FRANCHISE DISCLOSURE DOCUMENT

JANI-KING OF WASHINGTON, D.C., INC.
a Texas corporation
16885 Dallas Parkway
Addison, Texas 75001
(703) 922-4300
www.janiking.com

The franchise is for a business that will provide comprehensive commercial cleaning and maintenance services.

The total investment necessary to begin operation of a Jani-King franchise ranges from $25,196 to $119,562 as described further in Item 5. This includes the following amounts that must be paid to us or our affiliate: (a) the initial franchise fee, which ranges from $19,000 to $74,000, as described further in Item 5, and (b) the estimated purchase price, ranging from $3,846 to $11,062, for certain supplies and equipment you must obtain prior to opening your Jani-King franchise.

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.**

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 29, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibit I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G 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 Jani-King 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 Jani-King franchisee?	Item 20 and Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Minimum Royalty Requirement.** You must maintain minimum gross revenue 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.

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

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

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EXHIBITS:

A. Franchise Agreement and Maryland Addendum to Franchise Agreement
B. Guaranty
C. Account Acceptance/Finder's Fee Agreement
D. Equipment Lease Agreement
E. Office Supply and Advertising Package
Supply and Equipment Package & Additional Electric Equipment
F. Tables of Contents for Manuals
G. Financial Statements
H. Guaranty of Performance
I. Lists of Franchisees
J. List of Agents for Service of Process in Various States
K. State Administrators
L. General Release
M. Business Protection Plan Election Form
N. Maintenance Agreement
O. State Addenda to Disclosure Document
P. State Effective Dates Page
Q. Acknowledgment of Receipt by Prospective Franchisee of All Contracts and Related Franchise Documents
R. Receipts of Franchise Disclosure Document

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

The Franchisor, its Parents and Predecessors.

JANI-KING OF WASHINGTON, D.C., INC. is the franchisor. To simplify matters the franchisor will be referred to in this disclosure document as "we", "us" or "our." "You" means a person who buys a franchise from us and includes the corporation or limited liability company through which the franchise will be owned. Our Franchise Agreement also will apply to your owners, officers, managers, and directors of the corporation or limited liability company. If you are married and your spouse is not a partner in or owner of the franchise business, certain provisions of our Franchise Agreement will also apply to your spouse.

We are a Texas corporation incorporated on April 28, 1989. Our principal business address is 16885 Dallas Parkway, Addison, Texas 75001. Our local regional office address is 11351 Random Hills Road, Suite 150, Fairfax, Virginia 22030. We conduct business under our corporate name and under the trade and service mark "JANI-KING" and associated logos and designs (collectively called "Marks"). Our agents for service of process in various states are listed on Exhibit J.

James A. Cavanaugh, Jr. founded JANI-KING as a janitorial service company in Oklahoma City, Oklahoma, in 1969, developed the JANI-KING cleaning methods during the period from 1969 to 1974, and began selling JANI-KING franchises in Oklahoma in 1974. We have been offering JANI-KING franchises to operate comprehensive commercial cleaning and maintenance businesses since June 1, 1989. We have at no time operated a business of the type being offered to you or of any type other than offering franchises of the type we are offering you, and we have at no time offered franchises in any other lines of business.

We are a wholly owned subsidiary of our intermediate parent, JANI-KING, INC., who will be referred to in this disclosure document as "JKI." JKI was incorporated in Texas on March 11, 1983, and is a wholly owned subsidiary of JANI-KING INTERNATIONAL, INC., who will be referred to as "JK INT'L. JK INT'L is a Texas corporation, incorporated on October 1, 1985 and is a wholly owned subsidiary of JAC Holdings, LLC, a holding company and Texas limited liability company. JAC Holdings, LLC, JK INT'L and JKI each have their principal business address at 16885 Dallas Parkway, Addison, Texas 75001.

Neither JKI, JK INT'L nor JAC Holdings, LLC offer franchising in any line of business or provide products or services to our franchisees.

We do not have any predecessors required to be disclosed in this Item 1.

Our Affiliates.

The following affiliates listed below ("Corporate Region Subs") are wholly owned subsidiaries of JKI that offer franchises in other territories similar to the type being offered by us. All of the Corporate Region Subs are Texas corporations, and all of them share our principal business address. None of the

Corporate Region Subs has conducted the type of business you will operate or any type of business other than offering franchises of the type we are offering you (although in different territories than those in which we sell JANI-KING franchises). The chart below shows the date of incorporation for each Corporate Region Sub and how long each Corporate Region Sub has offered JANI-KING franchises. None of the Corporate Region Subs have offered franchises in other lines of business.

CORPORATE REGION SUB	DATE INCORPORATED	DATE BEGAN CONDUCTING BUSINESS	SELLING FRANCHISES SINCE
Jani-King of Buffalo, Inc.	11/02/92	08/12/96	08/12/96
Jani-King of Hartford, Inc.	11/02/92	01/01/93	01/01/93
Jani-King of Miami, Inc.	06/14/88	08/01/88	08/01/88
Jani-King of Michigan, Inc.	03/05/87	04/08/87	04/08/87
Jani-King of Minnesota, Inc.	11/09/87	12/01/87	12/01/87
Jani-King of New Jersey, Inc.	10/24/90	07/01/91	07/01/91
Jani-King of New York, Inc.	05/29/86	02/01/88	02/11/88
Jani-King of Oklahoma, Inc.	05/31/79	06/01/79	06/01/79
Jani-King of Philadelphia, Inc.	06/15/90	07/01/90	07/01/90
Jani-King of Pittsburgh, Inc.	09/29/06	09/29/06	09/29/06
Jani-King of Tulsa, Inc.	06/29/07	06/29/07	06/29/07
Jani-King of Washington, D.C., Inc.	04/28/89	06/01/89	06/01/89

Our affiliate, Jani-King Franchising, Inc. ("JKF"), is a wholly owned subsidiary of JK INT'L and was incorporated in Texas on October 1, 1985. JKF has never conducted the type of business you will operate. JKF has developed territories under a Regional Franchise program called "Regional Franchisors" since October of 1985. Specifically, JKF offers Regional Franchisors the right to, within exclusive territories, both offer franchises and conduct businesses of the same type you will operate. JKF does not offer franchises in other lines of business.

Our affiliate, Jani-King Leasing Corporation ("LEASING") is a Texas corporation incorporated on December 21, 1981. LEASING shares our principal business address. LEASING leases commercial cleaning equipment to franchisees operating JANI-KING franchises. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

Our affiliate, JKI Indemnity SPC is a company formed under the laws of the Cayman Island on December 15, 1999. Its principal business address is c/o Marsh Management Services Cayman Ltd., Governors Square, Building 4, 2nd Floor, 23 Lime Tree Bay Avenue, P.O. Box 1051, Grand Cayman KY1-1102, Cayman Islands. JKI Indemnity SPC assists in operating the Business Protection Plan described in Item 6 below. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

Our affiliate, Jani-King Insurance Services, LLC ("JK INSURANCE") is a Texas limited liability company formed on June 15, 2010. JK INSURANCE shares our principal business address. JK INSURANCE is a licensed insurance producer that provides certain services to our franchisees relating to the Business Protection Plan described in Item 6 below. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

Our Franchise Program.

You will use the methods, procedures and products developed under the JANI-KING marks, and we will provide support services to you. We grant franchises for the performance of complete cleaning and/or maintenance related services, including commercial, industrial, and institutional cleaning and/or maintenance services and the distribution of related supplies and equipment under the name JANI-KING. The type of services you will be providing under your franchise include carpet cleaning, hard floor care, trash disposal, window washing, wall cleaning, and other specialty cleaning services in various industries on a daily, weekly, or monthly schedule. The territory granted to you by us under the franchise agreement is not exclusive to you, and we have the right to grant other franchises in your territory. The non-exclusive territory granted to you under the franchise agreement will consist of the territory described commonly as the District of Columbia Standard Metropolitan Statistical Area; the counties of Charles, Frederick, Montgomery, Prince George's and St. Mary's in the state of Maryland; and Arlington, Fairfax, Fauquier, Loudoun, Prince William, Stafford, and the Independent Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park in the state of Virginia. In the event you already own one of our franchises and you purchase additional franchises, you will be required to sign the then current franchise agreement and the conditions existing at the time of the purchase will control the franchise relationship.

You will have the right to purchase a Plan of your choosing. The Plan you choose will determine what Initial Franchise Fee you must pay and what amount of Initial Business we must offer you by the time your Initial Offering Period ends. "Initial Business" means the cumulative gross monthly billings we are required to offer you under your Plan from all accounts. "Initial Offering Period" is the period beginning after you have (a) obtained all required equipment and supplies, (b) successfully completed the initial training program to our satisfaction, (c) provided proof of required insurance, (d) provided proof that your business entity is in existence and in good standing, (e) delivered IRS Form W-9, (f) provided proof of registration with all applicable taxing authorities (including federal, state and local taxing authorities) and (g) delivered proof of a valid and active business checking account and ending the number of days thereafter that your Plan designates.

Although we are required by the end of the Initial Offering Period to have offered you the right to provide service to accounts that will yield the Initial Business, we do not guaranty that your cumulative gross monthly billings will ever reach or remain at the Initial Business. That is because: (1) the Initial Business may be offered to you in stages during the Initial Offering Period; (2) you may not accept all the accounts offered; (3) accounts may cancel the contract or request a change of franchisees due to your poor performance; or (4) the account may move or go out of business before the end of the contract period. To effectively provide service to these accounts, you must adhere to the quality standards associated with the

JANI-KING marks, maintain good customer relations, and maintain industry standard commercial cleaning production rates.

We will provide a limited guarantee on each account we have offered you as part of the Initial Business that you agree to service. Under the limited guarantee, if the particular account is lost for any reason during the 12-month period after you accepted it and the loss is not attributable to your act or omission, we will replace that account for no additional charge for a time equal to 12 months less the amount of time you provided service to the lost account.

Each month, you may provide service to customers that have contracted for commercial cleaning services. At the beginning of each month, we will invoice each customer for the service to be provided that month. All of the customer billing and accounting for services you provide will be performed by us each month in our corporate office in Addison, Texas. We will issue to you, on the fifth of each month (unless the fifth falls on a holiday or weekend), a monthly franchisee report. The report will list all services performed by you and all money collected by us for the services performed by you. We will deduct all royalty fees, accounting fees, advertising fees, Initial Franchise Fee Monthly Payments, charge backs (due to non-payment by customers), Business Protection Plan fees, technology license fees, and any other charges such as supply purchases and equipment leases from your monthly revenue and issue you a check in the amount of the difference.

The Market and Competition.

The market for your products and services consists of customers seeking cleaning and/or maintenance for their commercial properties. The market for commercial cleaning services is developed in some areas and developing in others, depending on the existing businesses and economic conditions in the particular area. Sales of the products and services that you will offer are not generally seasonal.

You will be competing with national and local businesses offering janitorial and maintenance services. Some of these competitors may be independent operators, part of a chain or even a franchise network. Additionally, many of these competitors may have substantial financial, marketing, branding and/or other resources available to them.

Regulations.

You must be familiar with local, county, state and federal laws which apply generally to the janitorial and cleaning industries. These laws may include federal, state and local regulations concerning health, discrimination, employment, sexual harassment and advertising. In addition, the laws, rules and regulations which apply to businesses in general will affect you. Consult your lawyer about them.

COVID-19 has disrupted and continues to significantly disrupt local, regional and global economies and businesses. The situation regarding COVID-19 is changing rapidly and subject to change. You must, at all times, comply with all applicable laws, rules and orders of any government authority concerning the outbreak and your response. Disruptions to normal economic activity in the coming weeks and months cannot be predicted. Federal, state and local laws have required certain businesses to remain open, while other businesses, such as bars, nightclubs, theaters, gyms and convention centers have been

closed. Janitorial businesses like Jani-King franchises have been generally permitted to continue operations as essential businesses during the coronavirus outbreak. However, even though your franchise can operate under the restrictions, one or more of your customers may have to suspend services during the ongoing coronavirus outbreak and resulting shutdowns. We reserve the right to make any adjustments to our services as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually.

ITEM 2
BUSINESS EXPERIENCE

President, Chief Executive Officer, Secretary, and Director: James A. Cavanaugh, Jr.

Mr. Cavanaugh has served as the President, Chief Executive Officer, and Secretary for us, JK INT'L, JKI, JKF, LEASING, and each of the Corporate Region Subs except for Jani-King of Pittsburgh, Inc. (for which he serves as only President and Secretary), since December 2021. Mr. Cavanaugh has also served as a Director for us, each of the Corporate Region Subs, JK INT'L, JKI, JKF, LEASING, and INSURANCE since each company's respective date of formation. For more than five years prior to December 2021, Mr. Cavanaugh served as Vice President and Secretary of us, each of the Corporate Region Subs, JK INT'L, JKI, and LEASING. He has also served as Vice President of INSURANCE since its formation in June 2010. Mr. Cavanaugh serves in these capacities in our office in Addison, Texas.

Chief Operating Officer: John Crawford

Mr. Crawford has been our Chief Operating Officer since December 2021 and Chief Operating Officer of JK INT'L since May 2021. Mr. Crawford has also served as the Chief Operating Officer of JKI and each of the other Corporate Region Subs, except for Jani-King of Pittsburgh, Inc., since December 2021. Mr. Crawford has also served as the Co-President and Secretary of Opportunity Franchising, Inc., and C&C Nevada, LLC since April 2021. Mr. Crawford serves in these capacities in our office in Addison, Texas. Prior to joining JK INT'L, Mr. Crawford was the District/Area Sales Manager of Eli Lilly & Company from May 1998 to May 2021 in Flower Mound, Texas.

Vice President of Sales of JK INT'L: William Dwyer

Mr. Dwyer has been our Vice President of Sales of JK INT'L since May 2023 and is based in our office in Addison, Texas. From April 2022 to May 2023, he was a Regional Director of Jani-King of Michigan, Inc. and was based out of our Livonia, Michigan regional office. He was a Regional Director for our Jani-King of Miami, Inc. regional office in Hollywood, Florida from October 2020 to April 2022. He was employed as a Vice President of Business Development for Parking Reservations Software, LLC from February 2017 to September 2020 in Tampa, Florida.

Divisional Vice President of JK INT'L: Sandy Riggs

Ms. Riggs has been our Divisional Vice President of JK INT'L since February 2024 and is based in our office in Addison, Texas. From October 2021 to January 2024, she was employed as a Senior Director of Sales for Lawson Products in Chicago, Illinois. Ms. Riggs was employed as a Vice President for Green Labs in Great Bend, Kansas from August 2020 to October 2021. From October 2016 to July 2020, she was employed with SC Johnson Professional Group Limited as a Regional Vice President in Charlotte, North Carolina.

Vice President of Franchise Development and Vice President of National Accounts of JK INT'L: Al Patino

Mr. Patino has served as Vice President of Franchise Development since June 2023 and is based in our office in Addison, Texas. He has also been Vice President of National Accounts of JK INT'L since November 2014. He was a Divisional Vice President of JK INT'L from April 2020 to May 2023.

Assistant Secretary: Lauren M. Rambo

Ms. Rambo has been affiliated with JANI-KING since February 1994, when she was hired as the Executive Assistant to the Chairman of JK INT'L. Ms. Rambo also has served as our Assistant Secretary since September 2009. She has also served as Assistant Secretary of the other Corporate Region Subs, JKI, JK INT'L, JKF and LEASING since September 2009. Ms. Rambo serves in these capacities in our office in Addison, Texas.

Vice President – Education & Training of JK INT'L: Theodore "Ted" Looney

Mr. Looney has served as the Vice President – Education and Training for JK INT'L since February 2018 and is based in Addison, Texas. Prior to his current position, he served as the Vice President – International Regional Franchisors of JK INT'L from August 2011 to January 2018 in Addison, Texas.

ITEM 3
LITIGATION

Pending Litigation.

United States Department of Labor vs. Jani-King of Oklahoma, Inc. (Civil Action No. CIV-16-1133-W, United States District Court, District of Western Oklahoma). On September 29, 2016, the U.S. Department of Labor filed a Complaint alleging that Defendant has mischaracterized its franchisees as independent contractors and thus, violated the record keeping requirements of the Fair Labor Standards Act. The Department of Labor is seeking a permanent injunction relating to such allegations and a monetary award for the Department's costs relating to the action. On March 20, 2017, the Court granted Defendant's motion to dismiss the claims without prejudice and granted the Department of Labor 21 days' leave to amend its complaint. The Department of Labor filed an Amended Complaint on April 20, 2017. On June 9, 2017, the Court granted Defendant's motion to dismiss the Amended Complaint with prejudice. The Department of Labor appealed the ruling to the 10th Circuit Federal Court of Appeals and oral

arguments were held in May 2018. On October 3, 2018, the 10th Circuit reversed the ruling and remanded the case back to the District Court. After discovery was conducted, each party filed a Motion for Summary Judgment. On November 25, 2020, the Court granted Defendant's motion to stay the case after a proposed new rule was issued by the U.S. Department of Labor regarding independent contractor status. Although a final rule was published in January 2021 and was scheduled to take effect in March 2021, the rule was later postponed and ultimately withdrawn on May 6, 2021, without taking effect. On June 23, 2021, the Court vacated the stay and indicated the Court would take up the pending motions for summary judgment in due course. As of April 30, 2024, the summary judgment motions are still pending before the Court. Defendant denies all allegations and continues to defend itself against the claim.

Past Litigation.

Vincent DeGiovanni, and all others similarly situated v. Jani-King International, Inc., Jani-King, Inc. and Jani-King of Boston, Inc. (Case Number 07 CA 10066 RCL, United States District Court, District of Massachusetts). On January 12, 2007, Plaintiffs filed a class action against JK INT'L and Jani-King of Boston, Inc. alleging unfair and deceptive business practices under Chapter 93A of the Massachusetts General Laws (Count I), breach of contract (Count II), rescission of contract (Count III), misrepresentation (Count IV), quantum meruit (Count V), and unjust enrichment (Count VI). On April 16, 2007, Plaintiffs filed an Amended Complaint, which added Jani-King, Inc. as a defendant, and added claims for violation of the Massachusetts Independent Contractor Laws (Count VII) and wage law violations (Count VIII). Plaintiff sought class certification, unspecified damages, statutory trebling of damages, and other unspecified damages. On September 21, 2009, the court granted Plaintiffs' motion to certify employment classification claims. On October 28, 2009, Plaintiffs filed a Second Amended Complaint, which dropped the breach of contract (Count II), rescission of contract (Count III), misrepresentation (Count IV) quantum meruit (Count V) and unjust enrichment (Count VI) claims, and reasserted the unfair and deceptive business practices under Chapter 93A of the Massachusetts General Laws (Count I), violation of the Massachusetts Independent Contractor Laws (previously Count VII, new Count II) and wage law violations (previously Count VIII, new Count III). On April 13, 2010, the parties filed a Joint Stipulation to Dismiss the Chapter 93A Claims Without Prejudice, which dismissed the unfair and deceptive business practices claims filed under Chapter 93A of the Massachusetts General Laws (Count I). The Notice of Class Action Lawsuit was sent on September 8, 2010. On July 15, 2011, Plaintiffs moved for Summary Judgment on their claim that Defendants had violated the Massachusetts Independent Contractor Laws. Plaintiffs argued that they were entitled to Summary Judgment on violation of the Massachusetts Independent Contractor Laws because there was no question of material fact that Defendants failed to satisfy Prong B of the so called "ABC Test," which is the test the Commonwealth of Massachusetts uses to determine whether a worker is appropriately characterized as an independent contractor. Prong B requires that a purported employer prove that a worker provided service which is outside the usual course of the business of the employer of the employment classification claims. On August 12, 2011, Defendants filed motions to decertify the class and for Summary Judgment on violation of the Massachusetts Independent Contractor Laws. On June 8, 2012, the Court allowed Plaintiffs' Summary Judgment on the Prong B of the violation of the Massachusetts Independent Contractor Laws, denied Defendants' Summary Judgment on the Prong B of the employment classification claims, and denied Defendants' motion to decertify the class, in effect ruling that the Defendants had mischaracterized the class member Plaintiffs in this case as independent contractors. On August 1, 2012, the case was ordered administratively closed for mediation. On March 14, 2014, the parties filed a Settlement Agreement with the Court,

pursuant to which, and without admitting liability, the Defendants agreed to pay a class settlement totaling $7,500,000 payable over a four-year period. The Court granted final approval of the Settlement Agreement on August 8, 2014.

Tervon, LLC, Sunyata K. Little and Eleanor E. Little, and Mario Gutierrez v. Jani-King of California, Inc. and Jani-King International, Inc. (Case No. 3:14-CV-00367-BEN-JMA, United States District Court for the Southern District of California). Plaintiffs, former franchisees of Jani-King of California, Inc., originally filed this case in the Superior Court of San Diego County, California on January 15, 2014; however, on February 13, 2014, Defendants removed the case to the United States District Court for the Southern District of California. Plaintiffs filed an amended complaint on March 18, 2014, alleging fraud/deceit by intentional misrepresentation, violations of California Civil Code §§ 1709 and 1710, fraud/deceit by concealment, negligent misrepresentation, breach of contract, breach of implied covenant of good faith and fair dealing, violations of California Business Code § 17200 et seq., and intentional infliction of emotional distress, and seeking Declaratory Relief. On or about January 7, 2016, the parties reached a settlement as to all claims whereby Jani-King of California, Inc., without admitting any liability, agreed to repurchase the franchises owned by Plaintiffs, pay $30,000 to Mario Gutierrez, $61,000 to Sunyata K. Little and Eleanor E. Little, and $85,000 to Tervon, LLC, and Plaintiffs agreed to dismiss all claims against Defendants, with prejudice, and the parties executed mutual releases.

John Fuller, Maqunair, Rodrigues de Freitas, and Adilson Dos Santos v. Syatt Franchising, Inc. d/b/a Jani-King of Greater Rhode Island, Jani-King International, and Jani-King, Inc. (Case No. 1:15-cv-00438-M-LDA, United States District Court, District of Rhode Island). On October 19, 2015, Plaintiffs (who are unit franchisees of the Jani-King regional franchisor, Defendant Syatt Franchising, Inc.) filed a purported class action against Defendants alleging unjust enrichment, worker misclassification and wage violations in connection with Syatt Franchising, Inc.'s operations in the Commonwealth of Massachusetts. Jani-King International, Inc. and Jani-King, Inc. were not served with notice of the lawsuit until February 2016. The parties reached a settlement agreement pursuant to which, and without admitting liability, the Defendants would agree to pay a class settlement totaling $450,000 over a two-year period. The Court's approved the settlement on August 17, 2017.

