifies Franchisee that it intends to purchase the interest within the 30-day period, Franchisee or the Owner, as applicable, must sell the interest to Franchisor. Franchisor will have at least an additional 30 days to prepare for closing. Franchisor will be entitled to receive from Franchisee or the Owner, as applicable, all customary representations and warranties given by Franchisee as the seller of the assets or the Owner as the seller of the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 15.2 (including Franchisor's approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Section. Franchisor's right of first refusal in this Section shall not apply to any Permitted Transfer under Section 15.3.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Franchisor) Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, **"Indemnitees"**) against all Losses in any Action by or against Franchisor and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions which Franchisee proves arose solely as a result of any Indemnitee's intentional misconduct or gross negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption by Franchisor. Franchisor may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's President and provide Franchisor with thirty (30) days' notice and opportunity to cure. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

17.2 Mediation. Once the internal dispute provisions of Section 17.1 have been exhausted, at Franchisor's option, any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. The mediation will take place in the county in which Franchisor maintains its principal place of business at the time the Dispute arises (currently, Maricopa County, Arizona) and the parties irrevocably waive any objection to such venue. Before commencing any legal action against Franchisor

or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee whether Franchisor or its affiliates elect to exercise its option to submit claims or disputes to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of Franchisor's written declaration. Franchisor's right to mediate, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation.

The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 17.2 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (1) Any federally protected intellectual property rights in the Marks, the System or in any Confidential Information; (2) Any of the restrictive covenants contained in this Agreement; or (3) Any claims to collect past due amounts owed to Franchisor or its affiliates.

17.3 Venue.

(a) Litigation. If the Dispute is not resolved by mediation, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located (currently, Maricopa County, Arizona). If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

(b) Limitations on Claims. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, arbitration, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee, Operating Principal, and Franchisor or its affiliates or employees may not be consolidated with any other proceeding between Franchisor and any other party or entity.

(b) Confidentiality. All documents, information, and results pertaining to any lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(d) Performance During Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the litigation process.

(e) Damages. Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary or other monetary damages not based on actual damages incurred against the other and agree that in the event of a dispute, Franchisee shall be limited to the recovery of any actual damages sustained by it.

17.4 Waiver of Jury Trial; Waiver of Class Actions. FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM,

WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

17.5 Injunctive Relief. Nothing contained in this Agreement will prevent Franchisor from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interests, without bond, against conduct or threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to Franchisor under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that Franchisee or Operating Principal may have against Franchisor, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

17.6 Legal Costs. If Franchisee is in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs, and litigation expenses Franchisor incurs. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee and does not control Franchisee or its Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Franchisor, and Franchisor's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statute, the laws of the state of Arizona (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which the Business is located, then the valid law or regulation of that state applicable to the Business shall supersede any provision of this Agreement that is less favorable to Franchisee.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to 8100 E. Indian School Road, Suite 201, Scottsdale, Arizona 85251. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Joint and Several Liability. If two or more people sign this Agreement as **"Franchisee",** each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

18.12 Additional Terms; Inconsistent Terms. The parties may provide additional terms by including the terms on the Summary Page. To the extent that any provisions of the Summary Page are in direct conflict with the provisions of this Agreement, the provisions of the Summary Page shall control.

18.13 Force Majeure. Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, widespread infectious diseases, pandemics or epidemics, and/or other casualties; (d) the inability of Franchisor and/or its affiliates or suppliers to manufacture, purchase, and/or cause delivery of any products used in the operation of the Franchise; and (e) legislative changes and/or governmental orders affecting the sale of the products from Franchises. The ability or inability of either party to obtain and/or remit funds shall be considered within control of such party.

18.14 Approvals. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

18.15 Importance of Timely Performance. Time is of the essence in this Agreement.

18.16 Independent Investigation. Franchisee acknowledges that Franchisee has conducted an independent investigation of the Business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon Franchisee's business abilities and efforts. Franchisee acknowledges that Franchisee has been given the opportunity to clarify any provision of this Agreement that Franchisee may not have initially understood and that Franchisor has advised Franchisee to have this Agreement reviewed by an attorney.

18.17 No Personal Liability. Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is

an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

Agreed to by:

FRANCHISOR:

B & P BURKE, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

[*if an individual:*]

_____
Name: _____
Date: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

Attachment 1 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this **"Guaranty"**) is executed by the undersigned person(s) (each, a **"Guarantor"**) in favor of B & P Burke, LLC, a California limited liability company (**"B & P Burke"**).

Background Statement: _____ (**"Franchisee"**) desires to enter into a Franchise Agreement with B & P Burke for the franchise of a Grasons business (the **"Franchise Agreement"**; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce B & P Burke to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to B & P Burke and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and Guarantor agrees to be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and guarantees every other liability and obligation of Franchisee to B & P Burke, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and B & P Burke upon demand from B & P Burke. Guarantor waives (a) acceptance and notice of acceptance by B & P Burke of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that B & P Burke make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by B & P Burke for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by B & P Burke, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by B & P Burke or its affiliates (except for Confidential Information which B & P Burke licenses from another person or entity). Guarantor acknowledges that all client data collected or generated by the Business and all data collected or generated by the primary software system (other than data regarding employees) is Confidential Information belonging to B & P Burke. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any business which offers Estate Sale Services or Business Liquidation Services (a "Competitor"), except for any businesses operated by you pursuant to a license from us or one of our affiliates.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), Guarantor shall not directly or indirectly (i) own,

maintain, engage in, be employed as an officer, director, principal, or of, lend money to, extend credit to or have any interest in any Competitor (a) within the Territory, (b) within the Territory of any other Grasons business, or within a twenty-five (25) mile radius of the Territory of any other franchised Grasons business, or (c) within a twenty-five (25) mile radius of any Grasons business operated by Franchisor or its affiliate, provided that this Section3(b) does not apply to: (1) Guarantor's ownership of a Grasons Business under a Franchise Agreement with Franchisor; or (2) Guarantor's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing services the same as or similar to a Competitor; or (ii) solicit any current, former, or prospective customer of the Business or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System or other franchisees for any competitive purpose

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of B & P Burke. If such covenants are held to be unenforceable or unreasonable, the other provisions of this Guaranty shall remain in effect. Guarantor agrees that the existence of any claim it or Franchisee may have against B & P Burke shall not constitute a defense to the enforcement by B & P Burke of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

5. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which B & P Burke may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Arizona. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as fully set forth herein. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

EXHIBIT C

BRAND PROTECTION AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of B&P Burke, LLC, a California limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. **Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

"Business Liquidation Services" means the sale and disposal of business assets of commercial enterprises due to business closures or moves, branch closures or moves, or another change in circumstances.

"Grasons Business" means a Grasons business, whether operated by us, our affiliate or a franchisee (including Franchisee).

"Business Records" means any and all evidence of each business transaction, and all financial, marketing, and other operating aspects of the Franchised Business, and all evidence and records with respect to customers, clients, employees, and other service professionals relating the Franchised Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, email addresses, customer/client records, and all other records contained in the database, and all other records created and maintained by Franchisee relating to the operation of the Franchised Business.

"Competitive Business" means any business competitive with a Grasons Business which offers Estate Sale Services or Business Liquidation Services (except for any businesses operated by Franchisee pursuant to a license from Franchisor or one of Franchisor's affiliates).

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Grasons Businesses to use, sell or display in connection with the marketing and/or operation of an Grasons Business, whether now in existence or created in the future.

"*Estate Sale Services*" means the sale of personal property for individuals, trustees and personal representatives due to long-distance moves, divorce, death, bankruptcy, or another change in circumstances.

"Franchise Agreement" means the Grasons Franchise Agreement executed by Franchisee with an effective date of _____, 202__.

"Franchised Business" means the Grasons Business operated by Franchisee pursuant to the Franchise Agreement.

"Franchisee" means the Grasons franchisee for whom you are an officer, director, employee or independent contractor.

"Improvements" means any additions, modifications or improvements (including creative ideas) to (a) the goods or services offered at a Grasons Business, (b) the method of operation of a Grasons Business or (c) any marketing or promotional ideas relating to a Grasons Business, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a Grasons Business, including, but not limited to, methods, techniques, assessments, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of a Grasons Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Grasons Business, including "Grasons" and the related logo, and any other trademarks, service marks or trade

names that we designate for use by a Grasons Business.

"Prohibited Activities" means any or all of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (b) soliciting any current, former, or prospective customer of the Franchised Business or any other customer of whom Franchisee has become aware as a result of access to the System or other franchisees for any competitive purpose.

"Restricted Period" means the one (1) year period after you cease to be an officer, director, employee or independent contractor of Franchisee.

"Restricted Territory" means the geographic area within the Territory granted to Franchisee under the Franchise Agreement, as further described on Attachment A to this Agreement.

"System" means our distinct system for the operation of a Grasons Business, the distinctive characteristics of which include logo, trade secrets, client assessment tools and techniques, marketing strategies, lead generation programs, referral programs, and operating system.

2. **Background.** You are an officer, director, manager, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Intellectual Property**. You agree: (a) you will not use the Know-how in any business or capacity other than the Franchised Business operated by Franchisee; (b) you will maintain the confidentiality of the Know-how at all times; (c) you will not make unauthorized copies of documents containing any Know-how; (d) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (e) you will stop using the Know-how immediately if you are no longer an officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. **Unfair Competition During Relationship**. You agree not to unfairly compete with us at any time while you are an officer, director, employee or independent contractor of Franchisee by engaging in any Prohibited Activities.

5. **Unfair Competition After Relationship**. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within the Restricted Territory, or within the Territory of any other Grasons Business, or within a twenty-five (25) mile radius of the Territory of any other franchised Grasons Business, or (c) within a twenty-five (25) mile radius of any Grasons Business operated by Franchisor or its affiliate. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity.

6. **Ownership of Phone Number.** You must obtain a separate telephone number solely for use with the Franchised Business. You acknowledge and agree that we will own this phone number and the associated account but allow you to use it during the terms of the Franchise Agreement at your expense. You must immediately transfer the number to us upon the termination, expiration or transfer of the Franchise Agreement and you agree to sign any documents we require to enable us to independent assign the telephone number to us in compliance with this Section.

7. **Immediate Family Members**. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any

member of your immediate family (a) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (b) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

8. **Covenants Reasonable**. You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

9. **Breach**. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Grasons Businesses for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

10. **Miscellaneous**.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the state of Arizona (without giving effect to its principles of conflicts of law). You agree that any legal proceeding will be brought in the state or federal courts where our headquarters is then located.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

This Brand Protection Agreement is executed as of the date or dates set forth below.