Pamela Myers, Darryl Williams, Wyatt Seals v. Jani-King International, Inc., Jani-King, Inc., and Jani-King of Philadelphia, Inc. (Case Number 090303550, United States District Court, Eastern District of Pennsylvania). On March 20, 2009, Plaintiff filed a class action against JK INT'L, JKI, and Jani-King of Philadelphia, Inc. alleging violation of Pennsylvania minimum wage act, violation of Pennsylvania wage payment and collection law, breach of contract, breach of the duty of good faith and fair dealing, and unjust enrichment. Defendants deny all allegations and have filed a Notice of Removal of this action under 28 U.S.C. §§ 1441, thereby removing this matter from the Court of Common Pleas in Philadelphia County to the United States District Court Eastern District of Pennsylvania. On December 5, 2012, the Court denied the Motion to Transfer, granted the Motion to Dismiss the breach of duty of good faith and fair dealing claim, and denied the Motion to Dismiss the breach of contract claim. On March 10, 2014, the Court granted Plaintiff's Motion for Class Certification. Defendants appealed the Class Certification ruling to the Third Circuit Court of Appeals, which court agreed to hear Defendants' appeal. Briefing and oral arguments were completed on January 20, 2016. On September 21, 2016, the Third Circuit Court of Appeals rejected Defendants' appeal challenging class certification. On October 31, 2016, the Third Circuit Court of Appeals rejected Defendants' petition for an en banc rehearing of their appeal. On August

27, 2019, the Court approved the parties settlement agreement pursuant to which certain of Jani-King of Philadelphia's franchisees agreed to enter into revised franchise agreements, Jani-King of Philadelphia agreed to offer a limited buy-out period for franchisees servicing less than $5,000 in monthly revenue, Jani-King agreed to make a total payment of $3,700,000 to the Plaintiff's class, and the case was dismissed with a release of all claims.

Meseret Ayele d/b/a MAE Solutions, LLC v. Jani-King of Houston, Inc. (Cause No. 2015-17798, 55th District Court, Harris County, Texas). Plaintiff is a franchisee of Jani-King of Houston, Inc. and filed this case on March 26, 2015, alleging breach of contract, violation of the Texas Deceptive Trade Practices Act, fraud, fraudulent inducement, and negligent misrepresentation. Plaintiff was seeking $487,000 in damages. On October 13, 2015, the Court granted Defendant's Motion for Summary Judgment, dismissing all of Plaintiff's claims. In December 2015, Plaintiff filed a Motion to Vacate the Court's ruling and for a new trial, which the Court denied. On December 24, 2015, Plaintiff moved for the Court to reconsider its decision to deny the Motion to Vacate and for a new trial, which the Court denied. Plaintiff appealed the Court's ruling to the First Court of Appeals. On February 28, 2017, the First Court of Appeals reversed and remanded the case. On January 20, 2018, the parties agreed to settle all of the claims in exchange for a payment of $34,250 by the Defendant. However, the Plaintiff refused to dismiss its claims as agreed and accept the settlement payment and breached the settlement agreement. In its Second Amended Counterclaim, filed April 19, 2018, the Defendant added a new party to the lawsuit and alleged claims against the Plaintiff and Cross-Defendant for breach of contract. Plaintiff filed Plaintiff's Third Amended Original Petition on October 4, 2018, adding claims for promissory estoppel, and intentional infliction of emotional distress. On February 7, 2019, the Court granted Defendant's Motion to Bifurcate the trial of the parties' claims. A trial took place on the breach of the settlement agreement by Plaintiff on August 20, 2019 and the jury rendered a verdict finding in favor of Jani-King of Houston and ordering the court clerk to tender the $34,250 deposited by Jani-King to Plaintiff in accordance with the settlement agreement.

Tomas Fernandez, Beatriz Martinez, and Corina Martinez vs. Jani-King International, Inc., Jani-King, Inc., Jani-King of Houston, Inc., Rocket Franchising, Inc., and SCT Enterprises, Inc. (Civ. Action No. 4:17-CV-1401, United States District Court, Southern District of Texas, Houston Division) On May 5, 2017, Plaintiffs, who are franchisees of Rocket Franchising, Inc., filed this action against Defendants alleging that Defendants violated the Fair Labor Standards Act and seeking damages for unpaid overtime and minimum wage. On June 22, 2017, Defendants moved to dismiss Plaintiff's complaint. On January 23, 2018, the Court conditionally granted Defendants' motion to dismiss, but allowed Plaintiffs the opportunity to amend their complaint. On February 6, 2018, Plaintiffs dismissed Defendants, Jani-King International, Inc., Jani-King, Inc. and SCT Enterprises, Inc. and amended their complaint such that only Plaintiffs Beatriz Martinez and Corina Martinez made claims against Jani-King of Houston, Inc. On August 2, 2019, Jani-King of Houston, Inc. filed a counterclaim against Corina Martinez. On September 24, 2019, Jani-King of Houston, Inc. filed a third-party complaint against Martinez 5 Enterprise, LLC. In November 2019, without admitting any wrongdoing or liability, the parties reached a settlement whereby Plaintiffs Beatriz Martinez and Corina Martinez dismissed all claims against Jani-King of Houston, Inc. in exchange for payment in the total amount of $17,500 and Jani-King of Houston, Inc. dismissed its counterclaim and third-party claim.

Simon Mujo and Indrit Muharremi vs. Jani-King International, Inc., Jani-King, Inc., and Jani-King of Hartford, Inc. (Case 3:16-cv-01990, United States District Court, District of Connecticut). On

December 5, 2016, Plaintiffs (who are franchisees of Jani-King of Hartford, Inc.) filed a purported class action against Defendants alleging violation of the Connecticut Minimum Wage Act and unjust enrichment. On March 31, 2018, the Court granted Defendants' motion to dismiss the Connecticut Minimum Wage Act claims but denied Defendants' motion to dismiss the unjust enrichment claims. On January 9, 2019, the Court certified a class on the remaining unjust enrichment claims. On December 21, 2019, the Court granted Defendants' Motion for Summary Judgment. On December 30, 2019, Plaintiffs moved for reconsideration of the judgment, which the Court denied on January 3, 2020. On January 10, 2020, Plaintiffs appealed to the Second Circuit Court of Appeals. On October 9, 2020, Plaintiffs filed a Motion to Certify Questions to the Connecticut Supreme Court. On September 9, 2021, the Second Circuit affirmed the District Court's dismissal of Plaintiffs' claims and denied Plaintiffs' Motion to Certify. On September 24, 2021, Plaintiffs moved for rehearing En Banc, which the Second Circuit denied on October 14, 2021.

O'Brien Enterprises, LLC and A&A Enterprises, LLC v. B&B Franchising, LLC, Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc. (Case No. 1:20-CV-00466-MRB, United States District Court, Southern District of Ohio) A2001829, Court of Common Pleas, Hamilton County, Ohio). Plaintiffs were unit franchises of B&B Franchising, LLC, the Jani-King regional franchisor that owned the rights to the territory. On May 8, 2020, Plaintiffs filed this purported class action against Defendants in the Court of Common Pleas, Hamilton County, Ohio alleging breach of contract, fraud in the inducement, and negligent misrepresentation and fraud against B&B Franchising, LLC, negligent supervision against Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc., and tortious interference against all of the Defendants. On June 11, 2020, B&B Franchising, LLC filed a Notice of Removal, thereby removing this matter to the United States District Court for the Southern District of Ohio. Plaintiffs sought unspecified damages, declaratory and injunctive relief, and reformation of their franchise agreements. On April 20, 2021, Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc. filed a motion to dismiss Plaintiffs' claims of tortious interference and claims for declaratory and injunctive relief pursuant to Rule 12(b)(6) for failure to state a claim upon which relief can be granted. On September 9, 2021, B&B Franchising, LLC filed an Unopposed Motion to Dismiss all claims of O'Brien Enterprises, LLC. On November 4, 2021, the remaining parties entered into a Settlement Agreement in which B&B Franchising, LLC agreed to pay $23,500 to A&A Enterprises, LLC and A&A Enterprises agreed to dismiss its claims against all Defendants and executed mutual releases with all Defendants.

Alejandro Juarez, Maria Juarez, Luis A. Romero, and Maria Portillo v. Jani-King International, Inc., Jani-King, Inc. and Jani-King of California, Inc. (Case Number CV-09-3495, United States District Court, Northern District of California). On June 22, 2009, Plaintiff filed a class action against JK INT'L, JKI, and Jani-King of California, Inc. alleging violations of California Corporations Code §§31201 and 31202, intentional misrepresentation, concealment, negligent misrepresentation, breach of contract, violation of labor code §§510, 1182, 1194, 1197, 1198, 2801, 2810, wage order 5-2001, and business and professions code §17200. Defendants denied all allegations and filed a Notice of Removal of this action under 28 U.S.C. §§ 1446 and 1453, thereby removing this matter from the Superior Court of the State of California in and for the County of Alameda to the United States District Court Northern District of California. On October 5, 2009, the court granted Defendants' motion to dismiss with respect to Plaintiffs' causes of actions related to fraud, Plaintiffs' contract claim, and Plaintiffs' claim under California Labor Code section 2810.3. On March 4, 2011, Plaintiffs' Motion to Certify the Class was denied by the Court.

On August 17, 2011, Defendants made an Offer of Judgment to Luis A. Romero in which Defendants made no admission that Defendants were liable in this action or that Romero experienced any damages, but offered to settle all of Romero's claims for a total sum of $50,000. Romero accepted the Offer of Judgment and on September 23, 2011, a Stipulated Entry of Final Judgment was issued as to Plaintiff Luis A. Romero. On January 23, 2012, the Court granted Defendants' Motion for Summary Judgment on Plaintiffs' labor code claims, fraud claims, claims that Jani-King violated the California Franchise Investment Law and fraudulent practices under business and professions code §17200, and Juarezes' claim for breach of contract. The Court denied Defendants' Motion for Summary Judgment on Plaintiffs' claims for breach of implied covenant, and unlawful practices and unfair business practices under §17200, Portillo's claim for breach of contract, and Defendants' counterclaims against Juarez. On February 16, 2012, the Court granted Plaintiffs' motion for certification of its appeal from the decision on Summary Judgment to the Ninth Circuit Court of Appeals and stayed the case pending resolution of the interlocutory appeal before the Ninth Circuit. On May 10, 2012, the Ninth Circuit denied Plaintiffs permission for interlocutory appeal. On October 31, 2012, without admitting any wrongdoing or liability, Defendants and Maria Escobar (formerly Portillo) entered into a settlement whereby Escobar's franchise agreement with Jani-King of California, Inc. was terminated and Escobar dismissed all claims against Defendants, except for the employment mischaracterization claims, in exchange for payment in the amount of $50,000. On October 31, 2012, without admitting any wrongdoing or liability, Defendants, and Alejandro and Maria Juarez entered into a settlement whereby the Juarezes' franchise agreements with Jani-King of California, Inc. were terminated and the Juarezes dismissed all claims against Defendants, except for the employment mischaracterization claims, in exchange for a release of Defendants counterclaims and a payment in the amount of $15,000. On December 14, 2012, Escobar and the Juarezes filed a Notice of Appeal of the Court's Summary Judgment Order with the Ninth Circuit Court of Appeals. In June 2018, the case was remanded back to the United States District Court for the Northern District of California in light of the California Supreme Court's decision in *Dynamex Operations West, Inc. v. Superior Court*, 4 Cal. 5th 903 (2018). On November 21, 2019, the Court stayed this case pending a decision from the California Supreme Court on the certified question of whether *Dynamex Operations West, Inc. v. Superior Court*, 416 P.3d 1 (Cal. 2018) applies retroactively. On January 14, 2021, the California Supreme Court ruled in *Vasquez v. Jan-Pro Franchising International, Inc.,* 478 P.3d 1207 (Cal. 2021) that its decision in *Dynamex* applies retroactively and the Court lifted its stay of this case the following day. In September 2021, Defendants agreed to pay $150,000 to settle the Juarezes' individual claims. The parties also agreed to a Class Action Settlement Agreement encompassing both this lawsuit and *Jose Chavez and Emilio Montero v. Jani-King of California, Inc., Jani-King, Inc., Jani-King International, Inc.*, with the agreement that the Class Action Settlement Agreement would be filed in the *Chavez* case. The Class Action Settlement Agreement is described below in the summary of the *Chavez* case and received final approval by the *Chavez* court on July 7, 2022. The parties filed a Stipulation of Dismissal on September 21, 2021.

Jose Chavez and Emilio Montero v. Jani-King of California, Inc., Jani-King, Inc., Jani-King International, Inc. (Case No. RG19043517, Superior Court of California, Alameda County). On November 11, 2019, Plaintiffs, who are individuals who purchased franchises from Jani-King of California, Inc. through business entities they owned, filed this action against Defendants alleging that Defendants mischaracterized Plaintiffs as independent contractors in violation of the California Labor Code. Defendants deny all accusations. In September 2021, the parties agreed to a Class Action Settlement Agreement encompassing both this lawsuit and the *Juarez* case described above. Pursuant to the Class Action Settlement Agreement, without admitting liability, Defendants agreed to pay a class settlement

totaling $15,350,000 payable over a two-year period. The Court granted final approval of the settlement on July 7, 2022 and the settlement became effective on September 7, 2022.

Brian J. Schneider v. Jani-King of Buffalo, Inc. (Case No. SC15074, Town of Amherst Court). Plaintiff is the managing member of Abatis, LLC, a former franchisee of Jani-King of Buffalo, Inc. that was terminated for failure to pay minimum royalties and for abandonment. On May 19, 2022, Plaintiff filed suit against Jani-King of Buffalo, Inc. seeking to recover the initial franchise fee. The parties agreed to a settlement in June 2022. Without admitting any liability, Jani-King of Buffalo, Inc. agreed to pay Plaintiff $4,000 in exchange for a release of all claims by Plaintiff and Abatis, LLC.

Arcel Enterprises Limited Co. v. Jani-King Franchising, Inc. (Case No. 22-S-00108, Fayette County District Court). On June 7, 2022, Plaintiff, a franchisee of Wildcat Franchising, Inc. d/b/a Jani-King of Lexington ("Wildcat"), filed suit against Jani-King Franchising, Inc. ("JKF") alleging theft, fraud, and discrimination and seeking to recover its initial franchise fee down payment. On July 26, 2022, JKF filed a Motion to Dismiss for lack of personal jurisdiction and because Plaintiff purchased its franchise from Wildcat and not JKF. On August 5, 2022, the Court postponed ruling on JKF's Motion to Dismiss and allowed Plaintiff time to add Wildcat as a Defendant. On August 9, 2022, Plaintiff reached a settlement with Wildcat. Pursuant to the settlement, Wildcat agreed to pay Plaintiff $3,000 and waive a $7,000 promissory note executed by Plaintiff, and Plaintiff agreed to return certain equipment and cleaning supplies to Wildcat, release all claims against Wildcat and JKF, and dismiss the lawsuit.

Constance Mouanda v. Jani-King International, Inc., Jani-King Leasing Corporation, Jani-King Franchising, Inc. and Cardinal Franchising, Inc. d/b/a Jani-King of Louisville (Case No. 19-CI-00283, Jefferson Circuit Court, Division 12). On January 15, 2019, Plaintiff, who is the sole member of The Matsoumou's, LLC, a franchisee of Jani-King of Louisville, filed this action against Defendants alleging that Defendants engaged in fraud, failed to pay her the minimum wage under Kentucky law, and breached her franchise agreement. Plaintiff is seeking compensatory and punitive damages, and attorneys' fees and costs. On June 25, 2019, the Court granted the Defendants' Motions to Dismiss due to Plaintiff's lack of standing to bring claims. Plaintiff appealed the Court's ruling to the Kentucky Court of Appeals on October 21, 2019. On February 5, 2021, the Kentucky Court of Appeals affirmed the dismissal of Plaintiff's claims. On March 9, 2021, Plaintiff filed a Motion for Discretionary Review with the Supreme Court of Kentucky. On September 22, 2021, the Supreme Court of Kentucky granted discretionary review. On August 18, 2022, the Supreme Court of Kentucky reversed and overturned the dismissal of Plaintiff's claims of fraud and failure to pay minimum wage, while allowing the dismissal of Plaintiff's claim for breach of the franchise agreement to stand. On October 25, 2022, Plaintiff filed an Amended Complaint and added Jani-King Franchising, Inc. as an additional Defendant. On October 31, 2022, Jani-King International, Inc., Jani-King Leasing Corporation, and Jani-King Franchising, Inc. filed a Motion to Dismiss the Amended Complaint for lack of personal jurisdiction. On February 24, 2023, the Court denied the Motion to Dismiss and allowed further discovery. On June 7, 2023, the parties entered into a settlement. Without admitting any liability, Cardinal Franchising, Inc. agreed to pay Plaintiff $55,000, the franchise agreement between The Matsoumou's, LLC and Cardinal Franchising, Inc. was terminated, and Plaintiff released the Defendants from all claims and dismissed the litigation with prejudice.

Administrative Orders and Decrees.

Commonwealth of Virginia, *ex rel.* State Corporation Commission v. Jani-King of Washington, D.C., Inc., (Case No. SEC-2012-00015, Commonwealth of Virginia, State Corporation Commission at Richmond) (September 12, 2013). The Commonwealth of Virginia, *ex rel.* State Corporation Commission (the "State") alleged that Jani-King violated §13.1-563(2) of the Virginia Retail Franchising Act (the "Act") by selling franchises to be operated in Virginia while omitting certain disclosures concerning its corporate ownership and prior litigation settlements. Jani-King did not admit nor deny the State's allegations but, on September 12, 2013, entered into a Settlement Order with the State whereby Jani-King: (i) paid to the treasurer of the State $62,000 in penalties; (ii) paid to the treasurer of the State $23,000 to defray the State's costs of investigation; (iii) provided a copy of the Settlement Order to all then-current Virginia franchisees; and, (iv) agreed to not violate the Act in the future.

California v. Jani-King of California, Inc. (Case No. 691-473, Superior Court, Los Angeles County, California). A consent decree was issued on July 19, 1988, based on an inquiry conducted by the California Department of Corporations ("the Department"). On April 25, 1988, an order was issued by the Department which denied and revoked Jani-King of California, Inc.'s registration due to the alleged failure by Jani-King of California, Inc. to comply with Sections 31123 and 31200 of the California Franchise Investment Law. The Department alleged that Jani-King of California, Inc. failed to notify the Department of the issuance of an order dated January 20, 1988 described in the offering circular within the material disclosing the counterclaims in two lawsuits. The Department also alleged that Jani-King of California, Inc. made certain misrepresentations in its franchise offering circular regarding the length and adequacy of franchisee training, the billing and collection practices of Jani-King of California, Inc., the types of customers a franchisee would service, the cost and availability of products offered by Jani-King of California, Inc., and general information about Jani-King Leasing Corporation and its relationship with Jani-King of California, Inc. An agreement was reached with the Department to reinstate Jani-King of California, Inc.'s registration upon satisfaction of certain conditions, including the amendment of the franchise offering circular, and the entry of a permanent injunction the terms of which required a temporary suspension of sales activity for 45 days, retention of competent franchise counsel, completion of certain educational and reporting requirements and the payments of a fine and costs incurred by the Department, and future compliance with the provisions of the California Franchise Investment Law. Jani-King of California, Inc. agreed to the entry of the permanent injunction solely for the purpose of settling the matter and does not admit that the allegations made by the California Department of Corporations are true or that it violated the California Franchise Investment Law. A permanent injunction was entered by the court on July 19, 1988.

On September 18, 1998, the California Department of Corporations issued a Cease and Desist Order against Jani-King of California, Inc., and certain affiliates, ordering them to stop offering and selling franchises in the state of California. On February 16, 1999, the Department of Corporations and Jani-King of California, Inc. entered into a Stipulation and Proposed Order and on February 17, 1999, both parties jointly moved to modify the permanent injunction entered by the court on July 19, 1988, to provide for, among other things, 1) the appointment of an independent monitor and the imposition of procedures to verify and confirm future compliance with the California Franchise Investment Law, and 2) certain training requirements for salespersons of Jani-King of California, Inc. The Cease and Desist Order was rescinded according to the terms of the Stipulation and Proposed Order. The court entered an order

modifying the permanent injunction on February 19, 1999. In August 2002, the independent monitor determined that no significant violation of the California Franchise Investment law or decree had occurred during the last testing period and the monitoring was discontinued.

United States of America v. Jani-King International, Inc., (Civ. No. 395-CV1492-G, United States District Court, Northern District of Texas, Dallas Division). On July 24, 1995, without admitting any liability, JK INT'L agreed to a Stipulated Final Judgment and Order for Permanent Injunction ("the Final Judgment") with the Federal Trade Commission ("FTC"). The FTC alleged that JK INT'L did not comply with the Commission's Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" (the "Franchise Rule") by not properly disclosing JK INT'L's litigation history concerning violations of law during the previous seven fiscal years, by not providing all of the information required concerning existing franchisees, and by making earnings claims without a reasonable basis and without the disclosures required by the Franchise Rule. Under the Final Judgment, JK INT'L is required to comply with the Franchise Rule and agreed to pay $100,000 to the FTC as a civil penalty. No guilt or innocence was determined, and JK INT'L admitted no liability for any of the matters alleged in the FTC's complaint.

Franchisor Initiated Litigation Involving the Franchise Relationship in the Last Fiscal Year.

Jani-King of Miami, Inc. v. Russell Leicht, Melodie Leicht, John Darcy, and Premier Properties Cleaning Services, LLC (Case No. 3:23-CV-00389-B, United States District Court for the Northern District of Texas). On February 14, 2023, Jani-King of Miami, Inc. ("JKM") filed suit against Defendants in the 68th District Court of Dallas County, Texas for breach of the post-termination non-competition provisions in the franchise agreement between JKM and Seminole Commercial Cleaning and Maintenance Services of Florida, LLC ("Seminole Commercial"), a former franchisee of JKM whose franchise agreement had recently expired. Defendants were principals of Seminole Commercial. On February 14, 2023, the state court entered a Temporary Restraining Order enjoining Defendants from conduct that would violate the terms of the noncompetition and confidentiality provisions in the franchise agreement. On February 20, 2023, Defendants removed the case to the United States District Court for the Northern District of Texas. On March 2, 2023, the court extended the Temporary Restraining Order until March 14, 2023 and set a hearing date on JKM's request for a preliminary injunction. Thereafter, the parties filed a joint motion to postpone the preliminary injunction hearing to allow for mediation. The parties ultimately finalized a settlement agreement on June 20, 2023. Pursuant to the settlement agreement, Defendants agreed to pay a total of $1,200,000 to JKM over a three-year period. Until February 14, 2026, Defendants are prohibited from owning a business that provides cleaning services in the territory of the former Jani-King franchise, with the exception of facilities or properties that are owned, operated, or maintained by the Seminole Tribe of Florida. The parties also agreed to mutual releases and to the entry of an Agreed Final Judgment to secure enforcement of the settlement agreement.

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

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee.

The Initial Franchise Fee varies depending on the Plan you decide to purchase and is determined by the amount of Initial Business that comes with each Plan. We also offer an additional 25% discount to qualified United States military veterans, which is described in more detail below. Unless you elect to pay a portion of the Initial Franchise Fee over time in accordance with the paragraph below, the entire Initial Franchise Fee is due when you sign the Franchise Agreement. If you decide to pay a portion of the Initial Franchise Fee over time, you will pay the portion of the Initial Franchise Fee set forth in the chart below as a down payment (the "Initial Franchise Fee Down Payment") upon signing the Franchise Agreement. The remainder of the Initial Franchise Fee (i.e., the Initial Franchise Fee minus the Initial Franchise Fee Down Payment) will be paid in monthly installments (the "Initial Franchise Fee Monthly Payments") over time. While you will have to make the number of Initial Franchise Fee Monthly Payments set forth in the chart below, the actual number of months over which the Initial Franchise Fee Monthly Payments will be made may vary because you will not be required to make an Initial Franchise Fee Monthly Payment in a month when your Gross Revenue is less than $3,000. The Initial Franchise Fee Monthly Payments will be deducted, along with all other applicable fees and expenses, from your franchise's revenue we disburse to you. The Initial Franchise Fee Monthly Payments do not accrue, do not include any interest, and will not be collected in any month in which your Gross Revenue is less than $3,000.