By: _____

Name: _____

Date: _____

EXHIBIT C

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of B & P Burke, LLC, a California limited liability company ("B & P Burke").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases B & P Burke, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants 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 crossclaim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that B & P Burke reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

This general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Agreed to by:

_____

Name: _____

Date: _____

EXHIBIT D -1

AUDITED FINANCIAL STATEMENTS

EHC Holding Company, LLC and Subsidiaries

Consolidated Financial Report
December 31, 2023

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RSM US LLP

Independent Auditor's Report

Board of Directors
EHC Holding Company, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of EHC Holding Company, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in members' equity, and cash flows for the years ended December 31, 2023 and 2022, and the related notes to the consolidated financial statements (collectively, 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, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 within one year after the date that the financial statements are issued or available to be issued.

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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.

RSM US LLP

Detroit, Michigan
April 18, 2024

EHC Holding Company, LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	**$ 8,258,464**	$ 7,906,497
Accounts receivable, net allowance for credit losses	**1,950,265**	595,028
Inventory	**47,089**	-
Prepaid expenses and other current assets	**490,729**	146,386
Total current assets	**10,746,547**	8,647,911
Property, plant, and equipment, net	**2,039,654**	1,671
Other assets:		
Operating lease right-of-use assets, net	**1,025,134**	121,846
Goodwill, net	**48,652,991**	16,450,078
Intangibles, net	**31,456,699**	5,157,183
Other assets	**129,180**	131,896
Contract costs	**12,163,663**	1,865,412
Total other assets	**93,427,667**	23,726,415
Total assets	**$ 106,213,868**	$ 32,375,997
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	**$ 972,368**	$ 391,621
Accrued expenses	**964,767**	1,230,707
Current portion of deferred franchise fees	**2,422,957**	422,746
Current portion operating lease liabilities	**198,150**	29,701
Total current liabilities	**4,558,242**	2,074,775
Deferred franchise fees, net of current portion	**16,479,272**	4,869,898
Operating lease liability, net of current portion	**834,044**	95,071
	17,313,316	4,964,969
Total liabilities	**21,871,558**	7,039,744
Members' equity	**84,342,310**	25,336,253
Total liabilities and members' equity	**$ 106,213,868**	$ 32,375,997

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022

	2023	2022
Revenues:		
Franchise fee revenue	**$ 6,507,714**	$ 2,171,527
Support services	**666,668**	-
Total revenues	**7,174,382**	2,171,527
Operating expenses:		
Cost of services	**306,538**	-
General and administrative expenses	**5,531,685**	2,986,145
Payroll and benefits	**3,885,484**	1,755,242
Transaction expenses	**1,579,290**	1,502,800
Amortization and depreciation expense	**3,040,926**	919,800
Other operating expenses	**546,426**	15,406
Total operating expenses	**14,890,349**	7,179,393
Net loss	**$ (7,715,967)**	$ (5,007,866)

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Changes in Members' Equity
Years Ended December 31, 2023 and 2022

Balance, January 1, 2022	$ 7,844,119
Contributed capital	22,500,000
Net loss	(5,007,866)
Balance at December 31, 2022	25,336,253
Contributed capital	66,722,024
Net loss	(7,715,967)
Balance at December 31, 2023	**$ 84,342,310**

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net loss	**$ (7,715,967)**	$ (5,007,866)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	**3,040,926**	919,800
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	**146,847**	(453,957)
Prepaid expenses and other current assets	**(235,413)**	(44,821)
Other assets	**2,716**	(6,575)
Contract costs	**(1,143,324)**	(117,661)
Accounts payable and accrued expenses	**(538,706)**	142,018
Deferred franchise fees	**1,532,134**	300,099
Operating lease assets and liabilities	**95,605**	2,926
Net cash used in operating activities	**(4,815,182)**	(4,266,037)
Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	**(46,199,803)**	(13,055,236)
Purchase of intangible assets	**-**	(40,512)
Purchase of property and equipment	**(1,355,072)**	(1,270)
Net cash used in investing activities	**(47,554,875)**	(13,097,018)
Cash flows from financing activities:		
Proceeds from capital contributions	**52,722,024**	20,000,000
Net cash provided by financing activities	**52,722,024**	20,000,000
Net increase in cash and cash equivalents	**351,967**	2,636,945
Cash and cash equivalents, beginning	**7,906,497**	5,269,552
Cash and cash equivalents, ending	**$ 8,258,464**	$ 7,906,497

(Continued)

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2023 and 2022

	2023	2022
Supplemental schedule of noncash operating, investing and financing activities:		
Acquisition of businesses:		
Assets acquired	**$ 40,044,046**	$ 7,257,883
Liabilities assumed	**(13,661,493)**	(5,078,960)
Net identifiable assets acquired	**26,382,553**	2,178,923
Goodwill	**34,390,411**	14,545,344
Net assets acquired	**60,772,964**	16,724,267
Less cash acquired	**(992,260)**	(620,715)
Add due from seller	**419,099**	45,924
Less contingent consideration	**-**	(594,240)
Less units issued as consideration	**(14,000,000)**	(2,500,000)
Cash purchase price	**$ 46,199,803**	$ 13,055,236

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Nature of business: EHC Holding Company, LLC and Subsidiaries (the Company) through its wholly owned subsidiaries, including Executive Home Care Franchising, LLC (EH), ALL Franchising, LLC (ALL), ALL Licensing, LLC (Licensing), B&P Burke, LLC (Grasons), Brothers Franchising, LLC (Brothers), and Brothers That Just do Gutters, LLC (BG).

EH is a franchisor that provides home care services to the elderly, physically handicapped and injured, allowing them to live at home. Executive Homecare began operations in 2004.

ALL is a franchisor that provides senior care placement and referral service for in-home companion care, independent retirement options, assisted living, memory care, and skilled nursing facilities. Assisted Living Locators began operations in 2006 and provides services nationwide.

Licensing is an operating company that owns technology used by ALL.

Grasons is a franchisor that provides services for estate sales and business liquidation services. Grasons was established in 2011 and conducts operations from its principal office in California.

Brothers is a franchisor that provides services associated with gutter installation, repair, and maintenance.

BG operates a Brothers franchise.

Significant accounting policies:

Basis of presentation: The consolidated balance sheets is presented as of December 31, 2023 and 2022. The consolidated statements of operations, changes in members' equity, and cash flows are presented for the years ended of December 31, 2023 and 2022. The accompanying consolidated financial statements of the Company include its wholly owned subsidiaries.

All intercompany transactions have been eliminated. The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (U.S. GAAP) that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification (ASC).

Revenue recognition policy: The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as performance obligations are satisfied.

Note 1. Summary of Significant Accounting Policies (Continued)

Nature of services - The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) preopening services, such as training, (c) ongoing services, such as management of the national brand fund contributions and support services for the franchisees and (d) for certain subsidiaries, a license to use the Company's internal-use software, which is hosted on the Company's software as a service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day to day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities). Revenue earned from providing the services is collectively referred to as franchise fee revenue.

The Company's franchise fee revenue includes franchise royalties, franchise fees, advertising fund contributions and support services performed for franchisees. Initial franchise fees are based on the market type selected and are paid at the time an individual franchise agreement is signed.

The Company also operates a franchise location. The revenue for this consists of revenue recognized at a point in time as the service is completed.

Payment terms - The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees, sales-based royalties, and fees for administrative services performed for the franchisee.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

Revenue recognition - Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement beginning when the agreement is signed. Franchise agreements typically have a term of 10 years with the option to renew for an additional five years if the franchisee is in compliance with the terms of the franchise agreement.

Continuing royalties are calculated as a percentage of franchisees' reported sales that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration, but because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchisee sales occur. Advertising contributions received from the Company's franchisees are recorded as a component of franchise fee revenue in the consolidated statements of operations.

Contract balances - The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred franchise fees) also is recorded. Revenue is recognized on a straight-line basis over the life of the franchise agreement.

Note 1. Summary of Significant Accounting Policies (Continued)

Commission costs - The Company defers those direct and incremental costs associated with the sale of franchises. Contract costs are charged to earnings when the related deferred franchise and territory fees are recognized as revenue over the term of the respective agreement. The Company has determined the period of benefit for direct and incremental costs associated with the sale of franchises to be the initial term of the franchise agreement. Expense is recognized on a straight-line basis commensurate with the pattern of revenue recognition. Contract costs are recorded in other assets in the accompanying consolidated balance sheets.

Advertising funds - The Company collects funds from its franchisees for advertising pursuant to the Company's franchise agreements at a percentage of franchisee sales. These advertising services are not considered distinct because they are highly dependent and interrelated to the franchise right. Advertising contributions are considered part of the transaction price for the franchise right and recognized as revenue as the underlying sales occur. The advertising costs incurred for franchisees will be expensed in accordance with the Company's normal policy.

Cash and cash equivalents: The Company considers all short-term, highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. Cash equivalents consist of money market accounts.

Accounts receivable: Accounts receivables represent amounts due from franchisees pursuant to their individual franchise agreements. Accounts receivables are stated at historical value which approximates fair value. The allowance for credit losses on accounts receivables represents the Company's estimate of expected credit losses over the lifetime of the receivables. This estimation process is based on historical experience, current conditions, asset-specific risk characteristics and reasonable and supportable forecasts about future economic and market conditions. Accounts receivables are written off when deemed uncollectible. Recoveries of royalty receivables previously written off are recorded when received. The allowance for credit loss was approximately $144,000 and $37,000 for the years ended December 31, 2023 and 2022, respectively. The Company will continue to monitor and evaluate the adequacy of the allowance for credit losses on accounts receivable on a regular basis and make adjustments as necessary in response to changes in economic conditions and credit quality indicators.

The Company adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, on January 1, 2023. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instruments which would include accounts receivables. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against account receivable balances based on current and historical information. The adoption of this ASU did not have a material effect on the Company's financial statements.

Concentration of credit risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company grants credit to its franchisees and customers. Consequently, the Company's ability to collect the amounts due from franchisees and customers is affected by economic fluctuations. The Company routinely assesses the financial strength of its franchisees and customers and believes that its accounts receivable credit risk exposure is limited.

Note 1. Summary of Significant Accounting Policies (Continued)

Software development costs: Costs for software developed for internal use are accounted for in accordance with ASC 350, Intangibles—Goodwill and Other - Internal-Use Software. ASC 350 requires the capitalization of certain costs incurred in connection with developing or obtaining internal-use software. In accordance with ASC 350, the Company expenses costs incurred in the preliminary project stage of developing or acquiring internal use software, such as research and feasibility studies, as well as costs incurred in the post-implementation/operational stage, such as maintenance and training. Capitalization of software development costs occurs only after the preliminary project stage is complete, management authorizes the project, and it is probable that the project will be completed and the software will be used for the function intended. Costs associated with the purchase and development of computer software are capitalized and amortized on a straight-line basis over the estimated useful life of the related asset. Software development costs are recorded in property and equipment in the accompanying consolidated balance sheets. The Company capitalized software development costs of approximately $1,271,000 and $0 for the years ended December 31, 2023 and 2022, respectively.