The Initial Franchise Fee Down Payment due for each Plan, except for any applicable sales tax, is the minimum total amount you must pay to us when you purchase your franchise. Sales tax is computed in accordance with state and local laws.

The amounts of (i) the Initial Business, (ii) the Initial Offering Period, (iii) the Initial Franchise Fee, (iv) the Initial Franchise Fee Down Payment, (v) the total amount of the Initial Franchise Fee Monthly Payments, and (vi) each Initial Franchise Fee Monthly Payment are outlined in the following schedule for the Plan E-5, Plan E-10, Plan E-15, Plan E-20 and Plan E-25:

PLAN	TOTAL INITIAL BUSINESS WE ARE OBLIGATED TO OFFER YOU ($)	DAYS WITHIN WHICH WE MUST OFFER YOU THE INITIAL BUSINESS	INITIAL FRANCHISE FEE ($)	INITIAL FRANCHISE FEE DOWN PAYMENT ($) (MONTHLY PAYMENT OPTION)	TOTAL OF INITIAL FRANCHISE FEE MONTHLY PAYMENTS ($)	NUMBER OF INITIAL FRANCHISE FEE MONTHLY PAYMENTS	AMOUNT OF INITIAL FRANCHISE FEE MONTHLY PAYMENT ($)
E-5	5,000	150	19,000	13,000	6,000	24	250.00
E-10	10,000	210	32,750	22,750	10,000	24	416.67
E-15	15,000	270	46,500	36,500	10,000	24	416.67
E-20	20,000	330	60,250	50,250	10,000	24	416.67

PLAN	TOTAL INITIAL BUSINESS WE ARE OBLIGATED TO OFFER YOU ($)	DAYS WITHIN WHICH WE MUST OFFER YOU THE INITIAL BUSINESS	INITIAL FRANCHISE FEE ($)	INITIAL FRANCHISE FEE DOWN PAYMENT ($) (MONTHLY PAYMENT OPTION)	TOTAL OF INITIAL FRANCHISE FEE MONTHLY PAYMENTS ($)	NUMBER OF INITIAL FRANCHISE FEE MONTHLY PAYMENTS	AMOUNT OF INITIAL FRANCHISE FEE MONTHLY PAYMENT ($)
E-25	25,000	390	74,000	64,000	10,000	24	416.67

JANI-KING VET-FRAN PROGRAM:

In order to provide additional support to the veterans of the United States military, Jani-King offers a 25% discount off the Initial Franchise Fee to qualifying veterans. The program is available for those veterans who have received a discharge (other than dishonorable) as well as any active duty personnel. The franchise must be operated under a corporation or limited liability company, and the veteran participant must maintain at least a 51% ownership interest in such entity. A copy of the form DD-214, evidencing the status of a participating veteran, must be submitted with the franchise agreement. The amounts of (i) the Initial Business, (ii) the Initial Offering Period, (iii) the Initial Franchise Fee, (iv) the Initial Franchise Fee Down Payment, (v) the amount of the Initial Franchise Fee Monthly Payments, and (vi) the amount of each Initial Franchise Fee Monthly Payment is outlined in the following schedule for the Plan E- 5, Plan E-10, Plan E-15, Plan E-20 and Plan E-25.

SCHEDULE OF TERMS
JANI-KING VET-FRAN PROGRAM

PLAN	TOTAL INITIAL BUSINESS WE ARE OBLIGATED TO OFFER YOU ($)	DAYS WITHIN WHICH WE MUST OFFER YOU THE INITIAL BUSINESS	INITIAL FRANCHISE FEE ($)	INITIAL FRANCHISE FEE DOWN PAYMENT ($) (MONTHLY PAYMENT OPTION)	TOTAL OF INITIAL FRANCHISE FEE MONTHLY PAYMENTS ($)	NUMBER OF INITIAL FRANCHISE FEE MONTHLY PAYMENTS	AMOUNT OF INITIAL FRANCHISE FEE MONTHLY PAYMENT ($)
E-5	5,000	150	14,250	8,250	6,000	24	250.00
E-10	10,000	210	24,562	14,562	10,000	24	416.67
E-15	15,000	270	34,875	24,875	10,000	24	416.67
E-20	20,000	330	45,187	35,187	10,000	24	416.67
E-25	25,000	390	55,500	45,500	10,000	24	416.67

Except as described below, the Initial Franchise Fee is not refundable and is fully earned by us when paid. However, if we fail to offer you the right to provide service under contracts with cumulative total initial gross monthly billings equal to the value of the Initial Business for your Plan within the Initial

Offering Period described in Item 11, we may refund an amount equal to three times the amount of Initial Business not offered to you, less any amount you owe us or our affiliates. A refund will first be applied to any current, unpaid fees or charges you owe that would result in a negative due on your Franchisee Report, and then to any other outstanding balance you owe to us or our affiliates, including any lease obligations owed to our affiliates. We will pay the remaining sum, if any, to you. A refund under this provision fulfills our obligation to offer you any remaining portion of the Initial Business used to calculate the refund.

EXAMPLE:

Plan E-5 purchased; instead of providing service under contracts with cumulative total initial gross monthly billings equal to $5,000 (the Initial Business for a E-5 Plan), $2,500 of initial gross monthly billings is actually offered.

Refund: $5,000 Amount of Initial Business to be offered by Us for You to service
-2,500 Amount of Initial Business actually offered
$2,500 Amount of Initial Business not offered
X 3 =
$7,500 Total Credit (this credit may be applied to money you owe to us or if no money is owed to us, it may be refunded to you)

Equipment and Supplies.

You must acquire all the required commercial cleaning equipment and supplies before you will be authorized to service any accounts as a JANI-KING franchisee. The Supply and Equipment Package may be purchased from LEASING through us, subject to shipping restrictions, or from any other source that sells commercial grade cleaning products and equipment. However, JANI-KING reserves the right, upon thirty days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your franchise from one of our affiliates or from an approved vendor. You are not required to purchase the Supply and Equipment Package from us or our affiliates. However, if you choose to purchase the Supply and Equipment Package from us or our affiliates, the cost, based on price rates in use as of December 31, 2023, ranges from $1,000 to $1,100 and is due at the time of receipt of the Supply and Equipment Package.

The Additional Electric Equipment required may also be purchased or leased from LEASING. If the Additional Electric Equipment is purchased or leased from LEASING the total approximate cost, depending on the franchise plan that you purchase, ranges from approximately $2,846 to $8,862 based on the rates in use as of April 1, 2024. If you choose to lease the equipment, total lease payments include a down payment with an approximate range from approximately $356 to $1,108 and 12 monthly payments with an approximate range from approximately $178 to $554, depending on which franchise plan you purchase. At the end of the lease period, you may purchase the equipment for a final purchase payment ranging from $356 to $1,108. Longer lease terms may be available for certain equipment.

You pay us or our affiliates no other fees or payments for services or goods before your Jani-King business commences operations.

ITEM 6
OTHER FEES

Type of Fee	***Amount***	***Due Date***	***Remarks***
Royalty Fee (1)	10% of monthly Gross Revenue (2)	Deducted on fifth day of each month for the prior month	Subject to $100 minimum for first 12 months, and then $250 minimum, adjusted for increases in the Consumer Price Index
Accounting Fee (3)	3.0% of monthly Gross Revenue (2)	Deducted on fifth day of each month for the prior month	We will account for all revenue and expense transactions on a monthly basis. We disburse revenues to you for previous month's service less applicable deductions. (3)
Advertising Fee (4)	1.5% of monthly Gross Revenues (2)	Deducted on fifth day of each month for the prior month	See the detailed notes below. (4)
Technology Licensing Fee (5)	2.5% of monthly Gross Revenues (2)	Deducted on fifth day of each month for the prior month	See the detailed notes below. (5)
Additional Training Fee (6)	$50/hour plus expenses, although currently we do not charge an additional training fee	Payable in the month the fees are incurred	The initial training is provided for in the Initial Franchise Fee. Additional training is provided if you request it or if required by us due to performance problems by you. You are responsible for your travel and lodging costs
Transfer of Franchise Fee (7)	The lesser of $4,000 or 10% of the sales price or exchanged value; if no transfer fee is charged with an ownership change, then $250 administrative fee for preparation of documents	At time of transfer	Not charged for transfer without money or value exchanged among current owners, to controlled corporation, limited liability company, or immediate family. New owner is responsible for travel and lodging costs to attend initial training

Type of Fee	***Amount***	***Due Date***	***Remarks***
Charge Back	Varies, depends on outstanding receivables (3)	Deducted on fifth day of each month	Receivables more than 2 months past date of original invoice are debited against your current revenue account
Customer Complaint and Service Fee (8)	$50 plus currently $50 per labor hour plus expenses; may increase with prior notice to you	Payable in the month the fees are incurred	Applies only if we respond to a customer complaint. In addition to the Complaint Fee, we charge for Operations Department time spent rectifying any deficient performance and satisfying the unhappy customer
Finder's Fee (9) (Optional)	% based formula for each category of account type listed below in Note (10), calculated on the amount of additional business we offer you at your request (9)	As scheduled after you accept the right to service new or additional business	See the detailed notes below. (9)
Business Protection Plan (10) (Optional)	Currently 7.75% of monthly Gross Revenue plus cost of Employee Administration Fee of $7/month or $14/month	Deducted on fifth day of each month for the prior month's service	This is an optional plan which we may allow you to participate in. This plan provides the minimum insurance requirements as set forth in Item 7
Lease Payments to LEASING (11) (Optional)	Varies, depends on equipment leased, if any	Deducted on fifth day of each month	LEASING determines all terms and conditions for any equipment leased
Liquidated Damages	$500/day	As incurred	Payable if you terminate or do not renew the Franchise Agreement and you do not surrender to us all property belonging to us, including the keys and contracts
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable if you fail to comply with the Franchise Agreement and we have to enforce it

Type of Fee	***Amount***	***Due Date***	***Remarks***
Indemnification	Will vary under circumstances	As incurred	You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims or demands arising from your Jani-King franchise
Audit	All costs and expenses, i.e., reasonable accounting and attorney fees	Immediately, when incurred	Payable only if audit shows an understatement of at least 5% of Gross Revenue for any month

NOTES: Except as otherwise indicated in the charts and notes, all fees and expenses described in this Item 6 are non-refundable and we uniformly impose all the fees and expenses listed, as applicable, and they are payable to us. Except as specifically stated in this Item 6, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments over which we have control.

(1) Royalty Fee:

You must pay us a non-refundable monthly royalty fee equal to 10% of your Gross Revenues monthly. This royalty will be paid by the fifth day of each month for the prior month's Gross Revenue and is subject to a minimum royalty payment of $100 per month for the first 12 months of operation (as measured from the month we satisfy your Initial Business Obligation) and $250 per month after the first year. The minimum royalty fee is subject to annual adjustment for increases in the Consumer Price Index.

(2) Gross Revenue:

Gross Revenue is defined as all revenue invoiced by anyone for any contract services, one-time cleans, extra work, sales of supplies, equipment or goods, and any other revenue related to or derived from the provision of any cleaning and maintenance services, including commercial, industrial, and institutional, as well as the sale, leasing, or distribution of related supplies and equipment in connection with the conduct and operation of your business or otherwise directly or indirectly, in whole or in part, performed or sold by, or for the benefit of, you, your principals, guarantors, spouse(s), officers, directors, shareholders, managers, members, agents, or employees, regardless of the entity or business name used.

(3) Accounting Fee:

You will pay us 3.0% of your Gross Revenue monthly as an Accounting Fee. We have the exclusive right to perform all billing and accounting functions for the services provided by your franchise. We will invoice each month all the customers you service for the cost of the services you render or supplies you provide. We will receive the monies charged on those customer invoices and pay them to you on a monthly basis, after we deduct all the appropriate fees and charges due to us, our affiliates, and to third parties with special credit arrangements for your benefit.

On the fifth day of each month, we will issue you a report summarizing your franchise's business during the previous month. We call this report the "Franchisee Report." On the fifth day of each month, we will disburse to you the amount of money reported in the "Due Franchisee" column of your Franchisee Report for the preceding month, less any monies not collected from accounts serviced by your franchise for prior months (a "Charge Back"). If the fifth day of the month falls on a Saturday, Sunday, or recognized holiday, then all amounts due to you will be disbursed before the end of the next business day.

(4) Advertising Fees:

You will pay to us an advertising fee of 1.5% of your monthly Gross Revenues. This advertising fee will be in addition to any monthly royalty fee charged. We have the right to allocate parts of the Fee for certain of our administrative expenses for marketing activities. (See Item 11). We also reserve the right to increase the advertising fee up to a maximum of 2% of your monthly Gross Revenues.

(5) Technology Licensing Fee:

You will pay to us a technology licensing fee of 2.5% of your monthly Gross Revenues as consideration for hardware, proprietary or third-party software, and other equipment utilized in the Jani-King system. This technology licensing fee will be in addition to any monthly royalty fee charged. We also reserve the right to increase the technology licensing fee up to a maximum of 5% of your monthly Gross Revenues.

(6) Additional Training Fee:

We will provide a mandatory initial training program for no additional fee, which includes classroom instruction and hands-on demonstration of cleaning methods, the Jani-King operating systems and programs using established procedures and forms. We will also offer additional training classes and assistance to you by our staff and other industry experts. In most cases, the additional training is not mandatory; however, you must participate in additional training if you fail to maintain Jani-King performance standards and we notify you of the required training. At the present time, we do not charge for any additional training, nor have we done so in the past. However, the rate currently established by Jani-King policies and procedures for additional training or other assistance is $50 per hour, plus expenses. We reserve the right to charge this fee and to adjust the rates in the future.

(7) Transfer Fee:

You may be required to pay a transfer fee in the amount of $4,000 or 10% of the sales price or exchanged value, whichever is less, if you sell or transfer your franchise. The addition of any party to the franchise and/or the deletion of an original party to the franchise will be treated as a constructive transfer, and the transfer fee will apply. The transfer fee is non-refundable and must be paid on the date of transfer. If you do not receive any monetary compensation or other exchange of value, no transfer fee will be charged for a transfer to: (1) any party currently holding an interest in the franchise at the time of the transfer, subject to the above restrictions; (2) a corporation or limited liability company in which the current owners of the franchise retain 90% or greater of the outstanding shares of stock or membership interests; or (3) if the transfer is to one of the immediate members of your family (for the purposes of this

section, family members include Franchisee's spouse, mother, father, brother, sister, and children only), whether it is a transfer during your lifetime or upon your death. An administrative fee will be charged to cover necessary and reasonable costs and preparation of the documents associated with the transfer if no transfer fee is assessed. The current administrative fee is $250, but we may increase this fee in the future.

(8) Customer Complaint Fee and Service Fee for Operations Assistance:

In order to promote full compliance with all Jani-King performance standards and policies, we will charge you a $50 Complaint Fee if you do not comply with the time frames allotted for initial response or corrective action to a customer complaint or other performance deficiency, and our staff must respond to the customer. "Serviced" or "respond to" the complaint in this case means communicating with the customer to determine the nature of the complaint and what needs to be done to resolve the situation, and to provide the customer relations necessary to try to protect the account from cancellation. It does not mean providing commercial cleaning services to the customer to solve the problem. An additional "Service Fee" will be assessed, plus expenses (i.e., labor, materials, supplies, equipment, etc.), for our personnel's time spent on cleaning or maintenance services required to rectify the complaint or satisfy the unhappy customer.

The procedure for charging the Complaint Fee and the Service Fee, plus expenses is as follows:

If at any time, whether through a complaint or inspection, we discover a deficiency in performance at any of your accounts, we have 4 hours to make contact with you (attempting to contact you a minimum of once each hour) and report the complaint to you.

The Complaint Fee and the Service Fee, plus expenses, may be charged under either of the following conditions:

(a) We cannot locate you during the four-hour contact period and our Operations Department must respond to the complaint; or

(b) We notify you of the complaint, and two hours after the opening of the customer's business the next morning, you have not corrected the deficiency in performance to the satisfaction of the customer and us, requiring our Operations Department to respond to the complaint.

Although you will be responsible for inspecting your accounts, on a monthly basis one of our representatives may also inspect your accounts occasionally in order to insure that the service of all accounts is being performed according to the Cleaning Schedule and to the Jani-King performance standards. If we discover a deficiency in performance, whether through complaint or inspection, we may send our own staff to the account and correct all deficiencies in performance. We have sole discretion to determine the urgency and the time frame of when to send our staff to an account.

You must cooperate fully with our staff, and pay a reasonable, hourly rate ("Service Fee"), plus expenses and travel time on each occasion we dispatch our staff to an account in order to correct a deficiency in performance. The current rate for the Service Fee is $50 per labor hour, but we reserve the right to increase or decrease this rate upon prior notice to you.

If the deficiency in performance requires immediate action to meet the customer's demand for a visit or performance of services at their premises in less than four hours, and we are not able to contact you or you are not available for an immediate visit or to perform services, you will be assessed the Service Fee, plus expenses, for the operations representative's time and effort to satisfy the needs of the customer.

We will charge the Complaint Fee and Service Fee even if the account is transferred to prevent it from cancelling. If the account cancels for non-performance, the Service Fee, plus expenses may also be charged. The fees will be payable in the month they are incurred.

(9) Finder's Fee:

In addition to the Initial Franchise Fee, royalty fees, and other payments set out in the franchise agreement, you must pay us a Finder's Fee on any additional business or contracts above the Initial Business that you choose to accept as an authorized franchisee to service the business. You are not required to accept any additional business. We are not obligated to offer you the right to provide service to additional business or contracts beyond the Initial Business determined by the plan purchased. It is your option whether you want to service additional business above the Initial Business. If you do not accept the designation as an authorized franchisee to service business above the Initial Business, then you will not pay Finder's Fees.

A Finder's Fee is charged whether that additional business or contract resulted from an increase in the contract price for existing business, an expansion of service for existing business at the same or other locations, or completely new business. If you are involved in a significant role in obtaining a contract for cleaning due to your previous association with the customer, you may be eligible for a reduction of Finder's Fees of 50%.

We will assist you in the development of your own marketing and sales efforts. Preparation of proposals (bids) or assistance in determining price and development of cleaning schedules, as long as such services are performed without traveling, are not considered part of the negotiations, so no Finder's Fees are charged for that assistance. If you are involved in a significant role in obtaining a contract for cleaning, but we are required to meet with a prospective customer or visit the customer's location, Finder's Fees charged to you may be reduced by 50%.

Upon acceptance of and designation to service any additional business or contract, you will pay us an amount as a Finder's Fee according to the guidelines we establish. We will establish these guidelines, policies and procedures, as necessary, to calculate the applicable Finder's Fee, taking into consideration industry standards and increases in costs and expenses of soliciting new accounts. Finder's Fees are calculated on the gross monthly billing for an account according to the formulas listed below. We reserve the right to increase or decrease the Finder's Fee in all categories. Currently, the following guidelines apply, but we may change any guideline or policy about the calculation or payment of a Finder's Fee for any type of account before an account is offered to you.

Upon acceptance of any additional business, you will sign an Account Acceptance/Finder's Fee Agreement that will include the Finder's Fee calculations, and the terms for the unpaid portion of any Finder's Fee, if any, according to the provisions set out in the Finder's Fee Schedules below.

For each of the Finder's Fee Schedules set out below, the following terms apply to calculate the Finder's Fee for the additional business:

"OVER" / "UP TO": The proper formula for a Finder's Fee payment structure is selected from the Monthly Billing categories listed by ranges, where the monthly billing for the cleaning contract will exceed the amount listed as "OVER," but less than the amount listed as "UP TO". If the monthly billing may fluctuate, the proper range of Monthly Billing will be determined by Franchisor's estimate of the gross monthly billing from the account contract.

"DOWN PAYMENT": The initial payment due as established under these guidelines is calculated by multiplying the percentage stated in the appropriate category and range of Monthly Billing under Down Payment, times the appropriate gross monthly billing. All Down Payments will be calculated using the gross billing for the First Full Month of Service. "First Full Month of Service," for purposes of calculating the Down Payment, is defined as the first month in which the service is performed on or before the 15th day of the month. For Fixed Rate Accounts (as defined below), if the "First Full Month of Service" is a partial month, the gross monthly billing, for purposes of calculating the Down Payment, is determined as though the account had been serviced for the entire month. If the account begins service after the 15th, the following month will be used for purposes of computing the Down Payment, and no payment is due for the initial period. The Down Payment described above is due and is payable as a deduction from the monthly Franchisee Report.

"MONTHLY PAYMENT": The payment made each month for the designated number of months, calculated by multiplying the percentage stated in the appropriate schedule under Monthly Payment, times the gross monthly billing for the current accounting month. Monthly Payments will begin the month following any scheduled Down Payment.

"MONTHS": The number of months a Monthly Payment must be made under the terms of the Account Acceptance/Finder's Fee Agreement, subject to the maximum sum described in the definition of Monthly Payment.

Accounts will be categorized according to the following definitions and the Finder's Fee will be calculated using the formula set out in the appropriate Finder's Fee Schedule for the type of account:

1) FIXED RATE ACCOUNT: An account with a constant monthly billing established by the contract and a term of one year or longer. The Finder's Fee for a Fixed Rate Account will be structured according to the table below.

FINDER'S FEE SCHEDULE FOR FIXED RATE ACCOUNT:

MONTHLY BILLING		***DOWN***	***MONTHLY***	
OVER	***UP TO***	***PAYMENT***	***PAYMENT***	***MONTHS***
0	2,000	40%	20%	22
2,000	5,000	30%	15%	30
5,000	8,000	20%	10%	45
8,000	10,000	15%	10%	45
10,000	unlimited	5%	5%	90

2) VARIABLE RATE ACCOUNT: An account with a monthly billing that may fluctuate and a term of one year or longer. The Finder's Fee for a Variable Rate Account will be structured according to the table below.

FINDER'S FEE SCHEDULE FOR VARIABLE RATE ACCOUNT:

MONTHLY BILLING		***DOWN***	***MONTHLY***	
OVER	***UP TO***	***PAYMENT***	***PAYMENT***	***MONTHS***
0	3,000	30%	5%	90
3,000	6,000	15%	5%	90
6,000	unlimited	5%	5%	90

3) OTHER NON-STANDARD ACCOUNTS: We will establish the Finder's Fee on any other account that does not fall within one of the other categories, before the account is offered to you for designation of service. The Finder's Fee on nonrecurring contracts, initial cleaning, or one-time cleaning contracts will vary, but do not currently exceed 25% of the total invoiced amount.

We will establish policies and procedures that regulate the calculation and amount, terms of payment, credits on termination or transfers of accounts, and other issues concerning Finder's Fees. The following is a summary of some of the policies and procedures currently in effect:

- We will deduct all payments of Finder's Fees, whether Down Payment, Monthly Payment, or a one-time fee on non-recurring contracts, on the monthly Franchisee Report that includes the billing for which the Finder's Fee is based. Finder's Fees paid are not refundable, although certain credits are available under the policies and procedures.