Property and equipment: Property and equipment are stated at cost, net of accumulated depreciation and amortization. Expenditures for additions and improvements are capitalized while maintenance and repair expenditures are charged to operations as incurred. When assets are sold or otherwise retired from service, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations. Depreciation and amortization is computed using the straight-line method. Property and equipment have estimated useful lives of three to ten years. Depreciation expense for the years ended December 31, 2023 and 2022, was approximately $98,000 and $700, respectively.

Goodwill and intangibles: Goodwill is recognized for the excess of the fair value of an acquired business over the fair value of the identifiable net assets acquired. Under ASC 350, Intangibles—Goodwill and Other, the Company elected the accounting alternative to amortize goodwill on a straight-line basis over 10 years.

The Company has elected the provisions of ASU 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*. ASU 2014-18 specifies that a private company that elects the accounting alternative to recognize or otherwise consider the fair value of intangible assets as a result of any in-scope transactions should no longer recognize separately from goodwill: (1) customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of the business and (2) noncompetition agreements.

The Company tests its recorded goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, significant negative industry or economic trends and a sustained period where market capitalization, plus an appropriate control premium, is less than member's equity. Goodwill is tested using a fair-value approach at the entity level. No indicators of impairment were identified for the years ended December 31, 2023 and 2022.

Intangible assets include franchise agreements, trade names, and developed technology. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range between five to 14 years.

Note 1. Summary of Significant Accounting Policies (Continued)

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If impairment is considered, recoverability of these assets is measured by a comparison of the carrying amount of the asset to estimated future undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount of which the carrying amount of the asset exceeds the fair value of the asset. No impairment loss has been recognized by the Company as of December 31, 2023 and 2022.

Leases: In February 2016, the FASB issued ASC 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. ASC 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in ASC 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Company adopted ASC 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period consolidated financial statements. Under this transition provision, the Company has applied ASC 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC 840, Leases.

The Company elected the package of practical expedients under the transition guidance within ASC 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases or (3) the initial direct costs for any existing leases. The Company has not elected to adopt the hindsight practical expedient, and therefore measured the ROU asset and lease liability using the remaining portion of the lease term upon the adoption of ASC 842 on January 1, 2022.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company made an accounting policy election available under ASC 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of ASC 842).

Note 1. Summary of Significant Accounting Policies (Continued)

The Company has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its various asset classes. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of ASC 842 resulted in the recording of additional ROU assets and lease liabilities related to the Company's operating leases of approximately $153,000 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

Fair value measurements: The Company uses the fair value measurement and disclosure guidance for all assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that management believes market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

Income taxes: As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. As such, the taxable income of the Company is allocated in the tax returns of its members for federal and state tax purposes in accordance with their respective percentage ownership. Accordingly, no provision for federal income taxes is included in the consolidated financial statements. Entity-level, composite state and local income taxes (benefits) are accrued at the applicable rates, if any, and are included in the consolidated statements of operations.

The FASB provides guidance for how uncertain tax provisions should be recognized, measured, disclosed, and presented in the consolidated financial statements. The Company identifies its tax positions taken or expected to be taken in the course of preparing its tax returns and determines whether any tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Management has determined that there are no uncertain tax positions at December 31, 2023 and 2022.

Note 1. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: The Company evaluated subsequent events for potential required disclosure through April 18, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2. Acquisition of Businesses

Assisted Living Locators: On August 24, 2022, the Company acquired ALL and Licensing. ALL is a franchisor and the franchises provide senior placement and referral services. Licensing is an operating company that owns technology used by ALL. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of ALL and Licensing, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the ALL's and Licensing's fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, ALL's and Licensing's presence in the marketplace and their long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	$ 10,604,497
3,409 Class A shares of EHC Holding Company, LLC	2,500,000
Total invested capital	$ 13,104,497
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	$ 554,552
Receivables	90,587
Prepaid assets	63,265
Contract assets	1,535,871
Intangible assets	4,212,000
Other asset	20,232
Accounts payable	(198,630)
Accrued expenses and other liabilities	(246,569)
Contract liabilities	(4,004,575)
Total identifiable net assets acquired	2,026,733
Goodwill	11,077,764
	$ 13,104,497

Note 2. Acquisition of Businesses (Continued)

The fair value of the 3,409 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

Transaction expenses of approximately $1,077,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022

Of the $4,212,000 of identified intangible assets, $2,736,000 was assigned to franchise agreements, $1,034,000 was assigned to trade name, and $442,000 was assigned to developed technology. Each were determined to have useful lives of 10 years, 14 years and five years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.45 years. Franchise agreements, trade names, and developed technology were valued using the multiperiod excess earnings method, relief from royalty method, and cost-to-recreate method, respectively.

Grasons: On November 21, 2022, the Company acquired Grasons. Grasons is a franchisor and the franchises provides downsizing and estate sale services, business liquidation services, senior transition assistance, home staging, and home organization services. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Grasons, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the Grasons' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Grasons' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Note 2. Acquisition of Businesses (Continued)

Consideration:	
Cash	$ 3,071,454
Contingent consideration	594,240
Due from seller	(45,924)
Total invested capital	$ 3,619,770
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	$ 66,163
Accounts receivable	25,255
Other current assets	12,508
Deposits	1,450
Intangible assets	676,000
Accounts payable	(792)
Accrued expenses and other liabilities	(23,777)
Deferred revenue	(604,617)
Total identifiable net assets acquired	152,190
Goodwill	3,467,580
	$ 3,619,770

The Company engaged an independent valuation firm to assist with the valuation of intangible assets using the relief from royalty method.

Contingent consideration in the amount of $594,240 was recognized at the date of acquisition and is included in the balance sheet within the accrued expenses line item at December 31, 2022. The contingent consideration is based on annual royalties for the 12 months ended December 31, 2022 multiplied by an agreed upon rate. The contingent consideration was settled for approximately $492,000 and goodwill was adjusted for approximately $102,000 in 2023.

Transaction expenses of approximately $404,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022

Of the $676,000 of identified intangible assets, $295,000 was assigned to franchise agreements and $381,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 12.25 years. Franchise agreements and trade names were valued using the multiperiod excess earnings method and relief from royalty method, respectively.

Brothers: on November 22, 2023, the Company acquired Brothers and BG (collectively Brothers Gutters). Brothers Gutters includes a franchisor and the franchises provide services associated with gutter installation, repair and maintenance. In addition, one franchisee was acquired. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Brothers Gutters, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

Note 2. Acquisition of Businesses (Continued)

The goodwill arising from the above acquisition is largely due to the Brothers Gutters' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Brothers Gutters' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	$ 47,192,063
14,709 Class A shares of EHC Holding Company, LLC	14,000,000
Due from seller	(419,099)
Total purchase consideration	$ 60,772,964
Fair value of identifiable assets acquired and liabilities assumed:	
Cash	$ 992,260
Accounts receivable	1,082,985
Inventory	47,089
Prepaid assets	108,930
Fixed asset	780,949
Contract assets	9,154,927
Intangible assets	27,157,000
Right-of-use asset and other assets	719,906
Accounts payable	(497,365)
Accrued expenses and other	(458,242)
Lease liabilities	(628,435)
Contract liabilities	(12,077,451)
Total identifiable net assets acquired	26,382,553
Goodwill	34,390,411
	$ 60,772,964

The fair value of the 14,709 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

The primary area of the preliminary valuation that is not yet finalized relates to the on-going negotiation with the Company and the seller on the working capital adjustment. An estimate of $419,099 was recorded at December 31, 2023.

Transaction expenses of approximately $1,579,000 were incurred as a result of the business combination and have been expensed by the Company and included in the statement of operations within the transaction expenses line item for the year ended December 31, 2023.

Of the $27,157,000 of identified intangible assets, $21,578,000 was assigned to franchise agreements and $5,579,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.8 years. Franchise agreements and trade names were valued using the multi-period excess earnings method and relief from royalty method, respectively.

Note 3. Property and Equipment

Property and equipment is summarized as follows:

	2023	2022
Furniture and fixtures	$ 386,373	$ 2,367
Computer equipment and software	1,450,561	-
Equipment	50,890	-
Leasehold improvements	250,564	-
Total property and equipment	2,138,388	2,367
Less accumulated depreciation and amortization	(98,734)	(696)
Property and equipment, net	$ 2,039,654	$ 1,671

Note 4. Intangible Assets and Goodwill

Following is a summary of intangible assets:

	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	$ 24,937,000	$ 711,414	$ 24,225,586
Trade names	7,126,000	248,785	6,877,215
Developed technology	482,512	128,614	353,898
	$ 32,545,512	$ 1,088,813	$ 31,456,699
Goodwill	$ 51,475,640	$ 2,822,649	$ 48,652,991

	December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	$ 3,359,000	$ 139,043	$ 3,219,957
Trade names	1,547,000	60,174	1,486,826
Developed technology	482,512	32,112	450,400
	$ 5,388,512	$ 231,329	$ 5,157,183
Goodwill	$ 17,187,323	$ 737,245	$ 16,450,078

Note 4. Intangible Assets and Goodwill (Continued)

The change in the carrying value of goodwill for the year ended December 31, 2023 and 2022, is as follows:

Balance at December 31, 2021	$ 2,602,433
Additions of goodwill	14,545,344
Amortization expense	(697,699)
Balance at December 31, 2022	$ 16,450,078
Additions of goodwill	34,390,411
Reduction of contingent consideration	(102,094)
Amortization expense	(2,085,404)
Balance at December 31, 2023	$ 48,652,991

Amortization expense recognized on intangible assets and goodwill totaled approximately $2,943,000 and $919,000 as of December 31, 2023 and 2022, respectively.

The future estimated aggregate amortization expense for intangibles and goodwill is as follows for each of the next five years ending December 31:

	Goodwill	Intangibles
Years ending December 31:		
2024	$ 5,147,564	$ 3,275,574
2025	5,147,564	3,275,574
2026	5,147,564	3,275,574
2027	5,147,564	3,239,050
2028	5,147,564	3,152,671

Note 5. Leases

The Company leases three offices under operating lease agreements that have an initial term of 3 - 6 years. Some leases include one or more option to exercise renewal terms that can extend the lease term for more years, at the Company's sole discretion. In addition, some leases contain rights to terminate whereby those termination options are held by either the Company, the lessor, or both parties. These options to extend or terminate the lease are included in the lease terms only when it is reasonably certain that the Company will exercise that option. The Company's leases generally do not contain any material restrictive covenants.

Operating lease cost is recognized on a straight-line basis over the lease term. Lease expense is approximately $106,000 and $29,000 for the years ended December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, weighted average remaining on lease term is 4.7 years and 3.8 years and the weighted average discount rate is 2.64% and 1.37%, respectively.

Note 5. Leases (Continued)

Supplemental cash flow information related to leases is as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Operating leases:		
Operating cash outflows—payments on operating leases	$ 91,762	$ 30,150
Right-of-use assets in exchange for new lease obligations:		
Operating leases	$ 1,084,556	$ -

The future minimum rentals under this lease for the years subsequent to December 31, 2023, are as follows:

Years ending December 31:	
2024	$ 222,245
2025	230,942
2026	228,719
2027	203,733
2028	139,664
Thereafter	53,632
Total lease payments	1,078,935
Less imputed interest	(46,741)
Total present value of lease liabilities	$ 1,032,194

Note 6. Related-Party Transactions

A company related to the Company's majority member, charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in general and administrative expenses on the accompanying consolidated statements of operations. The total expense for the years ended December 31, 2023 and 2022, is approximately $568,000 and $500,000, respectively.

Note 7. Members' Equity

Members' equity consisted of the following membership units:

	2023	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	109,546
Class B Units	1,000,000	1,661

	2022	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	39,316
Class B Units	1,000,000	823

Class A Units have voting rights on all matters requiring the consent, approval or vote of the Members. The Class A Units receive preference on distributions.

Class B Units are deferred units that do not have voting rights and have been issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B Units are dilutive to the participating preferred units. The units substantially vest upon a change in control of the Company, if still employed.

The Company has issued 2,062 and 823 units to certain management employees as of December 31, 2023 and 2022 and had 1,224 units forfeited as of December 31, 2023.

No compensation expense is recognized on the Class B units as their vesting condition is not considered probable until a change in control occurs.

Note 8. Phantom Stock

During 2023, the Company adopted a phantom deferred unit plan. Each share of phantom deferred unit awarded to eligible individuals represents a contractual right to receive an amount in cash equal to the fair value of the unit upon the occurrence of a significant sale. The Company has authorized 1,000,000 units and 3,286 units are outstanding at December 31, 2023. No compensation expense is recognized on the phantom stock deferred units as their vesting condition is not considered probable until a significant sale occurs.

EHC Holding Company, LLC and Subsidiaries

Consolidated Financial Report
December 31, 2022

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RSM

Independent Auditor's Report

RSM US LLP

Board of Directors
EHC Holding Company, LLC and Subsidiaries

Opinion
We have audited the consolidated financial statements of EHC Holding Company, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2022, the related consolidated statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, 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, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit 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 audit. 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 within one year after the date that the financial statements are issued or 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.

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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.

RSM US LLP

Detroit, Michigan
March 30, 2023

EHC Holding Company, LLC and Subsidiaries

Consolidated Balance Sheet
December 31, 2022

Assets	
Current assets:	
Cash and cash equivalents	$ 7,906,497
Accounts receivable, net	700,117
Prepaid expenses and other current assets	146,386
Total current assets	8,753,000
Furniture and fixtures, net	1,671
Other assets:	
Operating lease right-of-use assets, net	121,846
Goodwill, net	16,450,078
Intangibles, net	5,157,183
Other assets	26,807
Contract costs	1,865,412
Total other assets	23,621,326
Total assets	$ 32,375,997
Liabilities and Members' Equity	
Current liabilities:	
Accounts payable	$ 391,621
Accrued expenses	1,230,707
Current portion of deferred franchise fees	422,746
Current portion operating lease liabilities	29,701
Total current liabilities	2,074,775
Deferred franchise fees, net of current portion	4,869,898
Operating lease liability, net of current portion	95,071
	4,964,969
Total liabilities	7,039,744
Members' equity	25,336,253
Total liabilities and members' equity	$ 32,375,997

See notes to consolidated financial statements

EHC Holding Company, LLC and Subsidiaries

Consolidated Statement of Operations
Year Ended December 31, 2022

Revenues:	
Royalty fees	$ 1,310,293
Franchise fees	360,203
Support services	501,031
Total revenues	2,171,527
Operating expenses:	
Cost of services	168,144
General and administrative expenses	2,818,001
Payroll and benefits	1,755,242
Transaction expenses	1,502,800
Amortization and depreciation expense	919,800
Other operating expenses	15,406
Total operating expenses	7,179,393
Net loss	$ (5,007,866)

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Consolidated Statement of Changes in Members' Equity
Year Ended December 31, 2022

Balance, January 1, 2022	$ 7,844,119
Contributed capital	22,500,000
Net loss	(5,007,866)
Balance at December 31, 2022	$ 25,336,253

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended December 31, 2022

Cash flows from operating activities:	
Net loss	$ (5,007,866)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	919,800
Changes in assets and liabilities, net of acquisitions:	
Accounts receivable	(453,957)
Prepaid expenses and other current assets	(44,821)
Other assets	(6,575)
Contract costs	(117,661)
Accounts payable and accrued expenses	142,018
Deferred franchise fees	300,099
Operating lease assets and liabilities	2,926
Net cash used in operating activities	(4,266,037)
Cash flows from investing activities:	
Acquisition of businesses, net of cash acquired	(13,055,236)
Purchase of intangible assets	(40,512)
Purchase of property and equipment	(1,270)
Net cash used in investing activities	(13,097,018)
Cash flows from financing activities:	
Proceeds from capital contributions	20,000,000
Net cash provided by financing activities	20,000,000
Net increase in cash and cash equivalents	2,636,945
Cash and cash equivalents, beginning	5,269,552
Cash and cash equivalents, ending	$ 7,906,497

(Continued)

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows (Continued)
Year Ended December 31, 2022

Supplemental schedule of noncash operating, investing and financing activities:	
Acquisition of businesses:	
Assets acquired	$ 7,257,883
Liabilities assumed	(5,078,960)
Net identifiable assets acquired	2,178,923
Goodwill	14,545,344
Net assets acquired	16,724,267
Less cash acquired	(620,715)
Add due from seller	45,924
Less contingent consideration	(594,240)
Less units issued as consideration	(2,500,000)
Cash purchase price	$ 13,055,236

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Nature of business: EHC Holding Company, LLC and Subsidiaries (the Company) through its wholly owned subsidiaries, including Executive Home Care Franchising, LLC (EH), ALL Franchising, LLC (ALL), ALL Licensing, LLC (Licensing) and B&P Burke, LLC (Grasons), is in the business of selling franchises that deliver senior care and related services.

EH is a franchisor that provides home care services to the elderly, physically handicapped and injured, allowing them to live at home. Executive Homecare began operations in 2004 and conducts operations from its principal office in New Jersey.

ALL is a franchisor that provides senior care placement and referral service for in-home companion care, independent retirement options, assisted living, memory care, and skilled nursing facilities. Assisted Living Locators began operations in 2006 and provides services nationwide.

Licensing is an operating company that owns technology used by ALL.

Grasons is a franchisor that provides services for estate sales and business liquidation services. Grasons was established in 2011 and conducts operations from its principal office in California.

Significant accounting policies:

Basis of presentation: The consolidated balance sheet is presented as of December 31, 2022. The consolidated statement of operations, changes in members' equity, and cash flows are presented for the year ended December 31, 2022. The accompanying consolidated financial statements of the Company include its wholly owned subsidiaries.

All intercompany transactions have been eliminated. The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (U.S. GAAP) that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification (ASC).

Revenue recognition policy: The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as performance obligations are satisfied.

Nature of services - The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) preopening services, such as training, (c) ongoing services, such as management of the national brand fund contributions and support services for the franchisees and (d) for certain subsidiaries, a license to use the Company's internal-use software, which is hosted on the Company's software as a service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day to day, the

Note 1. Summary of Significant Accounting Policies (Continued)

symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities).

The Company's revenue consists primarily of franchise revenue (which is discussed above), which includes franchise royalties, franchise fees, and support services performed for franchisees. Initial franchise fees are based on the market type selected and are paid at the time an individual franchise agreement is signed.

Payment terms - The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees, sales-based royalties, and fees for administrative services performed for the franchisee.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

Revenue recognition - Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement beginning when the agreement is signed. Franchise agreements typically have a term of 10 years with the option to renew for an additional five years if the franchisee is in compliance with the terms of the franchise agreement.

Continuing royalties are calculated as a percentage of franchisees' reported sales that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration, but because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchisee sales occur.

Contract balances - The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred franchise fees) also is recorded. Revenue is recognized on a straight-line basis over the life of the franchise agreement.

Commission costs - The Company defers those direct and incremental costs associated with the sale of franchises. Contract costs are charged to earnings when the related deferred franchise and territory fees are recognized as revenue over the term of the respective agreement. The Company has determined the period of benefit for direct and incremental costs associated with the sale of franchises to be the initial term of the franchise agreement. Expense is recognized on a straight-line basis commensurate with the pattern of revenue recognition. Contract costs are recorded in other assets in the accompanying consolidated balance sheet.

Cash and cash equivalents: The Company considers all short-term, highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. Cash equivalents consist of money market accounts.

Note 1. Summary of Significant Accounting Policies (Continued)

Accounts receivable: Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its franchisees and customers to make required payments. Management considers the following factors when determining the collectibility of specific accounts: creditworthiness of franchisees, past transaction history with the franchisee, current economic industry trends, and changes in franchisee payment terms. If the financial conditions of the Company's franchisees or customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance. Accounts receivable that remain outstanding after the Company has made reasonable collection efforts are written off against the allowance and a reduction to accounts receivable. Recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts on accounts receivable was approximately $40,000 at December 31, 2022.

Concentration of credit risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company grants credit to its franchisees and customers. Consequently, the Company's ability to collect the amounts due from franchisees and customers is affected by economic fluctuations. The Company routinely assesses the financial strength of its franchisees and customers and believes that its accounts receivable credit risk exposure is limited.

Furniture and fixtures: Furniture and fixtures are stated at cost, net of accumulated depreciation and amortization. Expenditures for additions and improvements are capitalized while maintenance and repair expenditures are charged to operations as incurred. When assets are sold or otherwise retired from service, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations. Depreciation and amortization is computed using the straight-line method. Furniture and fixtures have estimated useful lives of three to five years. Depreciation expense for the year ended December 31, 2022, was $696.

Goodwill and intangibles: Goodwill is recognized for the excess of the fair value of an acquired business over the fair value of the identifiable net assets acquired. Under ASC 350, Intangibles—Goodwill and Other, the Company elected the accounting alternative to amortize goodwill on a straight-line basis over 10 years.

The Company has elected the provisions of Accounting Standards Update (ASU) 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*. ASU 2014-18 specifies that a private company that elects the accounting alternative to recognize or otherwise consider the fair value of intangible assets as a result of any in-scope transactions should no longer recognize separately from goodwill: (1) customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of the business and (2) noncompetition agreements.

Note 1. Summary of Significant Accounting Policies (Continued)

The Company tests its recorded goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, significant negative industry or economic trends and a sustained period where market capitalization, plus an appropriate control premium, is less than member's equity. Goodwill is tested using a fair-value approach at the entity level. No indications of impairment were identified for the year ended December 31, 2022.

Intangible assets include franchise agreements, trade names, and developed technology. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range between five to 14 years.

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If impairment is considered, recoverability of these assets is measured by a comparison of the carrying amount of the asset to estimated future undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount of which the carrying amount of the asset exceeds the fair value of the asset. No impairment loss has been recognized by the Company as of December 31, 2022.