- Additional or different locations of an account and increases in the monthly billing rate of current accounts, which we secure are considered additional business and Finder's Fees will be assessed. If you are substantially involved in the marketing efforts to secure the additional location or increase, the Finder's Fee will be reduced by an amount up to 50% of the full Finder's Fee.

• We will attempt to contract with new business for a minimum of one year, and you will be notified at the time an account is offered if the term is less than one year. Increases from existing customers will, in most cases, continue for the balance of the term in the existing customer contract.

• If a customer contract is terminated for improper performance or improper conduct by you or anyone acting under your supervision or control ("non-performance"), all outstanding Finder's Fees for that contract will be paid by you as scheduled, or will become due and payable immediately at our option with no type of credit available due to you. For accounts that have a Finder's Fee with fluctuating monthly payments that cannot otherwise be determined precisely at the time of termination, the outstanding balance of the Finder's Fee will be the average of all monthly Finder's Fees paid to date, excluding down payments, multiplied by the number of months remaining to be paid.

• If we can successfully transfer, to another franchisee, an account which is canceling due to your non-performance, and that customer account does not cancel within 60 days after the transfer, then you will not be liable for any Finder's Fee still owing. If the transfer is successful, you will not be entitled to any credits or rebates of Finder's Fees, royalties or other fees paid, but any remaining balance due on the Finder's Fee you owe will be canceled.

• Finder's Fee payments may be discontinued if the account cancels the service contract for reasons to which you did not contribute. Finder's Fee payments will continue if the account canceled due to your contributing factor. It is your responsibility to prove that your actions were not a contributing factor to the cancellation of the account. If a Finder's Fee credit is due to you, we will apply the proper amount of credit to Finder's Fees on new business, but no cash refunds will be issued to you. No credit on Finder's Fees will be issued on any account if you have serviced the contract longer than 180 days or any credit for Finder's Fees was not requested in writing within 30 days of the contract cancellation.

• If cancellation occurs within the first six months of service for an account where a credit on Finder's Fees is applicable, the previous Finder's Fees paid will be applied to any future account accepted by you based on the following schedule, counted from the date that service began:

1 – 30 days:	***100% credit***
31 – 120 days:	50% credit
121 – 180 days:	30% credit

• Except where authorized in the Policies and Procedures Manual, no credit on Finder's Fees will be issued for any account you return to us, unless the account is being returned in exchange for one or more larger accounts.

(10) *Insurance Requirements:*

Before you will be authorized to begin operating your franchise, you must either purchase insurance with the policy limits described below or join the Business Protection Plan ("BPP," as further

described below). The cost of this insurance will vary, depending on factors that include the charges established by the insurer, terms of payment, prior loss history and the geographic location of the franchise operations. You have the option to decide if you join the BPP or choose another source. If you choose to purchase the insurance from another source, you must name us, JK INT'L, and their officers and directors as Additional Insureds:

TYPE	***LIMITS***
Comprehensive General Liability General Aggregate	$1,000,000 (per occurrence)
Products/Completed Operations	$ 2,000,000 (Aggregate)
Each Occurrence	$1,000,000
Personal & Advertising Injury	$1,000,000
Fire Damage	$100,000
Premises Medical Payments	$10,000
General Liability Package Also Includes: Lost Key Coverage Extended Property Damage Blanket Additional Insured Blanket Waiver of Subrogation	 $100,000 $1,000,000
Hired and Non-Owned Automobile Insurance	$1,000,000 (combined single limit)
Excess or Umbrella Insurance	$20,000,000 (Aggregate)
Workers' Compensation Part A: Statutory Part B: Employers Liability	 State Limits $1,000,000 Each Accident $1,000,000 Disease – Policy Limit $1,000,000 Disease – Each Employee
Employee Dishonesty (including Third Party Property)	$2,000,000
Contractors Pollution Liability	$3,000,000 Each Loss $3,000,000 Policy Aggregate $250,000 Emergency Response Cost

We may increase these limits or require new types of coverage added, as circumstances dictate, from time to time.

As an alternative to the requirement of purchasing the above insurance from other sources, we currently offer you the opportunity to participate in the BPP. Participation in the BPP is voluntary, and you are not obligated or required to participate. The BPP is administered by JK INSURANCE and is a

plan through which the required insurance, including workers' compensation, for your franchise can be obtained.

If you choose not to participate in the BPP, you must provide us with a certificate of insurance showing that you have obtained the equivalent amount of insurance coverage with limits as shown above or as established in the Jani-King Policies and Procedures Manual. You are required to purchase the required insurance and supply proof of insurance to us before you will be authorized to begin operations of your franchise. You are also required to keep accurate payroll records. In the event you do not purchase the required insurance, we reserve the right to purchase such insurance for you and charge you for the cost of such insurance.

Participation in the BPP includes participation in group insurance policies for certain coverages, currently general liability, excess/umbrella liability, and pollution liability. The BPP's group insurance policies are not individual insurance policies and the policy limits are shared between all BPP participants. If you participate in the BPP, you are not required to purchase the required liability or workers' compensation insurance listed above. Insurance provided by the BPP does not include coverage of your personal or business use automobile(s) or your equipment, supplies, or building if your building is different from ours.

Your participation in the BPP can be terminated if you: (1) fail to pay any amount owed for your participation in the BPP, (2) if you fail to report all revenue generated by your participation in the janitorial industry, (3) if you file a fraudulent insurance claim under any of the insurance coverage you obtain through the BPP, (4) if you do not participate in the janitorial industry, or (5) if, in the sole discretion of JK INSURANCE, you have an excessive claims history.

The BPP also includes 1) assistance with risk assessment, 2) management of overall claims handling processes, 3) assistance with compliance of workers' compensation laws, 4) assistance with risk control, 5) assistance with Certificates of Insurance, 6) insurance coverage analysis, 7) assistance with premium audits, 8) general risk management services, 9) periodic safety training, and 10) other regulatory compliance assistance. JK INSURANCE will be solely responsible for administering the BPP.

The cost of the BPP varies, depending upon the cost of insurance and the amount of insurance deductible you pay for insurance claims, if any. The current BPP fee for this region is 7.75% of your franchise's monthly Gross Revenue. In addition, you will be responsible for payment of the administration fee which is $7 a month if your monthly Gross Revenue is less than or equal to $5,000 and $14 a month if your monthly Gross Revenue is greater than $5,000. If you choose to participate in the BPP, we will deduct the BPP fee and the applicable administrative fee each month from your franchise's Gross Revenue, and we will remit such amounts directly to JK INSURANCE. The BPP fee and the administration fee may include a profit. The cost of the BPP may change occasionally. We reserve the right to discontinue offering the BPP to you upon reasonable notice. You may accept or reject participation in the BPP with the BPP Election Form in the form set forth in Exhibit M.

(11) Equipment Lease through Affiliate:

You may purchase or lease the required Additional Electric Equipment from any approved source. Our affiliate, LEASING, is one of the approved sources. You may purchase or lease the Additional Electric Equipment from LEASING for a total approximate cost, depending on the franchise plan that you purchase, ranging from approximately $2,846 to $8,862 based on the rates in use as of April 1, 2024. If you choose to lease the equipment, total lease payments include a down payment with an approximate range from approximately $356 to $1,108 and 12 monthly payments with an approximate range from $178 to $554, depending on which franchise plan you purchase. At the end of the lease period, you may purchase the equipment for a final purchase payment ranging from $356 to $1,108. The terms and conditions of a purchase or lease of any electrical equipment offered by LEASING are determined solely by LEASING, and they may be modified or changed without our consent. Longer lease terms may be available.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(1) Type of expenditure	(2) Amount	(3) Method of Payment	(4) When due	(5) To whom payment is to be made
Initial Franchise Fee (Note 1)	$19,000 to $74,000	Lump Sum / Lump Sum with Installments (Note 1)	On Signing Franchise Agreement / On Signing Franchise Agreement with installments (Note 1)	Us
Real Estate (Note 2)	$ 0- to $5,000	(Note 2)	(Note 2)	(Note 2)
Supplies and Equipment (Note 3)	$3,846 to $11,062	Lump Sum/ Installment	Before Opening	Vendors, LEASING and/or Us
Business licenses, tax registrations, and permits (Note 4)	$250 to $1,500	Lump Sum	Before Opening	Vendors, Suppliers, Utilities

(1) Type of expenditure	(2) Amount	(3) Method of Payment	(4) When due	(5) To whom payment is to be made
Business Entity Establishment Fees (Note 5)	$100 to $1,000	Lump Sum	Before Opening	State and Local Municipalities and filing agents
Additional Funds (For initial 150 day period) (Note 6)	$2,000 to $25,000	As Incurred	As Incurred	Vendors, Employees
Travel and living expenses while training (Note 7)	$0 to $2,000	As Incurred	As Incurred	Airlines, Hotels and Restaurants
TOTAL	$25,196 to $119,562 (Notes 8, 9, 10)			

NOTES:

(1) The Initial Franchise Fee you must pay will vary depending on the Plan you choose. The low end of the range in the table is the Initial Franchise Fee for the E-5 Plan and the high end of the range in the table is the Initial Franchise Fee for the E-25 Plan. The Initial Franchise Fee under each of the Plans includes the cost of an Office Supply and Advertising Package. Neither we nor our affiliate offer traditional financing to assist you with paying the Initial Franchise Fee or any other portion of your initial investment. However, we will permit you to pay a portion of the Initial Franchise Fee in installments. Unless you elect to pay a portion of the Initial Franchise Fee over time, the entire Initial Franchise Fee is due when you sign the Franchise Agreement. If you decide to pay a portion of the Initial Franchise Fee over time, you will pay a portion of the Initial Franchise Fee as a down payment (the "Initial Franchise Fee Down Payment") upon signing the Franchise Agreement. The remainder of the Initial Franchise Fee (i.e., the Initial Franchise Fee minus the Initial Franchise Fee Down Payment) will be paid in monthly installments (the "Initial Franchise Fee Monthly Payments") over time. While you will have to make the number of Initial Franchise Fee Monthly Payments scheduled for the Plan you purchase, the actual number of months over which the Initial Franchise Fee Monthly Payments will be made may vary because you will not be required to make an Initial Franchise Fee Monthly Payment in a month when your Gross Revenue is less than $3,000. Instead, such unpaid Initial Franchise Fee Monthly Payment will be carried over to and paid

in the next month that your Gross Revenue is equal to or greater than $3,000 and your requirement to make Initial Franchise Fee Monthly Payments will continue until you have made all scheduled Initial Franchise Fee Monthly Payments. The Initial Franchise Fee Monthly Payments will be deducted, along with all applicable fees and expenses, from your franchise's revenue we disburse to you. The Initial Franchise Fee Monthly Payments do not accrue, do not include any interest, and will not be collected in any month in which your Gross Revenue is less than $3,000.

(2) There is no requirement that you purchase or lease any real estate. Some JANI-KING franchisees have offices in their homes and conduct business from there. If you open an office, you must maintain it and all fixtures, furnishings, signs, and equipment in good order and condition, and in conformity with the JANI-KING system image as we may establish. The size of the office space obtained would be solely dependent on the size of your business operation. The total cost for deposits, build-out, and monthly rent will depend on factors such as the size, condition, and location of the leased premises.

(3) You must purchase certain required commercial cleaning equipment and supplies before you are authorized to service any accounts as a JANI-KING franchisee. You may either purchase the required equipment and supplies from or through us or one of our affiliates, subject to shipping restrictions, or from any other source that sells commercial grade cleaning products and equipment. If you choose to purchase the required equipment and supplies from us or one of our affiliates, we offer the Supply and Equipment Package, the cost of which based on price rates in use as of December 31, 2023, ranges from approximately $1,000 to $1,100. JANI-KING reserves the right, upon thirty days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your franchise from one of our affiliates or from an approved vendor.

For franchise plans E-5 and higher, you must purchase, lease, or provide proof of ownership of a commercial vacuum cleaner, a commercial floor polisher, a commercial wet/dry vacuum. For franchise plans E-10 and higher, you must also purchase, lease, or provide proof of ownership of a high speed burnisher. For franchise plans E-20 and E-25, you must also purchase, lease, or provide proof of ownership of a self-contained extractor. We estimate the cost of this equipment to range from approximately $2,846 to $8,862, depending on the franchise plan that you purchase, based on the rates in use as of April 1, 2024. If you choose to lease the equipment, total lease payments include a down payment with an approximate range from $356 to $1,108 monthly payments with an approximate range from $178 to $554, depending on the franchise plan you purchase. At the end of the lease period, you may purchase the equipment for a final purchase payment ranging from approximately $356 to $1,108. The terms and conditions of a purchase or lease of any electrical equipment offered by LEASING are determined solely by LEASING, and they may be modified or changed without our consent. Longer lease terms may be available. All of the Additional Electric Equipment may be leased or purchased from LEASING.

We do not require you to purchase or lease any special vehicle for transportation of the equipment to the job site. If you currently own or lease an automobile, that vehicle may be

appropriate for the transportation involved in serving your accounts. In many cases, the equipment is left at the job site and no special transportation is required. However, the Business Protection Plan provided by us does not provide coverage to your personal automobile, or to your equipment or supplies. If a vehicle is needed, the cost for a lease or purchase will depend upon the type of vehicle acquired, the financing or lease arrangements available, whether the vehicle is new or used, etc. The monthly cost of leasing or financing a vehicle could range from $200 and up.

You must have a PDA or smart phone capable of sending and receiving emails, such as an iPhone. Any brand of PDA or smart phone is acceptable. The cost of a PDA or smart phone varies widely but is generally between $100 and $600. You can use your existing PDA or smart phone, so long as it can send and receive emails.

(4) You must obtain all proper business licenses, tax registrations, and permits from various state and local agencies before engaging in business. These filing and application fees may range up to $500 or more each. If you operate out of your home or lease any office space, costs for a business telephone and office equipment could range from $100 to $1,000. If you have your own business telephone, you must also arrange for a security deposit in the event you are not able to pay for the continuation of telephone service through the remainder of the telephone directory publication period. A security deposit may also be required by your landlord for the lease of real property. Also, utility companies may require deposits. Security deposits and utility deposits are normally refundable. You must also maintain a business checking account. Your bank may require a minimum deposit and a minimum monthly balance in your account.

(5) You must purchase and operate your franchise through a business entity that must be registered with the state in which you operate. Your franchise may be purchased through an existing corporation or limited liability company, or you can form a new entity for that purpose. Filing fees and other costs vary greatly based on the type of business entity formed and the jurisdiction in which it is formed. You must also provide us with proof of these registrations before we will be obligated to offer you the right to provide business to accounts.

(6) This item covers your other initial start-up expenses, including payroll, insurance premiums, and miscellaneous costs and expenses, such as legal and accounting expenses, for the initial phase of the business. The cost of adequate insurance coverage may vary between $1,600 and $20,000 during the initial phase. The initial phase is considered to be 150 days from when the Initial Offering Period begins.

(7) We do not charge any fees for your initial training. We will cover the costs of the travel and lodging for one person to attend our initial training program as part of the Initial Franchise Fee, but you are responsible for your meal expenses. If you wish for any additional individuals to attend our initial training program, then you will be responsible for their travel, lodging and meal expenses. We estimate the travel, lodging and meal expenses for any additional attendee to our initial training program to cost up to $2,000 per person, although those costs can vary widely particularly given the time of year that you and/or your additional attendees begin our initial training program.

(8) These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business.

(9) We relied on our experience with the commercial cleaning business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(10) Unless otherwise indicated, the amounts disclosed in Item 7 are non-refundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase certain professional products and equipment listed on Exhibit E as the "SUPPLY AND EQUIPMENT PACKAGE" and the "ADDITIONAL ELECTRIC EQUIPMENT," under specifications in the Franchise Agreement and operating manuals. These specifications are established to provide standards for performance, durability, design and appearance. We will notify you of the establishment or revision of standards, specifications, or the designation of approved suppliers through the Operations Manual, Policies and Procedures Manual, and policy memorandums. We and certain of our affiliates are approved suppliers of the required products and equipment but we are not the only approved suppliers. We reserve the right, upon thirty days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your franchise from one of our affiliates or from an approved vendor. In order to obtain approval for a different supplier, you must request approval from the Regional Director or Operations Manager and provide any information about the proposed supplier that the Regional Director or Operations Manager, as applicable, needs in order to make a decision on the qualification of the supplier. Only suppliers of commercial grade cleaning supplies and equipment will be approved. Our criteria for supplier approval are based on quality controls, the capacity to supply your needs promptly, reliability, price management, and product knowledge and support. Notice of approval or rejection of a proposed supplier will generally be given within 15 days of receiving all information requested in order to make a decision on the qualification of the supplier. If a supplier fails to maintain the criteria required for designated status, we will notify you prior to the reporting period in which the designation will be revoked. Suppliers must be preapproved by the Regional Director or Operations Manager prior to utilizing supplies or equipment purchased from suppliers. However, we reserve the right, upon thirty days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your franchise from one of our affiliates or from an approved vendor.

You may purchase supplies and equipment from any supplier if the supplies and equipment are commercial grade and in good working condition. Thus, there is no specific procedure or time requirement relating to our approval of an alternate product or supplier. We do not charge a fee for evaluating alternate products or suppliers that you may propose. However, we reserve the right to revoke our approval of any suppliers. If we revoke our approval of a supplier, we will do so in writing, setting forth our reasons for revoking approval. Our criteria for approving or revoking approval of alternative products and suppliers will be made available to you on request.

We negotiate purchase arrangements, including price terms and a limited, guaranteed credit line, with designated and approved suppliers on behalf of the franchisees in our region. We also provide an automated payment service for your supply and equipment purchases from these designated suppliers. We do not provide any material benefits to you (such as, renewal or granting additional franchises) if you purchase particular products or services or use our designated or approved sources of supply.

We receive rebates ranging from 5% to 10% of the amount of purchases of equipment and supplies sold to our franchisees by unaffiliated approved suppliers. We also receive discounts ranging from 5% to 10% on purchases from these suppliers which may not be available to you. We also receive a rebate from $100-$800 for each vehicle purchased through our National Vehicle Program.

Our affiliate, LEASING, is an approved supplier of the Additional Electrical Equipment for franchisees. LEASING pays us 7 ½% of all of lease revenues originating in our territory. In the year ending December 31, 2023, LEASING's revenues from the sale or lease of equipment to franchisees was $813,636 which is 100% of its revenues. This financial information is taken from the books and records of LEASING.

None of our officers own an interest in any privately held suppliers or any material interest in any publicly held suppliers of our franchise system; however, from time to time, our officers may own non-material interests in publicly held companies that may be suppliers to our franchise system.

Before you will be authorized to begin operating your franchise, you must either purchase the insurance with the policy limits described below or join the Business Protection Plan. If you choose to purchase the insurance, you must name us, JK INT'L, and each of our respective officers and directors as Additional Insureds in the designated minimum amounts. We may increase these limits or have new types of coverage added. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from an insurer carrying an A.M. Bests' rating of "A" or better. (see Note (10), Item 6).

You must obtain our approval before you use any advertising and promotional materials, signs, forms, or stationery, unless we have prepared or approved them during the 12 months before their proposed use. You may purchase advertising and promotional materials, brochures, fliers, forms, business cards, and letterhead from us.

If you choose to operate from a separate business office, we have the right of prior approval of office location, layout, and decor. You must maintain your office and all fixtures, furnishings, signs, and equipment in good order and condition, and in conformity with the JANI- KING system image, as we may establish.

During our last fiscal year ending December 31, 2023, we had revenues of $167,206,286 (on a consolidated basis with all the JKI affiliates). Approximately 9.5% ($15,957,286) of this amount consisted of revenues from the sale or lease of equipment and supplies, receipts from the Business Protection Plan, rebates from designated suppliers, and the sale of promotional and advertising materials. Also, we have the exclusive right to perform all billing and accounting functions for the services provided and sales of products by your franchise. This service is fully described in Item 6. We charge you a total of 5.5% of

your Gross Revenue as an Accounting Fee and Technology Fee for these services. Approximately 4.6% ($7,736,112) of our consolidated revenue described above consisted of revenues from these services.

We estimate that the purchase and lease of all goods and services you must make in accordance with our specifications, or that you purchase or lease from us, our affiliates, or from unaffiliated suppliers from whom we receive rebates, represents approximately 85% to 95% of your total purchases in connection with the establishment of your franchise business, and approximately 85% to 95% of your overall purchases in connection with the operation of the business.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Section 4.12.1	Items 7 and 8
(b) Pre-opening purchase/leases	Section 4.4	Items 5, 6, 7, 8, 10, 11 and 16
(c) Site development and other pre-opening requirements	Not Applicable	Items 5, 6, 7, 11
(d) Initial and ongoing training	Sections 4.2.3, 6.1.1, 6.3, 6.4, 6.6	Item 11
(e) Opening	Section 6.1.1	Item 11
(f) Fees	Sections 4.3, 4.3.2, 4.3.3, 4.5.1, 4.5.2, 4.6, 4.7, 4.8, 4.8.1, 4.13.5, 4.13.6, 4.14, 4.19.3, 4.19.4, 4.19.5, 4.19.6, 4.19.9, 4.28, 6.6, 10.3	Items 5, 6 and 7
(g) Compliance with standards and policies/operating manual	Sections 4.1.1, 4.1.4, 4.1.5, 4.2.2, 4.6, 4.11, 4.12, 4.12.1, 4.13.4, 4.19.1 through 4.19.9, 4.21.1, 4.21.2, 4.22, 4.23, 4.27, 6.6, 8.1(b), 8.1(f), 8.3(c)	Item 11

Obligation	Section in Agreement	Disclosure Document Item
(h) Trademarks and proprietary information	Sections 4.1 through 4.1.6, 4.12.1, 4.22, 4.23, 4.24, 4.27, 5.1, 5.2.1, 5.2.3(b), 5.5, 5.7, 5.8, 6.7, 8.1(b), 8.3(e)	Items 13 and 14
(i) Restrictions on products/services offered	Sections 4.21.1, 4.22,4.23	Items 8, 12 and 16
(j) Warranty and customer service requirements	Sections 4.18 through 4.19.9, 4.21.1	Item 11
(k) Territorial development and sales quotas	Not Applicable	Item 12
(l) On-going product/service purchases	Not Applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 4.12.1	Items 11 and 17
(n) Insurance	Section 4.13.1, 4.13.2, 4.13.3, 4.13.4, 4.13.5, 4.13.6	Items 6, 7 and 8
(o) Advertising	Sections 4.1.1, 4.1.5,4.1.6, 4.5.2, 6.2	Items 6, 7 and 11
(p) Indemnification	Sections 4.11, 4.13.1, 4.13.3, 4.14	Item 6
(q) Owner's participation/management/staffi ng	Section 4.2.1, 4.2.3, 4.26	Items 11 and 15
(r) Records and reports	Sections 4.8.1, 4.10.1, 4.10.2, 4.10.3, 4.20	Item 11
(s) Inspections and audits	Sections 4.10.1, 4.10.2, 4.10.3, 4.19.2, 4.20	Items 6 and 11
(t) Transfer	Section 10	Items 6 and 17

Obligation	Section in Agreement	Disclosure Document Item
(u) Renewal	Section 9	Items 6 and 17
(v) Post-termination obligations	Sections 4.27, 4.29, 5	Item 6 and Item 17
(w) Non-competition covenants	Section 5	Item 17
(x) Dispute resolution	Section 12.9	Item 17
(y) Other (Personal Guaranty)	Section 12.14	Item 15
(z) Other (Liquidated Damages)	Section 4.28	Items 6 and 17

ITEM 10
FINANCING

Initial Franchise Fee

We do not offer any traditional financing for the Initial Franchise Fee. However, instead of paying the entire Initial Franchise Fee when you sign the Franchise Agreement, we will allow you to elect to pay a portion of the Initial Franchise Fee over time. If you so elect you will pay the portion of the Initial Franchise Fee identified in Item 5 as a down payment (the "Initial Franchise Fee Down Payment") upon signing the Franchise Agreement. The remainder of the Initial Franchise Fee (i.e., the Initial Franchise Fee minus the Initial Franchise Fee Down Payment) will be paid in monthly installments (the "Initial Franchise Fee Monthly Payments") over time. While you will have to make the number of Initial Franchise Fee Monthly Payments scheduled for the Plan you purchase, the actual number of months over which the Initial Franchise Fee Monthly Payments will be made may vary because you will not be required to make an Initial Franchise Fee Monthly Payment, or pay us any portion thereof, in a month when your Gross Revenue is less than $3,000. Instead, such unpaid Initial Franchise Fee Monthly Payment will be carried over to and paid in the next month that your Gross Revenue is equal to or greater than $3,000 and your requirement to make Initial Franchise Fee Monthly Payments will continue until you have made all scheduled Initial Franchise Fee Monthly Payments. The Initial Franchise Fee Monthly Payments will be deducted, along with all other applicable fees and expenses, from your franchise's revenue we disburse to you. The Initial Franchise Fee Monthly Payments do not accrue, do not include any interest, and will not be collected in any month in which your Gross Revenue is less than $3,000.