Leases: In February 2016, the FASB issued ASC 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. ASC 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in ASC 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Company adopted ASC 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period consolidated financial statements. Under this transition provision, the Company has applied ASC 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC 840, Leases.

The Company elected the package of practical expedients under the transition guidance within ASC 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases or (3) the initial direct costs for any existing leases. The Company has not elected to adopt the hindsight practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon the adoption of ASC 842 on January 1, 2022.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

Note 1. Summary of Significant Accounting Policies (Continued)

The Company made an accounting policy election available under ASC 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of ASC 842).

The Company has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its various asset classes. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of ASC 842 resulted in the recording of additional ROU assets and lease liabilities related to the Company's operating leases of approximately $153,000 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

Fair value measurements: The Company uses the fair value measurement and disclosure guidance for all assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that management believes market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

Income taxes: As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. As such, the taxable income of the Company is allocated in the tax returns of its members for federal and state tax purposes in accordance with their respective percentage ownership. Accordingly, no provision for federal income taxes is included in the consolidated financial statements. Entity-level, composite state and local income taxes (benefits) are accrued at the applicable rates, if any, and are included in the consolidated statement of operations.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The FASB provides guidance for how uncertain tax provisions should be recognized, measured, disclosed, and presented in the consolidated financial statements. The Company identifies its tax positions taken or expected to be taken in the course of preparing its tax returns and determines whether any tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Management has determined that there are no uncertain tax positions at December 31, 2022.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncement: In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct writedown. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements and does not expect the impact to be significant.

Subsequent events: The Company evaluated subsequent events for potential required disclosure through March 30, 2023, which is the date the consolidated financial statements were available to be issued.

Note 2. Acquisition of Businesses

On November 1, 2021, the Company acquired EH. EH is a franchisor and the franchises provide in-home nonmedical services to individuals that need support with daily living activities. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of EH, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the EH's fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, EH's presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

Note 2. Acquisition of Businesses (Continued)

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	$ 3,149,261
Total purchase consideration	$ 3,149,261
Recognized amount of net assets of the Company:	
Cash	$ 171,370
Receivables	61,597
Other current assets	20,333
Deferred contract costs	237,150
Intangible assets	460,000
Accounts payable	(14,177)
Accrued liabilities	(16,371)
Deferred revenue	(412,620)
Total identifiable net assets acquired	507,282
Goodwill	2,641,979
	$ 3,149,261

Transaction expenses of approximately $753,000 were incurred as a result of the business combination and have been expensed by the Company for the year ended December 31, 2021.

Of the $460,000 of identified intangible assets, $328,000 was assigned to franchise agreements and $132,000 was assigned to trade name and each were determined to have useful lives of 10 years and five years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 8.6 years. Franchise agreements and trade names were valued using the multiperiod excess earnings method and relief from royalty method, respectively.

Assisted Living Locators: On August 24, 2022, the Company acquired ALL and Licensing. ALL is a franchisor and the franchises provide senior placement and referral services. Licensing is an operating company that owns technology used by ALL. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of ALL and Licensing, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the ALL's and Licensing's fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, ALL's and Licensing's presence in the marketplace and their long-term expected revenue growth. The goodwill is deductible for income tax purposes.

Note 2. Acquisition of Businesses (Continued)

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	$ 10,604,497
3,409 Class A shares of EHC Holding Company, LLC	2,500,000
Total invested capital	$ 13,104,497
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	$ 554,552
Receivables	90,587
Prepaid assets	63,265
Contract assets	1,535,871
Intangible assets	4,212,000
Other asset	20,232
Accounts payable	(198,630)
Accrued expenses and other liabilities	(246,569)
Contract liabilities	(4,004,575)
Total identifiable net assets acquired	2,026,733
Goodwill	11,077,764
	$ 13,104,497

The fair value of the 3,409 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

Transaction expenses of approximately $1,077,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022.

Of the $4,212,000 of identified intangible assets, $2,736,000 was assigned to franchise agreements, $1,034,000 was assigned to trade name, and $442,000 was assigned to developed technology. Each were determined to have useful lives of 10 years, 14 years and five years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.45 years. Franchise agreements, trade names, and developed technology were valued using the multiperiod excess earnings method, relief from royalty method, and cost-to-recreate method, respectively.

Grasons: On November 21, 2022, the Company acquired Grasons. Grasons is a franchisor and the franchises provides downsizing and estate sale services, business liquidation services, senior transition assistance, home staging, and home organization services. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Grasons, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

Note 2. Acquisition of Businesses (Continued)

The goodwill arising from the above acquisition is largely due to the Grasons' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Grasons' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	$ 3,071,454
Contingent consideration	594,240
Due from seller	(45,924)
Total invested capital	$ 3,619,770
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	$ 66,163
Accounts receivable	25,255
Other current assets	12,508
Deposits	1,450
Intangible assets	676,000
Accounts payable	(792)
Accrued expenses and other liabilities	(23,777)
Deferred revenue	(604,617)
Total identifiable net assets acquired	152,190
Goodwill	3,467,580
	$ 3,619,770

The Company engaged an independent valuation firm to assist with the valuation of intangible assets using the relief from royalty method.

Contingent consideration in the amount of $594,240 was recognized at the date of acquisition and is included in the balance sheet within the accrued expenses line item at December 31, 2022. The contingent consideration is based on annual royalties for the 12 months ended December 31, 2022 multiplied by an agreed upon rate.

Transaction expenses of approximately $404,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022.

Of the $676,000 of identified intangible assets, $295,000 was assigned to franchise agreements and $381,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 12.25 years. Franchise agreements and trade names were valued using the multiperiod excess earnings method and relief from royalty method, respectively.

Note 3. Intangible Assets and Goodwill

Following is a summary of intangible assets:

	December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	$ 3,359,000	$ 139,043	$ 3,219,957
Trade names	1,547,000	60,174	1,486,826
Developed technology	482,512	32,112	450,400
	$ 5,388,512	$ 231,329	$ 5,157,183
Goodwill	$ 17,187,323	$ 737,245	$ 16,450,078

The change in the carrying value of goodwill for the year ended December 31, 2022, is as follows:

Balance at December 31, 2021	$ 2,602,433
Additions of goodwill	14,545,344
Amortization expense	(697,699)
Balance at December 31, 2022	$ 16,450,078

Amortization expense recognized on intangible assets and goodwill totaled $919,134 as of December 31, 2022.

The future estimated aggregate amortization expense for intangibles and goodwill as of December 31, 2022, is as follows:

Years ending December 31:		
2022	$ 1,781,732	$ 559,874
2023	1,781,732	559,874
2024	1,781,732	559,874
2025	1,781,732	559,874
2026	1,781,732	559,874

Note 4. Leases

The Company leases one office under an operating lease agreement that has an initial term of five years. The lease includes one option to exercise renewal terms that can extend the lease term for five more years, at the Company's sole discretion. The lease contains rights to terminate whereby those termination options are held by either the Company, the lessor, or both parties. This option to extend or terminate the lease are included in the lease terms only when it is reasonably certain that the Company will exercise that option. The Company's lease generally does not contain any material restrictive covenants.

Operating lease cost is recognized on a straight-line basis over the lease term. Lease expense is approximately $29,000 for the year ended December 31, 2022. Weighted average remaining on lease term is 3.8 years and the weighted average discount rate is 1.37%.

Note 4. Leases (Continued)

Supplemental cash flow information related to leases is as follows for the year ended December 31, 2022:

Operating leases:		
Operating cash outflows—payments on operating leases	$	30,150

The future minimum rentals under this lease for the years subsequent to December 31, 2022, are as follows:

	Operating Leases
Years ending December 31:	
2023	$ 31,158
2024	32,715
2025	34,351
2026	29,809
Total lease payments	128,033
Less imputed interest	(3,260)
Total present value of lease liabilities	$ 124,773

Note 5. Related-Party Transactions

A company related to the Company's majority member charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in general and administrative expense on the accompanying consolidated statement of operations. The total expense for the year ended December 31, 2022, is approximately $500,000.

Note 6. Members' Equity

Members' equity consisted of the following membership units:

	2022	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	39,316
Class B Units	5,111	1,592

Class A Units have voting rights on all matters requiring the consent, approval or vote of the Members. The Class A Units receive preference on distributions.

Class B Units are deferred units that do not have voting rights and have been issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B Units are dilutive to the participating preferred units.

Note 6. Members' Equity (Continued)

The Company has issued 1,592 units to certain management employees as of December 31, 2022. The units substantially vest upon a change in control of the Company, if still employed. The fair value of the awards at the date of grant is estimated using option-pricing models. The expected terms assumption reflects the period for which the Company believes the awards will remain outstanding and is based on the expected behavior of the award holders. The Company determined the volatility of the fair value of its units through comparison to similar entities considering such characteristics as industry, stage of life cycle, size, and financial leverage. The risk-free rate reflects the U.S. Treasury yield curve for similar expected life instruments in effect at the time of grant.

For the year ended December 31, 2022, there was unrecognized compensation costs related to the Class B Units of approximately $79,000. The unrecognized compensation costs will be recognized at the time the vesting criterion is probable to occur.

EXECUTIVE HOME CARE FRANCHISING, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

EXECUTIVE HOME CARE FRANCHISING, LLC
YEARS ENDED DECEMBER 31, 2021 AND 2020

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GOLDSTEIN & LOGGIA CPA'S, LLC
707 TENNENT ROAD
MANALAPAN, NJ 07726
(732) 617-7004

INDEPENDENT AUDITOR'S REPORT

To the Member of
Executive Home Care Franchising, LLC
Hackensack, New Jersey

Opinion

We have audited the financial statements of Executive Home Care Franchising, LLC, (a New Jersey Partnership) (the "Company"), which comprise the Balance Sheets as of December 31, 2021 and 2020, and the related Statements of Operations, Changes in Member's Equity/(Deficit), and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of Executive Home Care Franchising, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Statement section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 9 to the financial statements, there were understatements of revenue generated from system and franchise fees and the associated commission expense, and overstatements of the associated deferred revenue and contract costs accounts from franchises which were added and terminated in prior periods. As discussed in Note 2, franchise fee is recognized as income in the year the franchisee terminates the agreement. The understatements and overstatements were not recognized in the prior periods. Our opinion is not modified with respect to this matter.

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 within one year after the date that the financial statements are available to be issued. No such events exist.

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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 no 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. No such events exist.

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.

GOLDSTEIN & LOGGIA CPA's, LLC
Certified Public Accountants

April 15, 2022
Manalapan, New Jersey

EXECUTIVE HOME CARE FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	2021	2020 (RESTATED)
ASSETS		
Cash	$ 129,059	$ 147,291
Accounts Receivable	70,608	77,506
Prepaid Expenses	24,342	-
Deferred Contract Costs	211,880	312,922
Property and Equipment (Net of Accumulated Depreciation For 2021 and 2020 $31 and $ - respectively)	1,068	-
TOTAL ASSETS	**$ 436,957**	**$ 537,719**
LIABILITIES AND MEMBER'S EQUITY/(DEFICIT)		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 49,752	$ 29,570
Due to Affiliates	-	10,000
Deferred Revenue	383,354	549,906
TOTAL LIABILITIES	433,106	589,476
MEMBER'S EQUITY/(DEFICIT)	3,851	(51,757)
TOTAL LIABLITIES AND MEMBER'S EQUITY/(DEFICIT)	**$ 436,957**	**$ 537,719**

The accompanying notes to financial statements are an intergral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020 (RESTATED)
REVENUE		
Royalties	$ 852,718	$ 949,566
System and Franchise fees	140,758	212,492
TOTAL REVENUE	**993,476**	**1,162,058**
EXPENSES		
General and Administrative	355,914	341,461
Selling and Commissions	62,683	200,888
Payroll	314,373	310,201
Professional Expense	139,867	189,281
Depreciation	31	-
TOTAL EXPENSES	**872,868**	**1,041,831**
INCOME FROM OPERATIONS	120,608	120,227
OTHER INCOME AND (EXPENSES)		
Other Income - PPP Loan Forgiveness	-	65,000
TOTAL OTHER INCOME	**-**	**65,000**
NET INCOME	**$ 120,608**	**$ 185,227**

The accompanying notes to financial statements are an intergral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY/(DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

MEMBER'S (DEFICIT) - JANUARY 1, 2020	$ (118,134)
*Prior period adjustment	(87,297)
MEMBER'S (DEFICIT) - JANUARY 1, 2020 (AS RESTATED)	**(205,431)**
Distributions	(31,553)
Net Income	185,227
MEMBER'S (DEFICIT) - DECEMBER 31, 2020 (AS RESTATED)	**(51,757)**
Distributions	(65,000)
Net Income	120,608
MEMBER'S EQUITY - DECEMBER 31, 2021	**$ 3,851**

*Represents revenues and expenses that relate to prior periods, as stated in NOTE 9 to the financial statements.

The accompanying notes to financial statements are an intergral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 120,608	$ 185,227
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	31	-
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts Receivables	6,898	14,599
Prepaid Expenses	(24,342)	-
Increase (Decrease) in:		
Deferred Contract Costs	101,042	64,712
Accounts Payable and Accrued Expenses	20,182	(14,303)
Deferred Revenue	(166,552)	(140,471)
Due to Affiliates	(10,000)	-
Total Adjustments	(72,741)	(75,463)
Net Cash Provided by Operating Activities	**47,867**	**109,764**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(1,099)	-
Net Cash (Used in) Investing Activities	**(1,099)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions	(65,000)	(31,553)
Net Cash (Used in) Financing Activities	**(65,000)**	**(31,553)**
Net Change in Cash	**(18,232)**	**78,211**
Cash - Beginning	**147,291**	**69,080**
Cash - Ending	**$ 129,059**	**$ 147,291**
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Income Taxes Paid	$ -	$ 516

The accompanying notes to financial statements are an intergral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - NATURE OF OPERATIONS

Executive Home Care Franchising, LLC (the "Company") was organized under the laws of the State of New Jersey in 2012, without expiration. The Company is a franchising company which sells and grants franchises for the operation of outlets under the trade name Executive Care. The Franchises offer in-home care, companionship, homemaking, personal care, and specialized care to individuals seeking care in their own homes. During 2021 and 2020, the Company's franchisees were concentrated in various regions of the United States. Effective November 1, 2021, EHC Holding Company, LLC, a Delaware limited liability company, is the sole member of the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting.

CASH AND CASH EQUIVALENTS

For purposes of the balance sheets and statement of cash flows, the Company considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents.

CONCENTRATION OF CREDIT RISK

The Company maintains its cash bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits.

Credit risk for trade accounts is concentrated as well because all the balances are receivable from entities located within certain geographic regions and are in the same industry. To reduce credit risk, the Company performs ongoing credit evaluations of its customers' financial conditions but does not require collateral.

The Company offers services to franchisees, revenue received from four franchisees represent 51% of total revenue. During 2021 and 2020, the Company's franchisees were concentrated in various regions of the United States.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE

The Company is subject to the provisions of the authoritative guidance issued by the FASB for revenue recognition. The authoritative guidance establishes a five-step framework that requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This will require the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The majority of contracts have one single performance obligation as the promise to transfer the individual goods is not separately identifiable from other promises in the contracts and is, therefore, not distinct.

The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaborative arrangements, and financial instruments.

The Company's revenue consists of ***Royalties***, ***System***, and ***Franchise*** fees. The franchise agreement ("Agreement") allows for Royalty, Renewal, System, Transfer, and Liquidation Fees. The Company markets franchise licenses to applicants in the United States. Results of operations are affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income and spending habits.

Franchise fees is the initial or renewal fee collected from the franchisee at the time of signing the Agreement as set in the Agreement.

System fees are derived from the franchisees usage of the shared software, base rate is 1% of revenue with ceiling for some franchisees based on the Agreement.

Royalties fees are calculated at the greater of a set minimum per month or a percentage of the franchisees' monthly revenue in accordance with the Agreement. Royalties are considered variable consideration and represent sales-based royalties that are related entirely to the single performance obligation under the Agreement. Revenue from royalty is recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

The Agreements include the right to use Executive Home Care Franchising, LLC intellectual property over the term of the Agreement as well as all other services provided under the Agreement. These promises are highly dependent upon and interrelated with the franchise right granted in the Agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the Agreement is satisfied by granting certain rights to use the intellectual property over the term of each Agreement.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE (continued)

Execution of an Agreement is contingent upon receipt of payment of the initial or renewal franchise fee. Initial and renewal franchise fees are recognized over the term of the respective franchisee life, which is estimated to be the full term of the franchise agreement, on a straight-line basis, beginning when the franchise agreement is executed.

Unearned initial and renewal franchise fees are recorded as deferred revenue in the accompanying balance sheets. Transfer fees are recognized at the point in time the transfer occurs as the successor franchisee enters into a new franchise agreement. The initial or renewal franchise fee is recognized as income in the year the franchisee terminates the Agreement.

Costs to obtain a contract under, such as sales commissions, are capitalized as incurred and recorded as deferred contract costs on the accompanying balance sheets. Contract costs are amortized over the term of the respective franchisee agreement, on a straight-line basis, beginning when the franchise agreement is executed. The commission fees is fully recognized as expense if the franchisee terminates the Agreement.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Upfront initial and renewal fees – Franchise agreements are contingent upon the signed Agreement and receipt of payment for an upfront fee. The Company deferred recognizing the revenue from the fees until all material services relating to the sale of a franchise were performed by the Company and the franchisee facility opened or was deemed unable to open.

ACCOUNTS RECEIVABLE

Accounts receivable primarily consists of amounts due from franchisees. Receivables are collected within 15 days. Accounts receivable as of December 31, 2021 and 2020 amounted to $70,608 and $77,506, respectively, which is included on the Balance Sheets.

The Company records an accounts receivable reserve when losses are probable, based on an assessment of historical collection activity and current business conditions. For the years ended December 31, 2021 and 2020 the accounts receivable reserve was $0.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years, or over the lesser of the term of the lease or the estimated useful life of the asset for assets under capital lease. Normal repairs and maintenance are expensed as incurred whereas significant improvements, which materially increase values or extend useful lives are capitalized and depreciated over the remaining estimated useful lives of the related assets. Depreciation expense for the years ended December 31, 2021 and 2020 was $31 and $0 respectively.

ADVERTISING

As of December 31, 2021, the Company has not instituted an advertising fund in accordance with the franchise disclosure document. When instituted, the franchisees will pay an Ad Fund fee to the Company which will be utilized solely for the promotion of the Executive Home Care brand name.

For the years ended December 31, 2021 and 2020, the Company has expensed approximately $8,000 and $98,000 respectively, in advertising costs which are included in Selling and Commission Expenses on the Statements of Operations. Also, included in the Selling and Commission Expenses are approximately $4,000 and $8,000 related to promotional travel for the years ended December 31, 2021 and 2020, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions about current, and for some estimates, future, economic, and market conditions which affect reported amounts and related footnote disclosures in the financial statements. Although current estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from the expectations which could materially affect the results of operations and financial position of the Company. It is reasonably possible that changes in estimates will occur in the near term.

Specifically, a number of estimates have been and will continue to be affected by the consequences of the COVID-19, pandemic, are uncertain, rapidly changing and difficult to predict. As a result, the accounting estimates and assumptions may change over time in response to COVID-19. Such change could result in future impairments of certain assets.

Significant estimates are inherent in the preparation of the accompanying financial statements which includes contingencies.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

No provision for federal and state income taxes has been made since the Company is not a taxable entity. As a single member limited liability company, the member is individually liable for the taxes on the Company's income or loss.

ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The tax years that remain subject to examination are 2020, 2019, and 2018. The Company determined that there are no uncertain tax positions which would require adjustments or disclosures on the financial statements.

NOTE 3- CONTINGENCIES AND COMMITMENTS

LEASE AGREEMENT

On August 1, 2013, the Company entered into a lease agreement for 10 years for office space with Vindessa Realty Group, LLC ("Vindessa "), a related party. Vindessa is100% owned by the member. The annual payments as reflected in the lease was $40,000 with no escalation and expires on July 31, 2023. However, subsequent to December 31, 2017, the lease agreement was amended reflecting effective January 1, 2018, the annual rent payments is increased to $120,000 with no escalation and expires on December 31, 2028, with the option to terminate the agreement with one month notice, transferring this lease to month to month. Rent expense for the years ended December 31, 2021 and 2020 were $120,000 and $160,000, respectively, and is included in General and Administrative expenses on the Statements of Operations.

NOTE 4 – RELATED PARTY

A related party company through common ownership has the exclusive and unrestricted use of the Executive Home Care trademarks in connection with franchise sales and franchise related operations from Executive Home Care, LLC. The company terminated this agreement as of October 31, 2021.

As of October 31, 2021 and December 31, 2020, one of the franchise outlets was owned and operated by related party. The related party franchise outlet paid $0 in franchise fees to the Company during the years ended December 31, 2021 and 2020.

NOTE 5 – PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Company received a loan one for $65,000, the loans are with US Small Business Administration through TD Bank, N.A, bearing interest at one percent (1%) per annum under the Paycheck Protection Program ("PPP"). The PPP, was established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Company applied for loan forgiveness, the loan for $65,000 was forgiven in 2020, the amount was recognized as other revenue on the accompanying Statements of Operations.

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's material financial instruments on December 31, 2021 and 2020 for which disclosure of fair value is required by certain accounting standards consisted of cash, trade accounts receivable, accounts payable, accrued expenses, and due to related parties. The fair values of cash, trade accounts receivable and accounts payable, and accrued expenses are equal to their carrying value because of their liquidity and short-term maturity. As a result of the relationship of the Company and its related parties, there is no practical method that can be used to determine the fair values of payables to related parties.