You need not, in order to elect to pay a portion of the Initial Franchise Fee over time, provide us with any additional security interest or personal guarantee for the amount of the Initial Franchise Fee that will be paid over time in addition to the guaranty agreement required to be signed by all franchisees as described below in Item 15. You may, without penalty, prepay the remaining amount of the Initial Franchise Fee instead of waiting to pay all remaining monthly installment payments. Because the Initial Franchise Fee Monthly Payments are deducted from your franchise's revenue we disburse to you, it would not be possible for you to default on your payments unless your franchise never earns enough revenue to pay all

of the scheduled Initial Franchise Fee Monthly Payments. In that situation, there are no applicable penalties for your failure to pay all of the Initial Franchise Fee Monthly Payments.

Equipment Lease through Affiliate.

Our affiliate, LEASING, provides lease arrangements for most of the equipment you will use in your franchise. LEASING determines all the terms and conditions of the leases offered by them, and they may be modified or changed without our consent. The lease arrangements vary depending on the particular piece of equipment. A description of the types of equipment along with the Sales Price, Initial Payment, Monthly Payment, and Number of Monthly Payments for each piece of equipment available through LEASING is listed in Exhibit E.

We guarantee your payment of the lease to LEASING, and LEASING pays us 7 ½% of all lease payments. The lease must be guaranteed individually by all shareholders, members, officers, directors and managers of your corporation or limited liability company. If you are married and your spouse is not a partner in the franchise business, your spouse must personally guarantee the lease.

There are no prepayment penalties under the lease arrangements. If you default under a lease arrangement, or terminate a lease arrangement prematurely, you may be liable for (i) the difference between the appraised value of the leased equipment and the value actually obtained by LEASING in the sale of the lease equipment, and (ii) any and all collection and legal costs resulting from a default of the lease arrangement, including reasonable attorneys' fees and court costs.

Our Guarantee of Your Supply and Equipment Purchases.

We negotiate purchase arrangements with designated and approved suppliers on behalf of the franchisees in our region. For these designated suppliers, we guarantee on your behalf up to $300 on account for ongoing supply purchases. We also provide an automated payment service for your supply and equipment purchases from these designated suppliers. There is no charge to you for this guarantee, but we receive a rebate from the designated suppliers that ranges from 5% to 10% of the amounts you purchase.

Payment of Finder's Fees for Additional Business.

If you accept any additional business we offer to you in excess of the Initial Business, you must pay us a Finder's Fee according to the guidelines we establish. This Finder's Fee is different than the Initial Franchise Fee described in Item 5. You must sign an Account Acceptance/Finder's Fee Agreement that will include the Finder's Fee calculations, and the payment terms for the unpaid portion of any Finder's Fee, if any. See Item 6, Note 9 for a detailed description of the Finder's Fee program. Finder's Fees may be pre-paid at any time without penalty. Any unpaid portion of a Finder's Fee may be accelerated at our option, without demand or notice if the applicable account cancels service for any reason that you or your employees could have controlled, or for any reason set out in the applicable Maintenance Agreement, your Franchise Agreement, or our Policies and Procedures, and you will remain liable for any unremitted Finder's Fees. Further, the total amount of Finder's Fees will be due if the account is transferred at the request of the customer as a result of your failure to perform and is later canceled by the

customer within 60 days of being transferred. If we must hire an attorney to enforce any of the terms of an Account Acceptance/Finder's Fee Agreement, you will be responsible for all reasonable costs and attorneys' fees.

We reserve the right to assign or transfer any promissory notes or leases. Except as disclosed in the information above about our arrangements with designated suppliers, we do not receive direct or indirect payments for the placement of financing. Except as disclosed in the information above about the limited guaranty we provide to designated suppliers and to our affiliate, LEASING, we do not guarantee your obligations to third parties.

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

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

Pre-Opening Obligations.

Before you begin operating your business, we will:

1. Grant you the right to operate a JANI-KING franchise and a license to use the JANI-KING marks in a non-exclusive, specific geographical territory. (Franchise Agreement: 3.2, 6.7).

2. Provide you with the Office Supply and Advertising Package listed in Exhibit E. (Franchise Agreement: 6.2).

3. Provide you access to our confidential manuals and training aids. (Franchise Agreement: 6.3).

4. Within 45 days of when you sign the Franchise Agreement, provide an initial training program to include the cleaning processes, methods, materials, equipment, forms, and promotional plans developed by JANI-KING. This training is described in detail later in this Item. (Franchise Agreement: 6.4).

5. Certify you as an authorized JANI-KING franchisee after you complete the training, provide proof that your business entity is in existence and in good standing in the state you will operate the franchise, provide proof of registration with all applicable taxing authorities (including federal, state and local tax authorities), provide proof of a business checking account, acquire the necessary equipment and supplies, and provide proof of required insurance. (Franchise Agreement: 6.1).

6. Provide you the lists of approved products. We also provide some of these items directly to you.

7. Approve or disapprove your site if you choose to operate from an office outside your home and the facilities we provide for you. We will make sure the appearance complies with the JANI-KING standards, but we do not help in site selection or negotiating the purchase or lease of the site. (Franchise Agreement: 4.12.1). The factors which we consider when approving non-residence locations include general location and neighborhood, whether any other businesses operate out of the same premises, and whether the location will result in damage to our image and reputation. We recommend that you not lease

or purchase an office location to open your franchise business. Most JANI-KING Franchisees are able to conduct their business from their homes.

8. Upon the commencement of the Initial Offering Period, we will begin offering you the right to provide service under commercial cleaning and/or maintenance contracts, as they become available, that in total would provide a minimum in gross monthly billings in an amount defined as the "INITIAL BUSINESS" in the Franchise Summary of the Franchise Agreement. All contracts will be the property of Jani-King. The Initial Business is the total of the monthly billing rates for all the cleaning contracts offered to you to service as Initial Business and will correspond to the specific level of plan that you purchase (i.e., if you purchase the E-25 Plan, we will offer you Initial Business totaling $25,000 during the Initial Offering Period) (Franchise Agreement: 4.3.1, 6.1.1). All customer accounts equivalent to the total dollar amount of the Initial Business purchased will be offered during the Initial Offering Period. See "Details Regarding Initial Business" at the conclusion of this Item 11 for complete details.

9. Offer you the option to participate in the contributory Business Protection Plan, which includes your minimum insurance required for the franchise. (Franchise Agreement: 4.12.4).

Typical Length of Time Before You Open Your Franchise.

We consider your business to "open" upon the commencement of the Initial Offering Period. The Initial Offering Period will commence upon the completion of the following six pre-requisites: (i) we grant you a franchise; (ii) you provide us with proof that your business entity is in existence and in good standing; (iii) you provide us with proof of registration with all applicable tax authorities; (iv) you successfully complete the initial training program; (v) you acquire all necessary equipment and supplies; and, (vi) you provide us with proof of all required insurance policies. The typical length of time between the signing of the Franchise Agreement or the first payment of any consideration for the franchise, and the opening of the business is 30 days; however, the length of time may range from 10 days to six months or more, depending on when the above six pre-requisites are completed. The exact time when your business will commence depends on the specific situation of each individual franchise.

Continuing Obligations.

After you open your business we will:

1. Offer you the right to provide service under commercial cleaning and/or maintenance contracts that in total would provide a minimum in gross monthly billings in an amount defined as the "INITIAL BUSINESS" in the Franchise Summary of the Franchise Agreement.

2. All contracts will be the property of Jani-King. See "Details Regarding Initial Business" at the conclusion of this Item 11 for complete details. (Franchise Agreement: 4.3.1, 6.1.1).

3. Handle all billing and accounting functions for the services and supplies you provide to your customers. We will disburse to you on the fifth day of each month, all monies due you as reported on the Franchisee Report after we deduct all the appropriate fees, charges, and any other amounts due to us, our affiliates, and to third parties with special credit arrangements for

your benefit. (Franchise Agreement: 4.8.1). Other than monthly invoicing, we are not required to engage attorneys, commence litigation, or perform any other acts in order to secure payment from businesses you service.

4. Provide you with marketing and technical assistance, and consultation and advice on operating procedures. We will continue to provide appropriate assistance and guidance until you have been offered the right to service business with the gross monthly billing as required by the plan purchased. This guidance will, at our discretion, be furnished in our operating manuals, bulletins or other written materials and/or during telephone consultations, electronic mail, training programs, meetings, conferences and/or personal consultations at our office or at a mutually convenient place. (Franchise Agreement: 6.5).

5. Provide you additional training and support at reasonable rates we establish by policies and procedures, currently at a rate of $50 per hour, plus expenses. (Franchise Agreement: 6.6).

6. Provide you access to one copy of the Manuals, consisting of such materials (which may include audio tapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating JANI-KING Businesses. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules ("System Standards") that we prescribe from time to time. The Manuals may be modified periodically to reflect changes in System Standards. (Franchise Agreement: 4.26, 6.3).

7. Make available to you, at a reasonable cost, promotional material, sales and service manuals, and other materials as they are developed that are relevant to the operation of your franchise. (Franchise Agreement: 6.8).

8. We may from time to time perform periodic quality control visits to locations under your care. During these visits we will inspect and evaluate the quality of the cleaning services you are providing for the customer. We will make recommendations on how to correct deficiencies, improve techniques, and enhance the efficiency of those services. We will have an operations representative available to answer routine questions or to assist you with problems during normal business hours. (Franchise Agreement: 4.19.3).

9. Provide consultation and service at your customer locations or at our office for a charge to be established by policies and procedures at a rate not to exceed $50 per hour, plus reasonable expenses. This rate is subject to review and may be changed at our sole discretion. (Franchise Agreement: 4.19.4).

10. Issue, modify, and supplement system standards for your franchise. We may periodically modify system standards and procedures, which may accommodate regional or local variations as we determine, and these modifications may require you to invest additional capital in your franchise business and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under the Franchise Agreement. (Franchise Agreement: 4.27).

11. Establish, amend, or revise company policies and/or procedures pertaining to the operation of your franchised business and distribute them through the Policies and Procedures Manual, policy directives, or memos. (Franchise Agreement: 4.27).

12. We may offer you the right to provide service to additional or new business upon your request and proven ability to expand your level of productivity. All additional or new business we offer you to service is contingent upon you paying us a Finder's Fee based on the monthly billing amount of the account. (Franchise Agreement: 4.6).

13. Throughout the term of the Franchise Agreement, we will offer you sales, marketing and technical assistance, and consultation and advice on operating procedures. (Franchise Agreement: 6.3).

Details Regarding Initial Business.

You will have the right to purchase a Plan of your choosing. The Plan you choose will determine what Initial Franchise Fee you must pay and what amount of Initial Business (e.g. cumulative gross monthly billings we are required to offer you from all accounts) we must offer you by the time your Initial Offering Period ends, as follows:

PLAN	INITIAL BUSINESS ($)	INITIAL OFFERING PERIOD (Days)
E-5	5,000	150
E-10	10,000	210
E-15	15,000	270
E-20	20,000	330
E-25	25,000	390

Note 1-1. Time to Offer the Initial Business.

We are required to offer you the Initial Business under your Plan by the end of the Initial Offering Period. "Initial Offering Period" is the period beginning after you have (a) obtained all required equipment and supplies, (b) successfully completed the initial training program to our satisfaction, (c) provided proof of required insurance, (d) provided proof that your business entity is in existence and in good standing, (e) delivered IRS Form W-9, (f) provided proof of registration with all applicable taxing authorities (including federal, state and local taxing authorities) and (g) delivered proof of a valid and active business checking account and ending the number of days thereafter that your Plan designates. We will make a good faith effort to offer you as much or all of the Initial Business as soon as possible, but we will have until the end of the Initial Offering Period in which to do so. We are not obligated to offer any portion of the Initial Business before the end of that time.

Note 1-2. We may automatically extend the actual time to secure and offer the Initial Business to you, at our sole discretion, under the following conditions:

(1) If you make a written request for a delay in the offering of all or part of the Initial Business, and we agree to the postponement. Before we resume offering any other business to you, you must provide us notification, in writing, as to when you are ready to accept other business. We may require you to provide documentation that you are performing services satisfactorily at your existing accounts.

(2) If you are in default under the terms of the Franchise Agreement or any other agreement between you and us.

(3) If you fail to comply with any policies or procedures within 7 days after we notify you of non-compliance.

(4) If any of the Initial Business previously provided to you requests a transfer to another franchisee or requests to be canceled due to non-performance.

Note 1-3. If the Initial Offering Period is extended based on a transfer or cancellation of an account, we will not offer any other accounts toward fulfillment of the Initial Business, nor will we offer any "additional business" until you successfully complete the additional training as required by our Regional Office.

Note 1-4. If the Initial Offering Period is extended, the time allowed for us to offer the balance of the Initial Business to you will be the remaining portion of the Initial Offering Period or a minimum of 150 days, whichever is longer, from the date you:

(1) notify us you are ready for other business (and provide any required documentation),

(2) cure any default of the Franchise Agreement or violation of policies and procedures, or

(3) complete the required additional training.

Note 1-5. All accounts offered will apply toward the Initial Business as specified in the Franchise Agreement, whether you accept or decline the offered business. Our obligation is to secure and offer to you the right to provide service to those accounts within the specified time. However, you might choose not to accept some of the accounts offered. That is why the Franchise Agreement says that we will secure and "offer" you the right to provide service to those accounts. We can only make a good faith effort to offer the amount of Initial Business for the Plan specified, and you must choose to accept or decline the offer. We do not guaranty that the Initial Business will reach or remain at the stated level of the plan you purchase throughout the term of the Franchise Agreement. We have no obligation to offer you the right to provide service to any additional accounts after we have offered you the right to provide service to the Initial Business.

We intend for the accounts offered under the Initial Business to continue for at least one year. However, an account might not continue in business beyond the Initial Offering Period at no fault of yours. Under this circumstance, we have met our obligation to "offer" the business within the required time.

Under either of the situations where you decline an offer to service an account or an account cancels at no fault of yours, we are relieved of our time obligation regarding the Initial Offering Period

for that amount of gross monthly billings, however, we will provide you finder's fee credit equal to the difference between your Initial Business Obligation and the total amount of gross monthly billings of the accounts that you accepted and serviced for a full 12 months. Those accounts which are transferred or canceled due to your failure to perform according to JANI-KING standards will not be replaced. The procedures that apply to accounts offered as part of the Initial Business which are transferred or cancelled are described in more detail in Note 1-7 below.

Note 1-6. Partial Refund if Initial Business not offered within Initial Offering Period.

If we are unable to secure and offer you the full amount of Initial Business within the time frame allocated for the Initial Offering Period, an amount equal to three times the amount of Initial Business not offered to you may be refunded, less any amount you owe us or our affiliates. Any refund will be first applied to any outstanding balance or other obligation you owe us or LEASING, with the remaining sum, if any, paid to you. A refund under this provision will fulfill our obligation to offer any remaining portion of the Initial Business.

Note 1-7. Transfers or Cancellation of Initial Business.

The following procedures apply if any account you are servicing as part of the Initial Business requests a transfer to another franchisee or cancels the cleaning contract:

(1) If an account cancels or is transferred to a new franchisee due to non-performance, theft, your failure to service the account properly, customer relations problems caused by you, or your failure to comply with the Policies and Procedures, we will not replace the account.

(2) If an account cancels at no fault of yours before you service the account for 12 full months, the full gross monthly billing value of that account will be replaced within a reasonable period of time by another account, at no additional cost to you. This provision applies until you have serviced that replacement account for the remainder of the initial 12-month period. If any replacement account has a greater value than the original account, the excess will be applied to the obligation of other Initial Business, or if the Initial Business has been fulfilled, Finder's Fees will be charged.

EXAMPLE: An account with a monthly gross billing of $1,000 per month cancels after seven months through no fault of yours. We will replace the account with one or more accounts having cumulative gross monthly billing of at least $1,000 per month. If any of the replacement accounts also happen to cancel at no fault of yours at any time during the next five months you service the account(s), we will replace the replacement account(s) with other account(s). If the cumulative gross monthly billings of the replacement accounts exceed $1,000, the monthly billing in excess of $1,000 would apply against other Initial Business Obligation, or Finder's Fees would be charged.

No other obligations exist for us to replace the contracts if the contracts are canceled before the full term.

Advertising.

We charge an Advertising Fee of 1.5% of your monthly Gross Revenue for the purpose of establishing and operating an advertising fund on a regional or national basis. (Franchise Agreement: 4.5.2). This Advertising Fee is charged to all our franchisees, although the rate may vary based on each franchisee's Franchise Agreement. We also reserve the right to increase the Advertising Fee up to a maximum of 2% of your monthly Gross Revenues. Company-owned JANI-KING businesses do not pay Advertising Fees. We are not obligated to conduct advertising for the Jani-King system.

The Advertising Fee will be used by us or our designee as follows:

1. We will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in the programs. The Advertising Fee is intended to be used to maximize general public recognition and acceptance of the registered trademarks and enhance the collective success of all franchises operating under the Jani-King system. None of the Advertising Fee is specifically or principally used for advertising that is principally a solicitation for the sale of franchises. In using the Advertising Fee, we and our designees are not required to make expenditures for you which are equivalent or proportionate to your payment or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. We or our designees are also not required to advertise in the area where you are located.

2. The Advertising Fee may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, internet, , website, magazine, and newspaper advertising campaigns; sponsorships; direct mail and outdoor billboard advertising; vehicle decaling; public relations activities; employing advertising agencies to assist therein; travel and associated expenses of personnel dispatched to assist in account start-ups and account bidding; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). Sums paid by you relating to the Advertising Fee will also be used to defray any of our administrative costs incurred in activities reasonably related to advertising programs. This Advertising Fee is a payment to us for advertising and related costs and we do not have any duty to you related to the use of the Advertising Fee.

3. The Advertising Fee may also be used in our National Vehicle Program which is a voluntary program through which you can purchase a select number of vehicles from a national vehicle manufacturer. If you participate in the National Vehicle Program, you are required to have a decal installed on the vehicle you purchase. The cost and installation of the vehicle decal will be paid out of the Advertising Fee.

We currently advertise or may advertise Jani-King services in various forms of media including radio, magazine, newspaper, internet, and sponsorships; and direct mail and outdoor billboard advertising. Our print advertising may also include general business magazines, direct mail, vehicle signage, and yellow page directory listings. Our advertising also includes telemarketing, video and audio tapes, and various point-of-sale items. Most of our advertising is developed by members of our staff and outside advertising agencies. We use national, regional and local advertising agencies to assist us in the development and placement of advertising on an as needed basis.

During our fiscal year ending December 31, 2023, we spent 56.49% of the consolidated Advertising Fee collected from franchisees in all related franchising entities on sponsorship affiliated marketing, 1.58% on video and other marketing material product, 38.70% on digital marketing strategies and products, 2.12% on print advertising and public relations, 0.05% on trade show related expenses, and 1.06% on miscellaneous advertising expenses.

You must obtain our approval before you use any advertising and promotional materials, signs, forms, and stationery by submitting such proposed advertising to us at least 30 days prior to publication. We have the right to require you to include certain statements in, make changes to, and/or sign such documentation as we deem necessary with respect to, your proposed advertising prior to approval. You may not develop, create, distribute, contribute to, disseminate or use any digital or Internet communication including websites, blogs, instant message services, social media sites such as Facebook, Twitter, and Instagram, and all other digital communication methods or any multimedia, telecommunication, mass electronic mail, or audio/visual advertising, promotional or marketing materials ("Digital Advertising"), directly or indirectly related to the franchised business, us, the System, or Marks, without our prior written consent, which consent may be withheld in our sole determination. If we grant our approval of your Digital Advertising, it will be subject to the same requirements as set forth above. You may purchase advertising and promotional materials, brochures, fliers, forms, business cards, and letterhead from us.

We do not perform an audit relating to the Advertising Fee and there are no financial statements relating to the Advertising Fee that are available for your review. There is no set procedure for making financial statements of the Advertising Fee available for our franchisees' review. Instead, requests will be considered on a case-by-case basis. If you would like to request financial statements relating to the Advertising Fee, you may send a written request, along with a self-addressed stamped envelope, to: Jani-King of Washington, D.C., Inc., 13351 Random Hills Road, Suite 150, Fairfax, Virginia 22030, Attn: Legal Department.

There is no advertising council comprised of franchisees that advises the franchisor on advertising policies. You are not required to participate in a local or regional advertising cooperative.

Computer Systems.

You are required to have a valid, operational email address. We do not require use of a computer system or an electronic cash register.

Manuals.

The Tables of Contents of our four operating manuals are included in Exhibit F. As of the date of this disclosure document, our four operating manuals consisted of a total of 234 pages.

Training.

You and all of your owners, directors or officers who will actively participate in the operations of the franchised business must attend and complete, to our satisfaction, our initial training program within six months after the signing of the Franchise Agreement. The initial training program provides information relating to JANI-KING methods and practices for professional cleaning services, management, sales and

promotional techniques, production procedures and rates and marketing. The following is a further description of the initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Safety	3.0	0.0	Corporate Headquarters
Communications	2.0	0.0	Corporate Headquarters
Servicing Accounts	2.0	0.0	Corporate Headquarters
Revenue Forms and Insurance	2.0	0.0	Corporate Headquarters
Restroom Cleaning	1.5	1.0	Corporate Headquarters or 1 or more local customer locations we designate
Office/ Window Cleaning	1.5	1.0	Corporate Headquarters or 1 or more local customer locations we designate
Floor Maintenance and Cleaning[1]	3.0	4.0	Corporate Headquarters or 1 or more local customer locations we designate
Carpet/ Upholstery Cleaning	1.5	2.0	Corporate Headquarters or 1 or more local customer locations we designate
Contract Sales	2.0	1.0	Corporate Headquarters
Efficiencies in Large Accounts	2.0	0.0	Corporate Headquarters
Policies and Procedures	2.0	0.0	Corporate Headquarters
Quiz and Wrap Up	1.0	0.0	Corporate Headquarters
TOTAL	23.5	9.0	

[1] Floor Maintenance and Cleaning Training takes place on two evenings.

We will conduct the initial training program at our principal business office in Addison, Texas, one or more local customer locations we designate, or we may require you to attend training at our local regional office. Initial training programs are offered at various times, and we plan to be flexible in scheduling training to accommodate you and our personnel. Typically, there is at least one initial training program offered each month, depending on how many new franchisees enter the system.

The initial training program is presented through classroom lectures and discussions, actual demonstrations, printed manuals, video presentations, formal instructions, and practical hands-on training. The initial training program will also include approximately 9.5 hours of self-study where you will, from your home, use study materials such as video training DVDs on cleaning techniques and safety that you may later use for your personnel. Self-study time is typically assigned at the end of a classroom training session in order to help you prepare for the next classroom training session.

Our initial training program will be conducted by persons who are active operations and administration managers and staff from our headquarters or regional office that will be supporting you. The person(s) conducting the initial training will have at least six months experience in the commercial cleaning industry. The person(s) currently conducting the initial training were hired by Jani-King between June 2000 and January 2020. We also expect to draw on the substantial experience of our management, personnel of the designated suppliers in our region, and occasionally from other experienced franchisees.

There are no fees for the initial training program. We will cover the costs of the travel and lodging for one person to attend our initial training program as part of the Initial Franchise Fee, but you are responsible for any meal expenses which your attendee incurs in connection with the training. If you wish for any additional individuals to attend our initial training program, then you will be responsible for their travel, lodging and meal expenses. Estimated travel, living and meal expenses for any additional person to attend our initial training program occurring in our principal office in Addison, Texas are disclosed in Item 7.

We will provide additional training, seminars, and refresher courses to you that you may attend at your option, unless you had an account transfer or cancel due to improper operation of your franchise, in which case attendance is required. There currently is no charge for the additional training or refresher courses, and although we do not charge for any special assistance or additional training of any franchisee, we may charge up to $50 per hour, plus expenses for other assistance which we provide you.

ITEM 12
TERRITORY

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

We will license you and offer you the right to provide services under your Agreement in a specific, non-exclusive, geographical territory that will be designated in the Franchise Agreement as one or more counties in the District of Columbia and the States of Maryland and Virginia. The geographical territory currently includes District of Columbia; Charles, Frederick, Montgomery, Prince George's and St. Mary's Counties in the state of Maryland; and, Arlington, Fairfax, Fauquier, Loudoun, Prince William, Stafford, and the Independent Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park Counties in the State of Virginia, but may be changed from time to time at our discretion. You may be offered the right to provide services in any and/or all parts of such geographical territory, regardless of your location in the geographical territory, and there is no maximum distance within such geographic territory you may have to travel to provide those services. By way of example only: you could be located in Charles County, Maryland and we could offer you an account in St. Mary’s County, Maryland, another account in Fairfax County, Virginia and a third account in the District of Columbia. We have established, or may establish, one or many franchisees that also will be permitted to use our trade name or trademark in the same territory. No franchisee will be granted an exclusive area or territory.

You and the other franchisees must not knowingly interfere, solicit, or otherwise contact in any manner a current customer or prospect of another JANI-KING franchisee or of our regional office, unless we request in writing that you do so. If a franchisee solicits a potential customer and discovers that the

customer will be receiving, or has already received, a JANI-KING proposal delivered by another franchisee or our Regional Office staff member, the franchisee may not pursue any further solicitation of that account and must withdraw any proposal until a decision has been made on the original proposal currently under consideration, or for a maximum of 60 days from the date on that proposal.

We may monitor the performance reports on all accounts and perform periodic quality control visits to each location under your care. During these visits we may inspect and evaluate the quality of the cleaning services you are providing for the customer and discuss your performance and customer service with the customer. If at any time, whether through complaint or inspection, we discover a deficiency in performance concerning an account you service, and you do not cure the deficiency within the time stated in our policies and procedures or the notice provided to you, we have the right to suspend or terminate your authority to service that account, or all of your accounts. We may then transfer the account to another franchisee.

Without compensating you, we may solicit business from customers where you are providing service, and we may use any channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within the area where you are providing service using the Marks or any other trademarks. If the additional services contracted for are for a facility where you are currently providing service and if you are providing acceptable service and customer service, we may offer you the right to provide service for the payment of applicable Finder's Fees. If we offer you the right to provide such service and you do not choose to accept the offer, we may designate another franchisee to provide the additional service. If the additional business is located away from the facility you are servicing for that customer, we will determine which franchisee will be designated to service the business, and we are not obligated to offer it to you.

Our staff must approve all proposals and contracts for services. We will not allow you to solicit or accept accounts outside of your designated territory through any method of distribution, including alternative channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing. All services provided by you must be made under an approved JANI-KING Maintenance Agreement where we are a party to the agreement, and we must prepare all proposals for solicitation of accounts by you in order to maintain consistency in accuracy and quality of appearance.

You may purchase more than one franchise within the territory, either from us or from an existing franchisee and we will recognize your ownership interests in all of your franchises. However, all transactions between you and us about any operation of your franchise business will be controlled by your most recent franchise agreement. If you choose not to formally merge the multiple franchises into one combined franchise, you may later transfer one of your franchises without affecting your other franchise(s). If you purchase another franchise within the territory, such additional franchise's geographical territory also will be designated in the Franchise Agreement as the entire area encompassed by one or more counties in the District of Columbia and in the States of Maryland and Virginia.

The Franchise Agreement does not give you a right to relocate your franchise to another territory, and you do not receive the right to acquire additional franchises within or outside of your territory unless you sign another Franchise Agreement with us.

There is no minimum sales quota or market penetration contingency affecting your franchise.

We do not intend to establish any other franchise with similar services or products under a different trademark, but we may establish a system of retail supply stores that may operate under a different trade name or trademark.

You may use the Internet to advertise on our JANI-KING website only in compliance with the Franchise Agreement. You may not operate your own Jani-King website.

ITEM 13
TRADEMARKS

We grant you the right to use certain trademarks, service marks and other commercial symbols in operating your franchise. Our primary service marks are the word mark, "JANI-KING," and the JANI-KING logo with the dot on the letter "I" in "JANI" formed by an outline of a crown as shown in the upper left corner of the cover sheet to this disclosure document. JK INT'L owns the JANI-KING marks and we are licensed to use them as an affiliated subsidiary.

JK INT'L registered the marks on the Principal Register of the United States Patent and Trademark Office and has filed all required affidavits:

Mark	Federal Registration Number	Registration Date
JANI-KING (logo)	1,399,797	July 1, 1986
JANI-KING (word)	1,472,588	January 12, 1988
THE KING OF CLEAN	2,599,370	July 23, 2002

You must follow our rules when you use these marks. You may not use the marks as part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must use the marks only for the operation of your franchise as specified in the Franchise Agreement, and you cannot use any of the marks for the performance or sale of any unauthorized services or products or in any other manner we do not authorize in writing.

There are no currently effective material determinations by the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or of any court, nor are there any pending infringement, opposition or cancellation proceedings or any pending material litigation involving our principal marks, which are relevant to their use in this state or in any other state in which the franchise business is to be located.

We know of no superior prior rights or infringing uses that could materially affect your use of these marks in any state where your franchise business will be located.

Our rights to the Marks are derived from a nonexclusive License Agreement with Right to Grant Franchisee SubLicenses (the "Intercompany License") between us and JK INT'L. The Intercompany License grants us the right to use the Marks including licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is revocable for material breach

of the Intercompany License agreement if we do not cure or begin to cure any breach after notice from JK INT'L. If the Intercompany License were to be cancelled or terminated, then your Franchise Agreement would be assigned to another entity - - either JK INT'L (the owner of the Marks) or another entity designated by JK INT'L. Besides the change to the name of the franchisor, the other terms of your Franchise Agreement will remain the same. We know of no other agreement currently in effect which significantly limits our rights to use or license the use of the Marks in any manner material to you.

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, from any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

We are not obligated to protect your rights to use these marks or to protect you against claims of infringement or unfair competition that result from your use of the marks within the terms of the Franchise Agreement, although we intend to do so when that action is in the best interest of the JANI-KING system. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorably to you.

We may change the system and may require you, among other things, to adopt and use new or modified trademarks. You must promptly accept, implement, use and display these additions, modifications and changes in the operation of the franchise business at your sole cost and expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights.

We do not own any right in or to any patent or registered copyrights, and we do not have any pending patent applications, that are material to the franchise.

We and JK INT'L claim copyrights in the manuals; advertising, training and marketing materials; and the business methods and processes used in the operation of the franchise. These copyrights have not been registered with the United States Registrar of Copyrights.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. No agreements are currently in effect which significantly limit our right to use or authorize our franchisees to use the copyrighted materials. Neither we nor JK INT'L know of any infringing uses which could materially affect your use of the copyrighted materials in any state. Neither we nor JK INT'L are required by any agreement to protect or defend

copyrights, patents, or confidential information, although we intend to do so when that action is in the best interest of the JANI-KING system.

Confidential Manuals.

You must operate the franchise according to the standards, policies, and procedures specified in the operating manuals. We will loan one copy of the manuals to you for the term of the Franchise Agreement. You must treat the manuals and any other materials we create or approve for use in the operation of your franchise, and the information in them, as confidential.

We may revise the contents of the manuals and you must comply with each new or changed standard. You must also ensure that the manuals are always kept current. If there is a dispute as to the contents of the manuals, the terms of the master copy maintained at our corporate office will be controlling.

Confidential Information.

We claim property rights in all the information about the operational, sales, promotional methods and techniques, and marketing methods and techniques of the JANI-KING system. We claim proprietary trade secret rights in information like lists and files, and other compilations of information pertaining to the JANI-KING system of doing business, which information includes (a) Jani-King manuals and forms, the information contained and compiled in the manuals and forms, and the updates and memoranda relating to the manuals and forms; (b) names of Jani-King's agents, suppliers, and customers, and their requirements, specifications, and preferences; (c) the contractual arrangements between Jani-King and its agents, suppliers, and customers; (d) the financial details (including but not limited to credit and discount terms) of Jani-King's relationship with its agents, suppliers, or customers; (e) the names of prospective Jani-King customers and their requirements, specifications, and preferences; (f) information concerning the remuneration paid by Jani-King to its employees; (g) Jani-King's accounting software and forms; (h) information concerning and presented at Jani-King meetings; (i) security and access information; (j) information provided through initial and ongoing specialized training; (k) Jani-King's business plans and strategies; and (l) similar information. All such lists, files, other compilations of information, and the information contained in such materials (whether or not denoted, labeled, or marked as confidential) is considered confidential and will be and remain our exclusive property, even if compiled or developed by you (including your officers and directors, if you are a corporation, and your employees) in connection with your business under the Franchise Agreement. You must provide us, upon our request, with a list of all customers you are servicing and copies of their respective contracts.

You and your principals must not use or communicate, either during or after the term of the Franchise Agreement, the contents of any confidential manuals or forms, or any other trade secrets or confidential information about the operation of the franchise or of the JANI-KING system, except as provided for in the Franchise Agreement. You must also use all reasonable efforts to maintain this information as secret and confidential, and you must not duplicate, copy, record, or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person without our written permission.

If you (including your officers, directors, managers, and/or members, if you are a corporation or limited liability company), your principals, or any of your employees develop any new materials, concept, process, or improvement in the operation or promotion of the business, you must give us notice and all necessary information related to such development(s). These developments are and will remain our property, without compensation, and we will have the right to use or disclose them to other franchisees if we believe it is appropriate.

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

You must participate personally in the direct operation of the franchise business. Your franchise will be responsible for the services performed at the customer locations where you provide service, and you must provide all labor, materials, tools, and supplies necessary to service those premises. You must perform all those services in a good and workmanlike manner, to the satisfaction of the customer and in accordance with our system standards. You must also maintain an acceptable relationship with the customer contact person. You are required to hire at least one employee for your business, other than yourself or your principals. Certain customers may require that you and your employees undergo background checks as a condition to being able to provide service to such customers' locations.

We believe that only a person with an ownership interest can adequately ensure that the standards of quality established by us are being provided to the customer. Thus, while not required, we strongly recommend that you be directly involved in the day-to-day operations. While you are required to hire one employee and you may hire additional employees for the labor-intensive portions of the business, we have built our reputation on the "owner-management" concept and believe it is mandatory for continued success.

The typical JANI-KING service contract is for a one-year term and may be renewed by the customer for additional periods of one year. The quality of your work and your relationship with the customer contacts are the primary factors in retaining the service contract. It is our belief that consistent, quality service provided at a competitive production rate and good customer relations, achieved by your direct involvement in the operation of the franchise business, is an important factor in the continuation of the service contract.

Your owners, managers, directors and officers, and the spouses of your owners, managers, directors and officers must sign an agreement to personally and unconditionally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for, the breach of every provision of the Franchise Agreement. The owners must agree to maintain confidentiality of the proprietary information described in Item 14 and to conform to the covenants not to compete described in Item 17. The form of that "Guaranty" agreement is attached to this disclosure document in Exhibit B.

If you employ any individual in a managerial position, you must also obtain the execution of covenants not to compete like the provisions in the Franchise Agreement. You must also require an agreement to maintain the confidentiality of information they receive or have access to base on their

relationship with you. Otherwise, there are no limitations on whom you may employ as a manager, other than limitations relating to your performance obligations under the Franchise Agreement and any limitations associated with obtaining and maintaining the required insurance coverage. Your managers are not required to attend our training program but may do so.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all types of products, and perform all services, that we require for JANI-KING businesses. You may not offer for sale any types of products or perform any services that we have not authorized. You are limited in the operation of the franchise business to the offering of cleaning services and supplies to the public. Our system standards may regulate required or authorized products, product categories and supplies. We have the right to change the types of required and/or authorized goods and services without limitation.

We also designate some goods and services as optional for qualified franchisees. We may require special training and certification before we will allow you to offer these goods and services.

All proposals for services made by you to either current or prospective customers must be reviewed and approved by our staff. All contracts and agreements for services must be on our approved forms, in our name and signed by one of our employees. You must not solicit business outside of your designated territory.

You must not knowingly interfere, solicit, or otherwise contact in any manner a current customer or prospect of another JANI-KING franchisee or of our regional office, unless we request you to do so in writing. If you solicit a potential customer and discover that the customer will be receiving, or has already received a JANI-KING proposal delivered by another franchisee or our regional office staff member, we will not allow you to pursue any further solicitation of that account, and you must withdraw any proposal until a decision has been made on the initial proposal currently under consideration, or for a maximum of 60 days from the date on that proposal.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 9.1	10 years.

Provision	Section in Franchise Agreement	Summary
(b) Renewal or extension of the term	Section 9.2	If you are in good standing, you can renew or extend the term of your franchise on our then current terms for 3 additional 10-year periods.
(c) Requirements for you to renew or extend	Sections 9.2, 9.3, 9.4	We may allow you to renew your franchise and remain as a franchisee after the initial term of your Franchise Agreement expires if you meet the criteria set forth in the Franchise Agreement. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than your original franchise agreement. Other requirements include: You must give us written notice of your desire to renew seven to 12 months before the end of the term and you must sign a general release.
(d) Termination by you	Not Applicable	No early termination by you.
(e) Termination by us without cause	Not Applicable	Not Applicable
(f) Termination by us with cause	Sections 8.1, 8.2, 8.3	We can terminate only if you commit a default.

Provision	Section in Franchise Agreement	Summary
(g) "Cause" defined - defaults which can be cured	Sections 8.2 and 8.3	We can terminate you for engaging in conduct that reflects unfavorably on the operation and reputation of the JANI-KING system if you fail to cure such default in 24 hours. The following defaults, if not cured within 30 days after we have given you written notice, may result in termination: failure to comply with any provisions of the Franchise Agreement or other agreement between us and you; failure to pay any monies due us, our subsidiaries or affiliates, or others when due; enter a contract with or take payment directly from a customer without our approval; failure to submit required financial information or make false statements about it; failure to pay all taxes and employee related withholdings relating to the operation of your franchise; failure to keep your business entity active and in good standing; failure to maintain the standards that we require in the Franchise Agreement, or Manuals; failure to obtain any required approvals; misuse of JANI- KING marks; insolvency or bankruptcy.

Provision	Section in Franchise Agreement	Summary
(h) Cause defined non-curable defaults	Section 8.1 (a)-(g)	Non-curable defaults include being convicted of, pleading guilty or no contest to, or receiving deferred adjudication for a felony, crime of moral turpitude, or certain other crimes; disclosure of confidential information; abandonment; unauthorized transfer; material misrepresentations when you purchase the franchise; repeated failure to comply with Franchise Agreement or Manual requirements, even if corrected; or if you are declared insolvent or bankrupt. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Provision	Section in Franchise Agreement	Summary
(i) Your obligations on termination/nonrenewal	Sections 4.27, 4.28	You must immediately cease use of all JANI-KING marks, trade secrets, and all aspects of the JANI-KING system; You must immediately return to us all advertising matter, products or writing that contain JANI-KING's trade name, logo, or copyright, and any information of a proprietary nature; you must also return to us all keys to buildings, security passes and/or codes, all our customer contracts and all our equipment. You must pay us all sums due. If you claim to have terminated or failed to renew and refuse to return the items described above, you must pay us $500 per day as liquidated damages. (Also see Non-competition below.)
(j) Assignment of contract by us	Section 10.6	The Franchise Agreement is fully assignable by us.
(k) "Transfer" by you defined	Section 10.1	Includes transfer of Franchise Agreement or assets or ownership change.
(l) Our approval of transfer by you	Section 10.1 and 10.2	We have the right to approve all transfers.

Provision	Section in Franchise Agreement	Summary
(m) Conditions for our approval of transfer	Section 10.2 - 10.5	New franchisee qualifies; you are in full compliance with your Franchise Agreement; you pay us all amounts due; transferee and its managers have satisfactorily completed our training program(1), transferee executes our then-current form of Franchise Agreement; transfer fee paid; we approve written agreements regarding transfer; you supply us with any additional information we require; you provide (and your principals), as a personal covenant to the transferee, in addition to your covenants to us, an agreement not to seek to divert business from us or our franchisees for two years after transfer; and you sign a general release and other documents we require (Also see Non-competition below.)
(n) Our right of first refusal to acquire your business	Section 11	We have a right to acquire your business under the same terms you are offering to a third party.
(o) Our option to purchase your business(2)	Section 11	You must notify us if you plan to transfer your business to a third party. After we have been notified, we will notify you whether we will purchase your business under the same terms you are offering to a third party.
(p) Your death or disability	Section 10.3	Subject to transfer rules; however, an administrative fee, not a transfer fee, is charged if the transfer is to a family member.

Provision	Section in Franchise Agreement	Summary
(q) Non-competition covenants during the term of the franchise	Section 5	You may not own, engage in, or have a financial interest in any competing business in the territory. You also must not divert or attempt to divert any business or customer from us or our franchisees; influence your previous customers or our other franchisees; or injure our goodwill.
(r) Non-competition covenants after the franchise is terminated or expires	Section 5	For one year, you must not: own, engage in, or have a financial interest in a competing business in the territory; divert or attempt to divert any business or customer from us or our franchisees or injure our goodwill; influence or attempt to influence your previous customers or other franchisees. You must not use the name "JANI-" permanently (same restrictions after transfer).
(s) Modification of the agreement	Sections 4.2.2, 4.22, 4.23, 12.2.2	No modifications generally except by written Agreement, but we may change the Manuals and system standards at any time. You may be required to implement these changes at your own cost.
(t) Integration/merger clause	Section 12.3	Only the terms of the Franchise Agreement (including the Manuals) are binding (subject to state law). Any other promises may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
(u) Dispute resolution by arbitration or mediation	Section 12.16	Except for certain claims, all disputes must be arbitrated within 50 miles of our then current principal place of business.
(v) Choice of forum	Section 12.9	Litigation must be in Dallas County, Texas (subject to state law).
(w) Choice of law	Section 12.9	Texas law applies without reference to choice of law principles (subject to State law).

Notes:

(1) As a condition to our approval of a transfer, you must continue to provide service to the accounts serviced by your franchise until the proposed transfer takes place.

(2) We have an option to transfer any of the accounts serviced by your franchise if you fail to comply with the Franchise Agreement or our policies and procedures within 7 days after we give you notice of non-compliance, if a customer asks for a transfer or cancellation, or if you provide services to any customer and do not report the Gross Revenue derived from such services to us (See Sections 4.19.4 and 4.19.5.).

A provision in the Franchise Agreement which terminates the Franchise Agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

See state addenda to the Franchise Agreement and disclosure document for special state disclosures in Exhibit O.

ITEM 18
PUBLIC FIGURES

JK INT'L has an agreement with Ryan Palmer that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Ryan Palmer $40,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Ryan Palmer through the 2024 PGA Tour Season ending September 1, 2024 and for advertising rights on the hat of Ryan Palmer. Ryan Palmer is also eligible for performance bonuses based on his performance on the PGA tour. Ryan Palmer does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Adam Schenk that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Adam Schenk $30,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Adam Schenk during the 2024 PGA Tour Season from February 1, 2024 to June 30, 2024. Adam Schenk is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2024 to June 30, 2024. Adam Schenk does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Sepp Straka that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Sepp Straka $30,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Sepp Straka during the 2024 PGA Tour Season from February 1, 2024 to June 30, 2024. Sepp Straka is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2024 to June 30, 2024. Sepp Straka does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Joel Dahmen that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Joel Dahmen $20,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Joel Dahmen during the 2024 PGA Tour Season from February 1, 2024 to June 30, 2024. Joel Dahmen is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2024 to June 30, 2024. Joel Dahmen does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with James "J.T." Poston that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay James "J.T." Poston $20,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of James "J.T." Poston during the 2024 PGA Tour Season from February 1, 2024 to June 30, 2024. James "J.T." Poston is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2024 to June 30, 2024. James "J.T." Poston does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Colt Knost that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Colt Knost $12,500 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Colt Knost during the 2024 PGA Tour Season from February 5, 2024 to June 30, 2024. Colt Knost does not manage, control, or own an interest in JK INT'L or us.

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.

The following is historic financial performance information, which is unaudited.

TABLE 19.1

Table 19.1 provides, for all Jani-King franchisees in the Territory operating and servicing accounts under current franchise agreements for either part, or all, of one or more of the past three calendar years (i.e., 2021 (Table 19.3), 2022 (Table 19.2) and 2023 (Table 19.1)) ("Reporting Franchisees"), the following information: (i) the number of Reporting Franchisees who achieved annual Gross Revenue between certain specified ranges; (ii) the total annual Gross Revenue of all Reporting Franchisees combined; (iii) the number of Reporting Franchisees; and, (iv) the average annual Gross Revenue of Reporting Franchisees. While Jani-King franchisees operating under lower plans than an E-5 Plan are included in the definition of "Reporting Franchisees," Jani-King currently offers plans E-5, E-10, E-15, E-20 and E-25. Although at the end of the 2021, 2022 and 2023 calendar years, there were a total of 57, 58 and 52 franchised outlets open, respectively, during those calendar years, there were a total of 57, 54 and 53 franchised outlets that qualify as Reporting Franchisees, respectively.