NOTE 7 - LEGAL PROCEEDINGS

From time to time, the Company is involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these proceedings, we believe the resulting liabilities would not have a material adverse effect on our financial condition or results of operations.

NOTE 8 - COVID

The World Health Organization characterized the COVID-19 virus as a global pandemic on March 11, 2020. The duration and economic impact of this pandemic remain uncertain. At this time, management is unable to quantify its potential effects on the operations and financial performance of the Company.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

The Company's financial statements through December 31, 2020 contained an understatement of revenue from system and franchise fees of $69,111 and an overstatement of the same amount for the associated deferred revenue account, and the Company's financial statements as of December 31, 2020 contained an understatement of the related commission expense of $20,611 and an overstatement of the same amount for the associated deferred contract costs for a net effect of $48,500 on the Statement of Operations. Member's Deficit as of December 31, 2020, has been restated to correct the aggregate effect of the errors. Those errors amounted to $87,297.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 15, 2022, which is the date that the financial statements were available to be issued. The Company had no material subsequent events requiring disclosure.

EXHIBIT D -1

UNAUDITED INTERIM FINANCIAL INFORMATION

NONE

EXHIBIT D -3

GUARANTY OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, EHC Holding Company, LLC, a Delaware limited liability company (the "Guarantor"), located at 630 Fifth Avenue, Suite 400, New York, NY 10111, absolutely and unconditionally guarantees to assume the duties and obligations of B&P Burke, LLC, located at 8100 E. Indian School Road, Suite 201, Scottsdale, *AZ* 85251 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2024 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 Scottsdale, Arizona on the 18th day of April, 2024.

Guarantor:

EHC Holding Company, LLC

By: _____
Gregory R. Ingar, CFO

EXHIBIT E

OPERATING MANUAL TABLE OF CONTENTS

[See attached]

Grasons Franchise Operations Manual
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CURRENT AND FORMER FRANCHISEES

LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists our franchisees that were open as of December 31, 2023.

FRANCHISEES OPEN AS OF DECEMBER 31, 2023				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Arizona	Chandler	2040 S. Alma School Rd Suite 1-153	480-952-7609	Joseph & Marcella, Natale
Arizona	Chandler	2040 S. Alma School Rd Suite 1-153	480-952-7609	Joseph & Marcella, Natale
Arizona	Phoenix	6825 S 7th St PO Box 90571	480-885-0912	Rachel Jenkins
Arizona	Scottsdale	15657 N Hayden Rd #1278	602-834-4417	David Del Monaco
Arizona	Scottsdale	1487 McCulloch Blvd S.	909-288-2881	David Del Monaco
Arizona	Tucson	9420 E. Golf Links Road Ste 108 #275	520-328-4386	Joe & Marci Natale
California	Anaheim	675 North Euclid Street Suit 284	949-838-7703	Vincent Stirone
California	Beaumont	1440 Beaumont Ave. #A2-365	909-488-2443	Andrew & Eleisha Rusi
California	Benicia	836 Southampton Rd Unit #B322	707-771-4884	Deanna Reynolds
California	Camarillo	2390-C Las Posas Road, Suite #205	424-346-4080	Fernanda & Giuliana Salgado
California	Carson	552 E. Carson Street	310- 997-0212	Rhonda Williams
California	Diamond Bar	1142 S. Diamond Bar Blvd., #844	909-288-2881	David Del Monaco
California	Encino	16350 Ventura Blvd., Suite D #183	310-824-3360	Boni Wish
California	Fountain Valley	18627 Brookhurst St, Unit# 525	714-561-8299	Melissa Arellano & Camille Awad
California	Jurupa Valley	12523 Limonite Ave, Unit #440-314	909-208-5398	Anna Williams
California	Laguna Hills	24881 Alicia Pkwy, Suite El 11	949-690-2219	Vincent Stirone
California	Long Beach	2201 N Lakewood Blvd, Suite D #695	949-690-2219	Vincent Stirone
California	Menifee	26100 Newport Road Al2, Suite #115	951-202-4539	Ron Combado
California	Modesto	2100 Standiford Ave #E12 Suite 205	209-405-9944	Robert DeSomber
California	Modesto	2100 Standiford Ave	209-424-2499	Robert DeSomber
California	Newport Beach	2901 W. Coast HWY #200	714-300-9987	Simone Kelly
California	Palmdale	38713 Tierra Subida Ave, Unit #131	310-819-0757	Shalana Nelson
California	Pasadena	530 S Lake Avenue, Unit #776	818-634-6117	Boni Wish & Niloufar Hersel
California	Pleasanton	4696 Denker Dr.	510-447-0723	Anthony & Jennifer Yeoman
California	Sacramento	5716 Folsom Blvd., Suite #208	209-424-2499	Robert DeSomber
California	Sacramento	5716 Folsom Blvd., Suite #208	209-424-2499	Robert DeSomber

FRANCHISEES OPEN AS OF DECEMBER 31, 2023				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
California	San Diego	300 Carlsbad Village Drive, #108-A-21	949-838-7702	Nicholas Wilder
California	San Diego	1041 Market Street, Unit #179	760-587-6692	Nick Wilder & Marcus McMillan
California	Santa Barbara	133 E. De la Guerra #34	805-722-5748	Anthony & Charlene Aguilar
California	Torrance	2785 PCH Suite #E	310- 997-0966	Kelly Charlshe
California	Walnut Creek	1839 Ygnacio Valley Road, #194	925-565-9056	Raquel Reyes
California	Whittier	13502 Whittier Blvd Suite H241	626-861-5830	Richard Garcia
Colorado	Littleton	6698 S. Iris PO Box 620153	303-250-0000	Marc & Jalena, Agins
Florida	St. Augustine	100 Island Cottage Way #200	949-698-2428	Victor Burke
Georgia	Duluth	3780 Old Norcross Rd, Ste 103 PMB 543	678-249-9097	Crump Brian
Illinois	Elgin	847 S. Randall Road #253	630-386-5299	Jeffrey Lundblad
Indiana	Indianapolis	8206 Rockville Road #262	317-512-9841	Wesley Hunter
New Jersey	Morristown	55 Madison Ave Ste 400	973-937-6045	Christian Campbell
New York	New York	209 W 29th St. Ste #142	347-805-7805	Cynthia Park
North Carolina	Charlotte	9611 Brookdale Dr. Suite 100 #113	704-918-3774	William Bremer
Ohio	Canton	4786 Dressler Rd NW #187	330-322-7983	Kelley Dario
Ohio	Copley	3840 Ridgewood Rd.	303-681-3398	Keith Traylor
Pennsylvania	Bensalem	2617 Street Rd. #309	257-598-0797	Troy Sprinkle
Texas	Frisco	1525 US Hwy 380 Ste 304	972-357-5200	Lisa Henson
Texas	Lufkin	3009 S Redditt Drive	936-240-9449	Daniella & Richard Kadlec
Washington	Bellevue	1400 112th Ave. S.E. Suite 100	425-269-5192	Cathy Abrena & Victoria Law

***** In some cases, franchisees who have purchased multiple territories (each under a separate Franchise Agreement) operate them from the same designated office location. Each territory is counted as a separate "outlet" for purposes of Item 19 and Item 20 of this Disclosure Document.

The following table lists franchisees with signed franchise agreements that were not open as of December 31, 2023.

FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2023				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Arizona	Higley	3324 E Ray Rd. Box 1833	480-719-5661	Angelica Olea
Arizona	Scottsdale	15657 N Hayden Rd #1278	602-834-4417	David Del Monaco
Arizona	Sun City	9915 W. Belle Rd PMB #183	480-299-7637	Steven Mosley
Colorado	Littleton	PO Box 630543, Littleton, CO 80163	303-250-0000	Marc & Jalena, Agins
Florida	North Palm Beach	11231 US Hwy 1 PMB 259	561-768-4776	Melissa Wiegand
Nevada	Reno	59 Damonte Ranch Pkwy Ste B Box 257	775-332-3979	Jason Weiss
Virginia	North Chesterfield	2711 Bufford Road Suite 182	804-270-8958	Rebecca A. Nagle

Part B (Former Franchisees Who Left System During Prior Fiscal Year)

State	**City**	**Current Business Phone or Last Known Home Phone**	**Owner Name(s)**
None			

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT G

STATE ADDENDA TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

For franchises and franchisees subject to the California Franchise Investment Law, Cal. Corp. Code § 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document ("FDD"):

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

Neither we nor any person or franchise broker 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 these persons from membership in that association or exchange.

The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination and non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

You must sign a general release if you renew or 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).

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.

Regarding our website, www.grasons.com, please note the following:

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

Item 6 of the FDD is amended to disclose that the highest interest rate allowed in California is 10%.

The earnings claims figures found in Item 19 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise. Franchisees or former franchisees, listed in the FDD, may be one source of this information.

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

ADDENDUM TO THE B&P BURKE, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between B & P Burke, LLC, a California limited liability company ("B & P Burke") and _____

_____

("Franchisee").

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

Agreed to by:

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

B&P BURKE, LLC

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

For franchises and franchisee subject to the Illinois Franchise Disclosure Act of 1987 and the Illinois General Rules and Regulations under the Franchise Disclosure Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document.

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

Item 17 shall be supplemented to include the following disclosure:

The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

The Franchise Agreement provides that the law of a forum outside of Illinois applies. However, the foregoing choice of law clause should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. Where required under Illinois law, the laws of the State of Illinois will govern.

Any provision which designates jurisdiction or venue or requires Franchisee/developer to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except mediation may take place outside the State of Illinois.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between B & P Burke, LLC, a California limited liability company ("B & P Burke") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Effective Date. This Rider is effective as of the Effective Date.

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

Agreed to by:

FRANCHISEE:	FRANCHISOR:
	B&P BURKE, LLC
By:_____	By:_____
Name: _____	Name:_____
Title:_____	Title: _____
Date:_____	Date: _____

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF INDIANA

For franchises and franchisees/developer subject to the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document ("FDD")

Item 8. Item 8 of the FDD is amended to include the following disclosure:

The Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1(4) prohibits provisions in a Franchise Agreement subject to the Law which allow the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee/developer does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any provision of the Franchise Agreement conflicts with Indiana Law, Indiana Law will control.

The Indiana Deceptive Franchise Practices Law, Ind. Code§ 23-2-2.7-2(6) makes it unlawful for any franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee/developer does business, on account of, or in relation to, the transaction between the franchisee/developer and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee/developer. To the extent that any of B&P BURKE, LLC's business practices conflicts with Indiana Law, Indiana Law will control.

Item 12. Item 12 of the FDD is amended to include the following disclosure:

Ind. Code § 23-2-2.7-1(2) prohibits any provision in the Agreement which allows B&P BURKE, LLC to establish a franchisor-owned outlet engaged in a substantially identical business to that of the Franchised Business within the Territory. Ind. Code § 23-2-2.7-2(4) prohibits any franchisor who has entered into any Franchise Agreement with a franchisee/developer who is either a resident of Indiana or a nonresident operating a franchise in Indiana from establishing a franchisor-owned outlet engaged in a substantially identical business to that of the Franchised Business within the Territory. To the extent that any provision of the Agreement or B&P BURKE, LLC's business practices conflict with Indiana law, Indiana law will control. This provision is not applicable where DMAs are granted.