Although their franchise agreements have not been officially terminated, there are franchises in the Territory whose businesses we treat in Item 20 as having ceased operations to the extent they have not serviced an account in one or more full calendar years ("Non-Operational Franchisees"). As of December 31, 2023, there were a total of 110 Non-Operational Franchisees. Table 19.1 does not provide information for these Non-Operational Franchisees, who may in the future be officially terminated or who may recommence operations.

Table 19.1
2023 Reporting Franchisees – Reporting based on the 2023 Calendar Year

		Sold before 2023		
Gross Revenues (2023)	**Sold in 2023**	**Reporting Franchisees Operating for all of 2023**	**Reporting Franchisees Operating for part of 2023**	**Totals**
Annual Gross Revenue Below $20K	0	10	8	18
Annual Gross Revenue $20K to $40K	0	3	2	5
Annual Gross Revenue $40K to $60K	0	4	0	4
Annual Gross Revenue $60K to $80K	0	7	0	7
Annual Gross Revenue $80K to $100K	0	3	0	3
Annual Gross Revenue Over $100K	0	16	0	16

Gross Revenues (2023)	Sold in 2023	Sold before 2023		Totals
		Reporting Franchisees Operating for all of 2023	Reporting Franchisees Operating for part of 2023	
Total Annual Gross Revenue of all Reporting Franchisees Combined	0	$9,154,745	$133,034	$9,287,779
Number of Reporting Franchisees	0	43	10*	53
Avg. Annual Gross Revenue	0	$212,901	$13,303	$175,241
Median Annual Gross Revenue	0	$69,245	$9,065	$59,543

In 2023, there were 53 Reporting Franchisees. Of the 53 Reporting Franchisees, 9 (or 17.0% of) Reporting Franchisees met or exceeded the "Average Annual Gross Revenue," with the highest "Annual Gross Revenue" earned being $3,460,540 and the lowest "Annual Gross Revenue" earned being $364.

Table 19.2
2022 Reporting Franchisees – Reporting based on the 2022 Calendar Year

Gross Revenues (2022)	Sold in 2022	Sold before 2022		Totals
		Reporting Franchisees Operating for all of 2022	Reporting Franchisees Operating for part of 2022	
Annual Gross Revenue Below $20K	1	9	6	16
Annual Gross Revenue $20K to $40K	1	4	3	8
Annual Gross Revenue $40K to $60K	0	5	1	6
Annual Gross Revenue $60K to $80K	0	2	0	2
Annual Gross Revenue $80K to $100K	0	4	0	4
Annual Gross Revenue Over $100K	0	18	0	18
Total Annual Gross Revenue of all Reporting Franchisees Combined	$38,506	$9,270,060	$163,396	$9,471,962
Number of Reporting Franchisees	2*	42	10*	54
Avg. Annual Gross Revenue	$19,253	$220,716	$16,340	$175,407
Median Annual Gross Revenue	$19,253	$81,603	$7,714	$52,024

In 2022, there were 54 Reporting Franchisees. Of the 54 Reporting Franchisees, 13 (or 24.1% of) Reporting Franchisees met or exceeded the "Average Annual Gross Revenue," with the highest "Annual Gross Revenue" earned being $2,864,419 and the lowest "Annual Gross Revenue" earned being $524.

Table 19.3
2021 Reporting Franchisees – Reporting based on the 2021 Calendar Year

Gross Revenues (2021)	Sold in 2021	Sold before 2021		Totals
		Reporting Franchisees Operating for all of 2021	Reporting Franchisees Operating for part of 2021	
Annual Gross Revenue Below $20K	0	13	8	21
Annual Gross Revenue $20K to $40K	0	5	1	6
Annual Gross Revenue $40K to $60K	0	3	0	3
Annual Gross Revenue $60K to $80K	1	2	1	4
Annual Gross Revenue $80K to $100K	0	2	0	2
Annual Gross Revenue Over $100K	0	16	5	21
Total Annual Gross Revenue of all Reporting Franchisees Combined	$78,344	$7,053,859	$996,735	$8,128,938
Number of Reporting Franchisees	1*	41	15*	57
Avg. Annual Gross Revenue	$78,344	$172,045	$66,449	$142,613
Median Annual Gross Revenue	$78,344	$59,762	$19,344	$22,615

In 2021, there were 57 Reporting Franchisees. Of the 57 Reporting Franchisees, 16 (or 28.1% of) Reporting Franchisees met or exceeded the "Average Annual Gross Revenue," with the highest "Annual Gross Revenue" earned being $2,362,929 and the lowest "Annual Gross Revenue" earned being $675.

Notes:

*Note: Reporting Franchisees operating for only a partial year may have operated for as few as one month or as many as 11 months in a given year.

The amounts set forth in the table above were obtained through Jani-King's franchisee accounting support functions described in Item 6. Gross Revenue was calculated in the same manner that you would calculate Gross Revenue for purposes of determining your Royalty Fee. For the avoidance of doubt, "Gross Revenue" means all revenue invoiced by anyone for any contract services, one-time cleans, extra work, sales of supplies, equipment or goods and any other revenue related to or derived from the provision of any cleaning and maintenance services including, but not limited to, commercial, industrial, and institutional, as well as the sale, leasing or distribution of related supplies and equipment in connection with the conduct and operation of a franchisee's business or otherwise directly or indirectly, in whole or in part, performed or sold by, or for the benefit of franchisee, franchisee's guarantors, agents, representatives, and/or employees, or the principals or any of the spouses of the principals, regardless of the entity or business name used. Gross Revenue figures do not take into account the cost of such franchisees' operations, including the fees those franchisees may pay to us on such revenues and the fees

those franchisees pay to others. Other than the fees paid to us, Jani-King does not collect or have access to its franchisees cost information. Further, Jani-King does not require or allow its sales personnel to make any financial performance representations with respect to its franchisees' cost of doing business.

You should particularly note the following:

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

We have written substantiation in our possession to support the information appearing in this Item 19 and such substantiation will be made available to you on reasonable request.

The amount of revenue is affected by many factors, such as (1) the Initial Business may be offered in stages during the Initial Offering Period; (2) you may not accept all of the accounts offered; (3) accounts may cancel the contract or request a change of franchisees due to poor performance by you; or (4) the account may go out of business before the end of the contract period.

Other than the preceding financial performance representation, JANI-KING OF WASHINGTON, D.C., INC. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jani-King of Washington, D.C., Inc., 16885 Dallas Parkway, Addison, Texas 75001 (972) 991-0900 Attn: Legal Department, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION
Table No. 1

Franchisor Outlet Summary
For Years 2021 to 2023[1]

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	61	57	-4
	2022	57	58	+1
	2023	58	52	-6
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	62	58	-4
	2022	58	59	+1
	2023	59	53	-6

[1] All numbers are as of our fiscal year end which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

Table No. 2

Transfers of Outlets From Franchisees To New Owners (Other than the Franchisor) For Years 2021 to 2023[1]

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Georgia	2021	1
	2022	0
	2023	0
Virginia	2021	1
	2022	0
	2023	0
All Other States	2021	0
	2022	0
	2023	0
Totals	2021	2
	2022	0
	2023	0

[1] All numbers are as of our fiscal year end which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

Table No. 3

Status of Franchised Outlets For Years 2021 to 2023*[1]

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons[2]	Outlets at End of the Year
District of Columbia	2021	3	1	0	0	0	0	4
	2022	4	2***	0	0	0	1	5
	2023	5	0	0	0	0	1	4
Georgia	2021	1	0	0	0	0	1**	0
	2022	0	0	0	0	0	0	0

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons[2]	Outlets at End of the Year
	2023	0	0	0	0	0	0	0
Maryland	2021	20	0	0	0	0	2	18
	2022	18	5****	0	1	0	1***	21
	2023	21	0	0	0	0	1	20
Virginia	2021	37	2**	0	0	0	4	35
	2022	35	4	0	0	0	7****	32
	2023	32	0	0	0	1	3	28
All Other States	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	2021	61	3	0	0	0	7	57
	2022	57	11[3]	0	1	0	9	58
	2023	58	0	0	0	1	5	52

[1] All numbers are as of our fiscal year end which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

[2] This column consists of franchises that Franchisor considers to have "ceased to do business." Franchisor counts a franchise as ceased to do business when the franchise has not generated revenue for one calendar year. A franchise that has ceased to do business may reactivate in certain circumstances and so long as the applicable franchise agreement is still in effect.

[3] The Outlets Opened includes 1 reactivated franchise that has been counted in the Cease Operations – Other Reasons column in previous years due to being inactive.

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

** In 2021, one franchisee located in Georgia sold its franchise to a resident of Virginia. This relocation has been reflected in Table No. 3 as a closure in "Ceased Operations – Other reasons" column of the state in which it was originally located and a corresponding opening in the "Outlets Opened" column of the state to which it subsequently relocated.

*** In 2022, one franchisee located in Maryland relocated to the District of Columbia. This relocation has been reflected in Table No. 3 as a closure in "Ceased Operations – Other reasons" column of the state in which it was originally located and a corresponding opening in the "Outlets Opened" column of the state to which it subsequently relocated.

**** In 2022, two franchisees located in Virginia relocated to Maryland. These relocations have been reflected in Table No. 3 as a closure in "Ceased Operations – Other reasons" column of the

state in which they were originally located and a corresponding opening in the "Outlets Opened" column of the state to which they were subsequently relocated.

Although their franchise agreements have not been officially terminated, there are franchisees in the Territory whose business we treat in Item 20 as having "Ceased Operations – Other Reasons" to the extent they have not serviced an account in one or more full calendar years ("Non-Operational Franchisees"). These Non-Operational Franchisees are not included in Table No. 1 or in Columns 3 or 9 of Table No. 3. Instead, Non-Operational Franchisees are reported in Column 8 of Table No. 3 in the year after the calendar year in which they fail to service a single account and in Column 4 of Table No. 3 in the year in which it again commences to service accounts, if applicable.

Table No. 4

Status of Company-Owned Outlets
For Years 2021 to 2023[1]

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Virginia	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
All Other States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

[1] All numbers are as of our fiscal year end which is December 31. This chart includes outlets of our Corporate Region Subs.

Table No. 5

Projected Openings as of December 31, 2023[1]

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
District of Columbia	0	2	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Maryland	0	5	0
Virginia	0	5	0
All Other States	0	0	0
Totals	0	12	0

[1] This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

A list of names, addresses, and business telephone numbers of all franchisees under franchise agreements with us as of December 31, 2023, is provided in Exhibit I.

Also included in Exhibit I is a list of the name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of each of our franchisees who had an outlet terminated, canceled, or not renewed, by us or who otherwise voluntarily or involuntarily ceased to do business under their agreement as of December 31, 2023, or who has not communicated with us within 10 weeks of the 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 of the date of this disclosure document, we are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

As of the date of this disclosure document, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the JANI-KING franchise system.

As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document and there are no franchisee organizations sponsored or endorsed by us.

ITEM 21
FINANCIAL STATEMENTS

Exhibit G attached to this disclosure document contains the following:

1. Unaudited financial statements of JK INT'L for the period covering January 1, 2024 through March 31, 2024.

2. Consolidated, audited financial statements of JK INT'L as of and for the years ended December 31, 2021, December 31, 2022, and December 31, 2023.

3. JK INT'L has executed a Guaranty of Performance for us, which is included in Exhibit G. JK INT'L absolutely and unconditionally guarantees our duties and obligations under the Franchise Agreement should we become unable to perform them.

ITEM 22
CONTRACTS

We attached the following agreements as Exhibits to this disclosure document:

Exhibit:

A Franchise Agreement

B Guaranty

C Account Acceptance /Finder's Fee Agreement

D Equipment Lease Agreement

L General Release

M BPP Election Form

N Maintenance Agreement

O State Addenda to Disclosure Document

P State Effective Dates Page

Q Acknowledgment of Receipt by Prospective Franchisee of All Contracts and Related Franchise Documents

R Receipts of Franchise Disclosure Document

ITEM 23
RECEIPTS

Attached as the last two pages of this disclosure document (See Exhibit R) are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT
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JANI-KING OF WASHINGTON, D.C., INC.

FRANCHISE AGREEMENT

THIS AGREEMENT (this "***Agreement***") is made and entered into in Addison, Dallas County, Texas by and between JANI-KING OF WASHINGTON, D.C., INC., a Texas Corporation, hereinafter referred as "***Franchisor***", and _____

hereinafter referred to, singularly or collectively, as "***Franchisee***", doing business as a:

[ ] Corporation, incorporated under the laws of _____, [ ] Limited Liability Company, formed under the state of _____

for the purposes of allowing Franchisee to operate a business as a Franchisee of Franchisor. Franchisee and Franchisor may be jointly referred to as the "***Parties***." Jani-King International, Inc., and its various subsidiaries (including, without limitation, Franchisor) are collectively referred to herein as "***Jani-King***."

FRANCHISE SUMMARY

EFFECTIVE DATE: _____, 2_____. PLAN: _____

INITIAL FRANCHISE FEE DOWN PAYMENT:

($_____) _____ Dollars

PROJECTED INITIAL FRANCHISE FEE MONTHLY PAYMENT:

$_____ PER MONTH FOR _____ MONTHS

INITIAL BUSINESS:

($_____) _____ (Thousand)

INITIAL OFFERING PERIOD: _____ (_____) Days

TERRITORY: District of Columbia Standard Metropolitan Statistical Area including the counties of:

Charles, Frederick, Montgomery, Prince George's and St. Mary's in the state of Maryland; and

Arlington, Fairfax, Fauquier, Loudoun, Prince William, Stafford, and the Independent Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park in the state of Virginia.

FRANCHISEE ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

COUNTY: _____ TELEPHONE NUMBER: (____)_____

EMAIL:_____

FEDERAL TAX ID#:_____ STATE TAX ID# (if applicable):_____

RECITALS

SECTION 1

1.1. WHEREAS, Jani-King owns a system (the "***System***") consisting of the Proprietary Marks (as defined herein), and certain proprietary know-how and other Confidential Information (as defined herein) for:

(a) the franchising of comprehensive cleaning and maintenance businesses using the System and the Confidential Information, and the supply and distribution of complete cleaning and/or maintenance related services, including, but not limited to, commercial, industrial, and institutional cleaning (the "***Services***"); and

(b) the supply and distribution of cleaning and maintenance products using the System and the Confidential Information, and the promotion, sale, and delivery of the same (the "***Products***").

1.2. WHEREAS, Franchisor is authorized to grant a license to use the System, the Proprietary Marks, and/or the Confidential Information.

1.3. WHEREAS, Franchisee desires to use the System in Franchisee's business as a Jani-King Franchisee.

1.4. WHEREAS, the Parties to this Agreement desire that the Franchisor grant to the Franchisee a license to use the System developed by Jani-King in the Territory for the operation of a cleaning and maintenance business, and agree that such business will be governed by the terms, covenants, and conditions contained in this Agreement and the brand standards in Franchisor's Policy and Procedures Manual (the "***Manual***").

1.5. NOW, THEREFORE, in consideration of the full and faithful performance of each and every one of the covenants, terms, and conditions contained herein, the Parties agree as follows:

SECTION 2

2.1. Franchisor grants to the Franchisee, upon the terms and conditions herein contained, a license and right to use the System developed by Jani-King in connection with the Franchisee's operation of a Jani-King cleaning and maintenance business ("***Franchised Business***") in the territory described in the Franchise Summary (the "***Territory***"). The "***Franchise Summary***" is defined as all information contained on the first page of this Agreement appearing below the words "FRANCHISE SUMMARY."

SECTION 3

GRANT OF FRANCHISE

3.1. For and in consideration of the full and faithful performance of each and every one of the covenants, terms and conditions herein contained and agreed to by Franchisee, Franchisor grants to the Franchisee the right to establish and operate the Franchised Business within the Territory.

3.2. Franchisee will operate the Franchised Business at or from a location of its choosing within the Territory subject to the approval of Franchisor and Franchisee's continued compliance with the terms and conditions set forth herein.

SECTION 4

FRANCHISEE PLEDGES

4.1. To operate the Franchised Business in the Territory described herein using the System.

4.1.1. Franchisee agrees that it will not use any name in the operation of the Franchised Business other than those specifically authorized by Franchisor. Franchisee is authorized to use the title "Authorized Franchisee of Jani-King®" and/or "Independent Franchisee of Jani-King®" in conjunction with the operation of its Franchised Business. Franchisee is not authorized and agrees not to use the trademark "Jani-King" in any part of a corporate name or other legal name of an entity used to purchase the franchise. Franchisee is prohibited from using (i) any other janitorial, maintenance, or cleaning service name in conjunction with their formal name (for example, "ABC Custodials", "ABC Maintenance", "ABC Cleaning Services"), (ii) a name prefix of "Jani-", or any other similarly spelled or sounding prefix, (iii) the words "Services", "Cleaning", and "Maintenance", or (iv) any other trademarks, trade names, or service marks, or any name that has not been granted prior written approval by Jani-King's Corporate Office. All directory listings, letterhead, or any other visual or printed matter used by Franchisee to communicate to anyone must conform to Franchisor's brand standards. Franchisee is prohibited from using the term "dba Jani-King" in conjunction with the operation of its Franchised Business.

4.1.2. Franchisor has developed and used, and continues to develop, use, and control in connection with its System certain Proprietary Marks that have become associated with its System so as to impart to the public superior standards of quality and service. The "***Proprietary Marks***" as used in this Agreement means all trademarks, trade names, trade dress, service marks, slogans, and logos, including, but not limited to, the mark "Jani-King", the mark "The King of Clean" or any other trademark or service mark which may be authorized in writing by an officer of Franchisor now or at any time in the future.

4.1.3. Franchisor has developed and continues to develop, in connection with its System, certain brand standards, customer information, guidelines, recommendations, and advice containing confidential information, programs, devices, methods, techniques, and/or processes which are not generally known to the public pertaining to franchising, promotion, marketing, operation, and management of a business, including, but not limited to, the System, as defined herein, which includes but is not limited to information regarding the operational, sales, promotional methods and techniques, and marketing methods and techniques related to the System. Such information includes, but is not limited to: (a) Jani-King's DVDs, manuals, forms, the information contained and compiled therein, and the updates and memoranda thereto; (b) names of agents, suppliers, and customers, and their requirements, specifications, and preferences; (c) the contractual arrangements with agents, suppliers, and customers; (d) the financial details (including but not limited to credit and discount terms) of relationships with its agents, suppliers, or customers; (e) the names of prospective customers and their requirements, specifications, and preferences; (f) Jani-King's accounting software; (g) information concerning and presented at Jani-King meetings; (h) security and access information; (i) information provided through initial and ongoing specialized training; and (j) Jani-King's business plans and strategies (collectively, the "***Confidential Information***").

4.1.4. All use of the Proprietary Marks and Confidential Information by Franchisee must be in accordance with the terms of this Agreement and the brands standards in the Manual and inure to the benefit of Franchisor and all such Proprietary Marks and Confidential Information will remain the sole property of Franchisor.

4.1.5. Franchisee has the right to advertise the Franchised Business within the Territory in accordance with the terms of this Agreement and the brand standards in the Manual. Franchisee may conduct its own advertising campaigns using such items as direct mail, flyers, newspaper ads and other approved forms of advertising. Franchisee agrees to submit to Franchisor, prior to use by Franchisee, samples of any and all advertising and promotional plans and materials of any type which contain in any manner any of the Proprietary Marks, including without limitation the trade names, trademarks, service marks, slogans and logos as are now or which in the future

may be approved for use by Franchisee. Franchisee must obtain Franchisor's prior approval of all advertising that Franchisee desires to use in connection with its Franchised Business by submitting it to Franchisor at least thirty (30) days prior to publication, including any advertising on the Internet, which Franchisor may grant or withhold in its business judgment. To protect the System, Proprietary Marks, and Jani-King name, Franchisor has the right to require Franchisee to include certain statements in and/or make changes to Franchisee's proposed advertising prior to approval. Franchisee's advertising materials may not contain any statement or material which, in Franchisor's sole business judgment may be considered: (a) in bad taste or offensive to the public or to any group of persons; (b) defamatory of any person or an attack on any competitor; (c) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or (d) inconsistent with the public image of the System. Franchisee acknowledges that advertising the Franchised Business in accordance with this Agreement and Jani-King's brand standards is essential to protect the goodwill toward the System, Proprietary Marks, and Jani-King name.

Franchisee acknowledges and agrees that any and all copyright in and to advertising materials developed by Franchisee or on Franchisee's behalf will be Franchisor's sole property, and Franchisee must execute such documents (and, if necessary, require your employees or independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision.

4.1.6. Franchisee may not develop, create, distribute, contribute to, disseminate or use any digital or Internet communication including websites, blogs, instant message services, social media sites such as Facebook, Twitter, and Instagram, and all other digital communication methods or any multimedia, telecommunication, mass electronic mail, or audio/visual advertising, promotional or marketing materials ("**Digital Advertising**"), directly or indirectly related to the Franchised Business, Franchisor, the System, or Proprietary Marks, without Franchisor's prior written consent, which consent may be withheld in Franchisor's sole determination. All Digital Advertising is subject to Section 4.1.5 above. Franchisee may not maintain a website, unless such presence is a page on Jani-King's own website domain. Franchisor reserves the right to develop, publish and control the content of all Digital Advertising. Franchisee acknowledges that Franchisor owns all Digital Advertising related to, containing, or associated with the System, Proprietary Marks, or Jani-King name.

4.2.1. Franchisee agrees to devote sufficient time and effort to its business pursuant to this Agreement.

4.2.2. Franchisee will comply with established Jani-King brand standards, as they may be amended from time to time, and agrees not to deviate there from without prior written consent of Franchisor.

4.2.3. All of Franchisee's owners, shareholders, members, officers, directors, and managers (each, a "***Principal***" and collectively, the "***Principals***") who will actively participate in the operations of the Franchise Business agree to successfully complete the initial training program within six months of the signing of this Agreement.

4.3. In consideration of the rights herein granted under the plan identified in the Franchise Summary (the "***Plan***"), and the initial services to be performed by Franchisor in connection with Franchisee's use in the Territory of the System, Proprietary Marks and Confidential Information as pledged herein, Franchisee will pay to the Franchisor, upon execution of this instrument, the INITIAL FRANCHISE FEE DOWN PAYMENT, as stated in the Franchise Summary herein (the "***Initial Franchise Fee Down Payment***"). Franchisee authorizes Franchisor's deduction of Initial Franchise Fee Monthly Payments, as stated in the Franchise Summary herein, (the "***Initial Franchise Fee Monthly Payments***") from the Gross Revenue, as defined herein, in the amount and number of payments stated in the Franchise Summary, provided Franchisee's franchise produces Gross Revenue in an amount equal to or greater than $3,000 in an applicable month. Franchisee will not be required to make an Initial Franchise Fee Monthly Payment, or pay Franchisor any portion thereof, in a month when Franchisee's Gross Revenue is less than $3,000. Instead, such unpaid Initial Franchise Fee Monthly Payment will be carried over to and paid in the next month that Franchisee's Gross Revenue is equal to or greater than $3,000 and Franchisee's requirement to make Initial Franchise Fee Monthly Payments will continue until Franchisee has made the number of Initial

Franchise Fee Monthly Payments stated in the Franchise Summary. The Initial Franchise Fee Down Payment plus the Initial Franchise Fee Monthly Payments equal the "***Initial Franchise Fee***."