Item 17. Item 17 of the FDD is amended to include the following disclosure:

To the extent you are required to execute a release in favor of B&P BURKE, LLC such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1.

Ind. Code §23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee/developer the opportunity to participate in the ownership of the franchise under a valid Franchise Agreement for a reasonable time after the death of the franchisee/developer, provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise. To the extent that the Franchise Agreement requires a surviving spouse, heirs or an estate representative to assume liability under the Franchise Agreement and

to complete training, the Franchise Agreement has been amended in accordance with Indiana Law to provide that all such conditions must be met within 6 months of the franchisee/developer's date of death.

Ind. Code §23-2-2.7-1(10) prohibits any provision in the Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Agreement conflicts with Indiana law, Indiana law will control.

The choice of law provision contained in the Franchise Agreement should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in this Agreement to the contrary, the Franchise Agreement shall be governed by the Indiana Franchise Disclosure Law IC § 23-2-2.5 and the Indiana Deceptive Franchise Practices Law IC § 23-2-2.7, under Ind. Code §23-2-2.7.

Indiana franchisees are allowed access to Indiana courts. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Deceptive Franchise Practices Law and Indiana Franchise Disclosure Law is void.

The post term covenant not to compete is limited to your non-exclusive area under the Franchise Agreement pursuant to Ind. Code §23-2-2.7-1(9).

ADDENDUM TO B&P BURKE, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD Ann. Code art. 56, Sections 345-365D, the parties to the attached B&P Burke, LLC Franchise Agreement agree as follows:

1. Section 4.1 of the Franchise Agreement is amended as follows:

Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Sections 3.2(vi) and 15.2(viii) of the Franchise Agreement will be supplemented by the addition of the following language to the end of those respective Sections:

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

3. Section 17.3(b) and 17.5 of the Franchise Agreement are supplemented by the addition of the following:

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

4. The Franchise Agreement shall be supplemented by addition of the following:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Franchise Agreement in duplicate on the date first above written.

FRANCHISOR: FRANCHISEE:

B & P BURKE, LLC

By: _____
Name: _____
Title: _____
Date: _____

[*if an individual:*]

_____
Name: _____
Date: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

For franchises and franchisee subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document:

Item 5.

Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17.

The Franchise Agreement and Multi-Unit Agreement provide that B&P BURKE, LLC may terminate these Agreements, as applicable, if you voluntarily or involuntarily file for bankruptcy, as described in the "Summary of Cause Defined" (provision (h.)). This provision may not be enforceable under federal bankruptcy law.

Any general release signed as a condition to renewal, sale, assignment, or transfer of these Agreements shall not release Franchisor from any liability imposed by the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

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

ADDENDUM TO B&P BURKE, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisee/developer with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee/developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement.

2. B&P BURKE, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

3. Sections 17.3 and 17.5 of the Franchise Agreement shall be supplemented by the following provision:

   Pursuant to Minn. Stat. Sec. 80C.21, this Paragraph shall not in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.

4. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit B&P BURKE, LLC from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. To the extent you are required to execute a general release in favor of B&P BURKE, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. § 80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

6. Any claims brought pursuant to the Minnesota Franchises Act, § 80.C.01 *et seq*. must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement or Multi-Unit Agreement imposes a different limitations period, the provision of the Act shall control.

7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

Franchisee /Date

Franchisor/Date

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document.

Item 13

B&P BURKE, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§ 80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. § 80.C.21 and Minn. Rule 2860.4400J prohibit B&P BURKE, LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of B&P BURKE, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

B&P BURKE, LLC
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

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1. STATEMENT REQUIRED BY THE STATE OF NEW YORK

2.AMENDMENT TO B&P BURKE, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK

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STATEMENT REQUIRED BY THE STATE OF NEW YORK

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/DEVELOPER TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of Article 33 of the General Business Law of the State of New York, the parties to the B&P BURKE, LLC Franchise Agreement agree as follows:

1. Sections 3.2(vi) and 15.2(viii) of the Franchise Agreement will be supplemented by adding the following language at the end of the Section:

   > provided, however, that all rights enjoyed by Franchisee and any causes of action arising in franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the nonwaiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied;

2. Section 18.8 of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the Section:

   > However, the foregoing choice of law shall not be considered a waiver of any right conferred upon franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the General Business Law of the State of New York, Sections 680-695, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Franchise Agreement and Multi-Unit Agreement in duplicate on the date indicated below.

_____ _____

Franchisee/Date Franchisor/Date

ADDENDUM TO B&P BURKE, LLC'S
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.2 the Franchise Disclosure Document for B&P BURKE, LLC for use in the State of New York shall be amended as follows:

1. Item 3 shall be supplemented by the following:

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark 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, neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has any pending actions against them, 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.

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the 10 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.

Neither we, our predecessor, any person identified in Item 2 or an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4 shall be supplemented by the following:

   During the 10-year period immediately before the application for registration, neither we nor our affiliate, any predecessor, current officers or general partner has: (a) filed as a 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 our officer or general partner held this position in the company or partnership.

3. Item 5 shall be supplemented by the following:

   We use the initial franchise fee to defray our costs of offering franchises and assisting franchisees to start business. A portion of the initial franchise fee may be profit to us.

4. Item 17, the Summary Column opposite Provision D, shall be amended to also state the following:

   The franchisee may terminate the agreement on any grounds available by law.

5. Item 17, the Summary Column opposite Provision J, shall be amended to also state the following:

   However, no assignment will be made except to an assignee, who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the multi-unit option or franchise agreement.

6. Item 17, the Summary Column opposite Provision W, shall be amended to also state the following:

   The foregoing Choice of Law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

_____ _____

Franchisee/Date Franchisor/Date

STATE SPECIFIC ADDENDUM TO B & P BURKE, LLC
FRANCHISE AGREEMENT

AS REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the B & P Burke, LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all *Grasons* franchises offered and sold in the state of North Dakota:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your *Grasons* franchised business will be operated in North Dakota.

1. Section 3.2 of the Franchise Agreement is hereby amended by the addition of the following language that appears therein:

   Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota.

2. Section 13.2 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

3. Section 17.5 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   The provision requires that the franchisee consent to the jurisdiction of courts where Franchisor's headquarters is then located. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.

4. Section 18.8 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   For North Dakota Franchisees, North Dakota law shall apply.

5. Section 17.3 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

   For North Dakota franchises, arbitration will be agreeable to all parties and may not be remote from the franchisee's place of business.

6. Section 17.3B of the Franchise Agreement is hereby amended as follows:

   Section 17.3.B of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision shall be changed to read the statute of limitations under North Dakota Law will apply.

7. Section 17.3(e) of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

8. Section 17.4 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

9. Section 17.7 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Section 17.7 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision shall be changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

FRANCHISOR:

B&P BURKE, LLC

By: _____
Title: _____
Signature: _____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes or supplements, as the case maybe, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document ("FDD").

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

(a) Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in North Dakota, except in certain instances as provided by law.

(b) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

(c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(d) Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(e) Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(f) Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

(g) Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(h) Any provision in the Franchise Agreement requiring a franchisee to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(i) Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

B & P BURKE, LLC

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO WNW FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

For franchises and franchisees subject to the Rhode Island Franchise Investment Protection Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document.

Item 17(v) of the Franchise Disclosure Document is hereby amended as follows:

> §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 this Act."

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between B & P Burke, LLC, a California limited liability company ("B & P Burke") and__, a ____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

B & P BURKE, LLC

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM TO WNW FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF SOUTH DAKOTA

Neither B&P BURKE, LLC, nor any person identified in Item 2 has any material arbitration proceeding pending, or has during the 10-year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

We may not terminate the Franchise Agreement for a breach, for failure to meet performance and quality standards and/or for failure to make royalty payments unless you receive thirty (30) days prior written notice from us and you are provided with an opportunity to cure the defaults. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.

The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the Franchise Agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Michigan.

Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

_____ _____

Franchisee/Date Franchisor/Date

WASHINGTON ADDENDUM TO
DISCLOSURE DOCUMENT AND
RIDER TO FRANCHISE AGREEMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

Section 4.1 of the Franchise Agreement is hereby amended to include the following language:

"The Washington Department of Financial Institutions (the "Department") has determined that the financial condition of the franchisor's parent, Executive Home Care Franchising, LLC ("EHC"), which has guaranteed the franchisor's performance is not adequate to fulfill its obligations to franchisees at this time. Accordingly, the franchisee's obligation to pay the initial franchise fee shall be deferred until EHC has fulfilled its initial pre-opening obligations and the franchisee is open for business."

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

Payment of the initial franchise fee by you to franchisor is deferred until we have fulfilled our pre-opening obligations and your franchise has opened for business.

In any mediation involving a franchise purchased in Washington, the 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 mediator at the time of the mediation. In addition, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Item 17(o) and the franchise agreement are amended to provide that we may be required to purchase your assets by law. RCW 19.100.180(2)(i) states: "For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition and therefore unlawful and a violation of this chapter for any person to . . . [r]efuse to renew a franchise without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment, and furnishings not reasonably required in the conduct of the franchise business; PROVIDED, that compensation need not be made to a franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the franchisor; PROVIDER

FURTHER, that a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor."

Further, with regard to termination for good cause, RCW 19.100.180(2)(j) states in relevant part: "Upon termination for good cause, the franchisor shall purchase from the franchisee at a fair market value at the time of termination, the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii) if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his or her express requirement; PROVIDED that a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor."

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.

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

Agreed to by:

FRANCHISEE:

_____

By: _____ Name: _____ Title: _ Date: _

FRANCHISOR:

B & P BURKE, LLC

By: _____ Name: _____ Title: _ Date: _

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for WNW Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise and Multi-Unit Agreements 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.

EXHIBIT H

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 B & P Burke, 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. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If B & P Burke, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Simone Kelly	18281 Gothard St., Suite 203 Huntington Beach, CA 92648	(714) 846-3800
Jason Wiedder	8100 E. Indian School Road, Suite 201 Scottsdale, AZ 85251	(800) 267-7816

Issuance Date: April 22, 2024.

I received a disclosure document dated April 22, 2024 that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Form of General Release
D. Financial Statements and Guarantee of Performance
E. Operating Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document
H. State Effective Dates

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy For Your Records
B & P Burke, LLC
8100 E. Indian School Road, Suite 201
Scottsdale, Arizona 85251

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 B & P Burke, 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. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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Name	Principal Business Address	Telephone Number
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E. Operating Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document and Franchise Agreement
H. State Effective Dates

Signature: _____
Date Received: _____

Return this copy to us.

B & P Burke, LLC
8100 E. Indian School Road, Suite 201
Scottsdale, Arizona 85251