4.3.1. Payment of this sum will entitle Franchisee to the non-exclusive right to use the System developed by Jani-King in connection with the Franchised Business in the Territory described herein. Franchisor will secure commercial cleaning and maintenance contracts and offer to Franchisee the opportunity to perform services in accordance with those commercial cleaning and maintenance contracts which contracts will have cumulative initial gross monthly billings in the amount equal to the amount stated as the "INITIAL BUSINESS" in the Franchise Summary (the "***Initial Business***").

4.3.2. Except as otherwise noted herein, the Initial Franchise Fee is non-refundable and is in addition to royalties and other payments set out herein.

4.3.3. ANY COMMERCIAL CLEANING AND MAINTENANCE CONTRACTS THAT FRANCHISOR OFFERS TO FRANCHISEE THE RIGHT TO PROVIDE SERVICES WILL COUNT AGAINST THE INITIAL BUSINESS, WHETHER FRANCHISEE ACCEPTS THE OFFER OR NOT. However, in the event that Franchisor is unable to secure and offer to the Franchisee the right to provide services to commercial cleaning and maintenance contracts with a cumulative total of initial gross monthly billings equal to or greater than the Initial Business within the time period stated as the "INITIAL OFFERING PERIOD" in the Franchise Summary (the "***Initial Offering Period***"), a portion of the Initial Franchisee Fee may be refundable. If the Franchisor fails to offer the full amount of Initial Business prior to the end of the Initial Offering Period, an amount equal to three times the amount of Initial Business not offered to the Franchisee may be refunded. Any refund will be first applied to any money owed to Franchisor, Jani-King Leasing Corporation, an affiliate of Franchisor, and any unpaid fees or charges that would result in a negative due Franchisee Report (as defined in Section 4.8.1 below). Any remaining portion of the refund will be credited to the Franchisee, unless agreed to otherwise in writing by Franchisor and Franchisee. A refund or other written agreement between the Parties, under this provision will fulfill Franchisor's obligation to offer any remaining portion of the Initial Business used to calculate the refund.

4.4. In addition to the Office Supply and Advertising Package provided to Franchisee by Franchisor as described in Schedule One of this Agreement, Franchisee is required to purchase the Professional Products and Equipment listed in Schedule One as the "Supply and Equipment Package", and also purchase, lease, or provide proof of ownership to Franchisor of the following "Additional Electrical Equipment" set forth in Schedule One:

For Plans E-5 and higher, Franchisee must obtain a commercial vacuum cleaner, a commercial floor polisher, and a commercial wet/dry vacuum. For Plans E-10 and higher, Franchisee must also obtain a high speed burnisher. For Plans E-20 and higher, Franchisee must also obtain a self-contained extractor. These items are not included in the Office Supply and Advertising Package furnished by Franchisor.

The Supply and Equipment Package and the Additional Electric Equipment must be obtained by the Franchisee before any Initial Business will be offered. Franchisor reserves the right, upon thirty days' notice to Franchisee, to require Franchisee to purchase all cleaning equipment and supplies for the operation of its franchise from one or more of Franchisor's affiliates, or from a vendor approved by Franchisor.

4.5.1. Franchisee agrees to pay to Franchisor or Franchisor's designee, by the fifth day of each month a royalty fee equal to 10% of the monthly Gross Revenue (the "***Royalty Fee***"). The minimum royalty is $100.00 monthly during the first 12 months of operation (as measured from the month Franchisor satisfies the Initial Business offering obligation) and $250.00 per month thereafter. Such minimum royalty is subject to annual adjustment for increases in the Consumer Price Index. "***Gross Revenue***" is defined as all revenue invoiced by anyone for any contract services, one-time cleans, extra work, sales of supplies, equipment or goods and any other revenue related to or derived from the provision of any cleaning and maintenance services including, but not limited to, commercial, industrial, and institutional, as well as the sale, leasing or distribution of related supplies and equipment in connection with the conduct and operation of the Franchised Business or otherwise directly or

indirectly, in whole or in part, performed or sold by, or for the benefit of Franchisee, Franchisee's guarantors, agents, representatives, and/or employees, or the Principals or any of the spouses of the Principals, regardless of the entity or business name used.

4.5.2. Franchisee agrees to pay Franchisor an advertising fee (the "***Advertising Fee***") equal to one and one half percent (1.5%) of Franchisee's Gross Revenue. Franchisee agrees to pay the Advertising Fee commencing on the fifth (5^{th}) day of the month and continuing the fifth (5^{th}) day of every month thereafter for the remainder of the term. Franchisee agrees that Franchisor, in Franchisor's sole discretion, may increase the Advertising Fee up to 2% of Franchisee's Gross Revenue. Franchisee agrees that the Advertising Fee will be maintained and administered by Franchisor or its designee as follows:

The Advertising Fee will be used by us or our designee as follows:

(1) We will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in the programs. The Advertising Fee is intended to be used to maximize general public recognition and acceptance of the registered trademarks and enhance the collective success of all franchises operating under the Jani-King System. None of the Advertising Fee is specifically or principally used for advertising that is principally a solicitation for the sale of franchises. In using the Advertising Fee, neither Franchisor, nor Franchisor's designees are required to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's payment or to ensure that any particular franchisee benefits directly or *pro rata* from the placement of advertising. Neither Franchisor, nor Franchisor's designees are required to advertise in the area where you are located.

(2) The Advertising Fee may be used to satisfy any and all costs of maintaining, administering, directing, and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, internet, website, magazine, and newspaper advertising campaigns; direct mail and outdoor billboard advertising; vehicle decaling; public relations activities; employing advertising agencies to assist therein; travel and associated expenses of personnel dispatched to assist in account startups and account bidding; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). Sums paid by Franchisee relating to the Advertising Fee will also be used to defray any of our administrative costs incurred in activities reasonably related to advertising programs. The Advertising Fee is a payment to us for advertising and related costs, and we do not have any duty to you related to the use of the Advertising Fee.

(3) The Advertising Fee may also be used in our National Vehicle Program ("***NVP***") which is a voluntary program through which Franchisee can purchase a select number of vehicles from a national vehicle manufacturer. In the event Franchisee participates in the NVP, Franchisee is required to have a decal installed on any vehicle purchased through the NVP. The cost and installation of the vehicle decal will be paid out of the Advertising Fee.

4.6. Franchisee further agrees to pay to Franchisor a finder's fee (each, a "***Finder's Fee***") on any additional business or contracts in excess of the Initial Business of which Franchisee accepts the designation, from Franchisor, as authorized franchisee to provide service to such business, whether or not that additional business or contract resulted from an increase in the contract price for an existing business being serviced by Franchisee, an expansion of service for existing business being serviced by Franchisee at the same or other locations, or completely new business. Finder's Fees are in addition to royalty fees and other payments set out in this Agreement, and are calculated on the gross monthly billing for an account according to the formulas listed below. Franchisor has no obligation to offer Franchisee the right to provide service to additional business or contracts beyond the Initial Business. Should Franchisor, in Franchisor's sole discretion, decide to offer Franchisee the right to service any additional business or contracts, Franchisee may either decline or accept the offer at the time it is made.

Following Franchisor's offer and Franchisee's acceptance of the right to provide service to any additional

business or contract, the Franchisee agrees to pay an amount as a Finder's Fee according to the guidelines established by the Franchisor. Franchisor will, from time to time, establish such guidelines, policies and procedures as necessary to calculate the applicable Finder's Fee, taking into consideration industry standards and increases in costs and expenses of soliciting new accounts, and Franchisor reserves the right to increase or decrease the Finder's Fee in all categories. Currently, the following guidelines will apply, but any guideline or policy regarding the calculation of a Finder's Fee or the payment thereof, for any account, may be changed by the Franchisor at any time prior to the offering of the account:

(1) Upon acceptance of the right to perform services on any additional business, the Franchisee will sign an Account Acceptance/Finder's Fee Agreement, which will include the Finder's Fee payment calculations, if any, according to the provisions set out in the Finder's Fee Schedules below.

(2) For each of the Finder's Fee Schedules set out below, the following terms apply to calculate the Finder's Fee for the additional business:

"OVER" / "UP TO": To determine the proper formula for a Finder's Fee payment structure within the appropriate Schedule, the Monthly Billing categories are listed by ranges, where the monthly billing will exceed the amount listed as "OVER", but be less than the amount listed as "UP TO". If the monthly billing may fluctuate, the proper category of Monthly Billing will be determined by Franchisor's estimate of the gross monthly billing from the account contract.

DOWN PAYMENT: The initial payment due at the time of acceptance of the right to provide services to the account, or as otherwise established under these guidelines, calculated by multiplying the percentage stated in the appropriate category of Monthly Billing under Down Payment, times the appropriate gross monthly billing. All Down Payments will be calculated using the gross billing for the First Full Month of Service. "***First Full Month of Service***", for purposes of calculating the Down Payment, is defined as the first month in which the service is performed on or before the 15th day of the month. For Fixed Rate Accounts (as defined below), if a partial month is the First Full Month of Service, the gross monthly billing, for purposes of calculating the Down Payment, is determined as though the account had been serviced for the entire month. If the account begins service after the 15th, the following month will be used for purposes of the Down Payment, and no payment is due for the initial period. The Down Payment is due along with the monthly Franchisee Report for the First Full Month of Service (and second month as required) and may be payable as a deduction from the account billing on the Franchisee Report.

MONTHLY PAYMENT: The payment made each month for the designated number of months, calculated by multiplying the percentage stated in the appropriate schedule under Monthly Payment, times the gross monthly billing for the current accounting month. Monthly Payments will begin the month following any scheduled Down Payment.

MONTHS: The number of months a Monthly Payment must be made under the terms of the Account Acceptance/Finder's Fee Agreement, subject to the maximum sum described in the definition of Monthly Payment.

(3) Accounts will be identified according to the following definitions and the Finder's Fee will be calculated using the formula set out in the appropriate Finder's Fee Schedule for the type of account:

1. FIXED RATE ACCOUNT: An account with a constant monthly billing established by the account contract and a term of one year or longer. The Finder's Fee for a Fixed Rate Account will be structured according to the Schedule below.

FINDER'S FEE SCHEDULE (FIXED RATE ACCOUNT):

MONTHLY BILLING		DOWN	MONTHLY	
OVER	UP TO	PAYMENT	PAYMENT	MONTHS
0	2,000	40%	20%	22
2,000	5,000	30%	15%	30
5,000	8,000	20%	10%	45
8,000	10,000	15%	10%	45
10,000	Unlimited	5%	5%	90

2. VARIABLE RATE ACCOUNT: An account with a monthly billing that may fluctuate and a term of one year or longer. The Finder's Fee for a Variable Rate Account will be structured according to the Schedule below.

FINDER'S FEE SCHEDULE (VARIABLE RATE ACCOUNT):

MONTHLY BILLING		DOWN	MONTHLY	
OVER	UP TO	PAYMENT	PAYMENT	MONTHS
0	3,000	30%	5%	90
3,000	6,000	15%	5%	90
6,000	Unlimited	5%	5%	90

3. OTHER NON-STANDARD ACCOUNTS: The Franchisor will establish the Finder's Fee on any other account that does not fall within one of the above definitions, prior to the account being offered to the Franchisee for designation of service. The Finder's Fee on nonrecurring contracts, initial cleaning, or one-time cleaning contracts will vary but does not currently exceed 25% of the total invoiced amount.

(4) Franchisor will establish policies and procedures from time to time which regulate the amount and calculation, terms of payment, credits on termination or transfers of accounts, and other issues concerning Finder's Fees.

4.7. Franchisee agrees to pay Franchisor technology licensing fee ("***Technology Fee***") equal to 2.5% of Franchisee's Gross Revenue. Franchisee agrees to pay the Technology Fee commencing on the fifth day of the month and continuing the fifth day of every month thereafter for the remainder of the term. Franchisee agrees that Franchisor, in Franchisor's sole discretion, may increase the Technology Fee up to 5% of Franchisee's Gross Revenue.

4.8. Franchisee agrees that Franchisor has the exclusive right to perform all billing and accounting functions for the services provided by Franchisee. Each month, Franchisee agrees to pay Franchisor 3% of Franchisee's Gross Revenue, as an accounting fee ("***Accounting Fee***"), to cover Franchisor's administrative costs and expenses for this service.

4.8.1. Franchisor each month will invoice customers serviced by Franchisee for the services rendered and supplies provided. Each month, after deduction of all appropriate fees and charges including, but not limited to, all royalty fees, Accounting Fees, any note payments, Finder's Fees, advertising fees, transfer fees, Technology Fees, charge-backs on past due invoices, any advances made to Franchisee by Franchisor, Non-Reported Business Fees, or attorneys' fees and court costs incurred by Franchisor in enforcing payment of accounts by customers, Franchisor will issue a report to Franchisee which will provide an accounting of Franchisee's business during the previous month (the "***Franchisee Report***"). On the fifth (5^{th}) day of each month, Franchisor will disburse to Franchisee the amount of money appearing in the "Due Franchisee Column" of the Franchisee Report for the preceding month. Any money not collected in an account for any reason will be charged back to Franchisee. In the event the fifth day

of the month falls on a Saturday, Sunday or recognized holiday, then all such amounts due to Franchisee will be disbursed before the end of the next business day.

4.9. Franchisee agrees to make all payments due Franchisor promptly in accordance with the terms of this Agreement, and recognizes that any failure on the part of the Franchisee to do so will be deemed a material breach of this Agreement, and will give Franchisor the right to terminate this Agreement immediately and retain all sums previously paid to Franchisor by Franchisee.

4.10.1. During the term of this Agreement, Franchisee agrees to maintain and preserve full, complete and accurate books, records, and accounts regarding the Franchised Business.

4.10.2. Upon request by Franchisor, Franchisee will, at Franchisee's sole cost and expense, prepare and submit to Franchisor within 30 days after said request, a complete financial statement for the preceding 12-month period or any other calendar year, or a financial statement compiled and reviewed by a certified accountant or public accounting firm, together with such other information as Franchisor may reasonably require in order for Franchisor to determine that Franchisee is properly reporting and accounting for all Gross Revenue.

4.10.3. Franchisor reserves the right to inspect or examine any and all accounts, books, records, and tax returns (including payroll records) of Franchisee, the Principals, and any Affiliate (as defined below) of Franchisee or the Principals, at any reasonable time, so far as the same pertain to the Franchisee's obligations under this Agreement. Franchisor also has the right, at any time, to have an independent audit made of the books or financial records of Franchisee, the Principals, and any Affiliate of Franchisee or the Principals. Any such inspection, examination, or independent audit will be performed at the cost or expense of Franchisor unless the same is necessitated by the failure of Franchisee to provide the reports requested or to preserve records as provided herein, or unless the inspection, examination or independent audit discloses that any statement or report made by Franchisee is in error to an extent of 5% or more, in which case Franchisee must immediately pay to Franchisor the amount in error and reimburse Franchisor for any and all costs and expenses connected with the inspection or audit (including, without limitation, reasonable accounting and attorneys' fees). Franchisee is solely responsible for keeping accurate, complete and current payroll records. "***Affiliate***" means, at the time of determination: (i) any Person that directly or indirectly through one or more intermediaries controls, is controlled by or under common control with the Person specified; (ii) any director, manager (to the extent the Person is a limited liability company), officer or subsidiary of the Person specified; and (iii) any spouse, parent, child, sibling, mother in law, father in law, son in law, daughter in law, brother in law or sister in law of the Person specified. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to elect a majority of the board of directors (or other governing body) or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. In any event and without limiting the generality of the foregoing, any Person owning 10% or more of the voting securities of another Person will be deemed to control that Person. "***Person***" means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, joint venture, trust, association, union, entity, or other form of business organization or any governmental entity whatsoever.

4.11. Franchisee agrees to be solely responsible for the services and results of services performed at locations where cleaning and maintenance services are performed by Franchisee, and to hold harmless and indemnify Franchisor from any and all claims arising from actions by Franchisee or Franchisee's employees, agents, or representatives.

4.12. Franchisee agrees to maintain a clean and safe place of business in compliance with OSHA and other governmental and industry standards and to conduct the Franchised Business in a manner that would bring goodwill and public approval to Franchisee and Jani-King.

4.12.1. Franchisee is solely responsible for any leases of real or personal property in connection with the

operation of the Franchised Business. Franchisee's office location, furniture, and décor will comply with Franchisor's brand standards. Franchisee must at all times during the term of this Agreement maintain such office and all fixtures, furnishings, signs, and equipment located thereon in good order and condition, and in a manner which will portray the goodwill and a positive image of the Jani-King name and reputation as such may be prescribed by Franchisor from time to time. No other business venture may operate out of the premises utilized by Franchisee for Franchisee's office without the prior written consent of Franchisor.

4.13.1. Franchisee agrees to be solely responsible for and indemnify and hold harmless Franchisor, Jani-King International, Inc., and their officers, directors, and employees for all loss or damage originating from, in connection with, or relating to the operation of the Franchised Business and for all claims or demands for damages to property or for injury or death of persons directly or indirectly resulting from or related to the operation of the Franchised Business. Franchisee also agrees that before Franchisee will be authorized to begin operating its Franchised Business, Franchisee is required to obtain and carry the insurance listed below with the limits listed, naming Franchisor, Jani-King International, Inc., and their officers and directors as Additional Insureds from an insurer carrying an A.M. Bests' Rating of A or better. Franchisee must provide Franchisor with proof of such required coverage in the following minimum amounts:

TYPE	***LIMITS***
Comprehensive General Liability General Aggregate	$1,000,000 (per occurrence)
Products/Completed Operations	$ 2,000,000 (Aggregate)
Each Occurrence	$1,000,000
Personal & Advertising Injury	$1,000,000
Fire Damage	$100,000
Premises Medical Payments	$10,000
General Liability Package Also Includes: Lost Key Coverage Extended Property Damage Blanket Additional Insured Blanket Waiver of Subrogation	 $100,000 $1,000,000
Hired and Non-Owned Automobile Insurance	$1,000,000 (combined single limit)
Excess or Umbrella Insurance	$20,000,000 (Aggregate)
Workers' Compensation Part A: Statutory Part B: Employers Liability	 State Limits $1,000,000 Each Accident $1,000,000 Disease – Policy Limit $1,000,000 Disease – Each Employee
Employee Dishonesty (including Third Party Property)	$2,000,000
Contractors Pollution Liability	$3,000,000 Each Loss $3,000,000 Policy Aggregate $250,000 Emergency Response Cost

4.13.2. The various limits of the required insurance may be increased or have new types of coverage added as circumstances dictate. Franchisee must provide Franchisor with proof of the required insurance coverage and is

required to notify their insurance carrier that the insurance carrier will provide any cancellation notice directly to Franchisor no less than 30 days prior to cancellation.

4.13.3. If Franchisee fails to secure the above listed insurance to the satisfaction of Franchisor, Franchisor may, in addition to other remedies, purchase such insurance for the benefit of Franchisee and seek prompt reimbursement from Franchisee for all premiums and other costs incurred. Franchisee is responsible for all premiums and other costs incurred by Franchisor up to and including the date Franchisor grants Franchisee written approval of Franchisee's insurance. Franchisee agrees to indemnify and hold Franchisor harmless from any claims, loss or damage.

4.13.4. As an alternative to the requirement of purchasing the above insurance, Franchisor may offer to Franchisee, and Franchisee may participate in Franchisor's Business Protection Plan ("***BPP***") to the extent offered. Participation in the BPP is voluntary, and Franchisee is not obligated or required to participate. If Franchisee elects to participate in the BPP, Franchisee shall pay to Franchisor its then-current participation fee. If Franchisee does not participate in the BPP, Franchisee must provide Franchisor with a certificate of insurance showing that Franchisee has obtained the equivalent amount of insurance coverage with limits as shown above or as established in the Manual.

4.13.5. Participation in the BPP includes participation in group insurance policies for certain coverages. The BPP's group insurance policies are not individual insurance policies and the policy limits are shared between all BPP participants. If Franchisee does participate in the BPP, Franchisee is not required to purchase the required liability insurance listed above. Insurance provided by the BPP does not include coverage on any personal or business use automobile(s) or Franchisee's equipment, supplies, or building if Franchisee's building is different from Franchisor's. Franchisee is required to purchase this insurance and supply proof of insurance to Franchisor before Franchisee will be authorized to begin operations of the franchise. In the event Franchisee does not purchase this insurance, Franchisor reserves the right to purchase the insurance for Franchisee and charge Franchisee for the cost of the insurance.

In addition to the payment of insurance premiums, participation in the BPP includes non-refundable fees paid to Jani-King Insurance Services, LLC, a licensed insurance producer, as payment for the following services: (1) assistance with risk assessment; (2) management of overall claims handling processes; (3) assistance with compliance of workers' compensation laws; (4) assistance with risk control; (5) assistance with Certificates of Insurance; (6) insurance coverage analysis; (7) assistance with premium audits; (8) general risk management services; (9) periodic safety training; and (10) other regulatory compliance assistance.

4.13.6. Franchisee's participation in the BPP can be terminated if Franchisee: (1) fails to pay any amount owed for Franchisee's participation in the BPP, (2) if Franchisee fails to report all revenue generated by Franchisee's participation in the janitorial industry, (3) if Franchisee files a fraudulent insurance claim under any of the insurance coverage obtained through the BPP, (4) if, in the sole discretion of Jani-King Insurance Services, LLC, Franchisee has excessive losses, or (5) if Franchisee does not participate in the janitorial industry.

4.14. In connection with Franchisee's agreement to indemnify and hold harmless Franchisor, Jani-King International, Inc., their officers, directors, and employees (the "***Jani-King Parties***") for all loss or damage as set forth in Section 4.13.1 of this Agreement, Franchisee agrees to defend the Jani-King Parties and any of their subsidiaries named in any lawsuit based on such loss or damage and to pay all costs and reasonable attorneys' fees associated with such defense. If any of the Jani-King Parties wishes to retain their own counsel to defend any such action, Franchisee agrees to reimburse the Jani-King Parties for all reasonable costs and legal fees incurred by the Jani-King Parties for such defense. Said reimbursement must be made to Franchisor in a timely manner as such fees are incurred by Franchisor and billed to Franchisee.

4.15. Franchisee represents and warrants that Franchisee is either a corporation or limited liability company (as indicated on Page 1 of this Agreement), duly incorporated or formed, validly existing and in good standing

under the laws of Franchisee's state of incorporation or formation (as indicated on Page 1 of this Agreement). Franchisee has all the requisite power and authority to own and operate Franchisee's properties and carry on the Franchised Business and is duly licensed and qualified to transact business as a foreign entity in all jurisdictions in which the nature of the business conducted by it makes such qualification as a foreign entity necessary.

4.16. Prior to beginning operation of the franchise and before the Initial Offering Period will begin, Franchisee must submit proof of registration with all taxing authorities to which Franchisee will be responsible for paying taxes, including submitting a Federal tax identification number, and any state and municipal taxing identification numbers. Franchisee agrees to pay all personal property, sales, excise, use and other taxes, regardless of type or nature, which may be imposed, levied, assessed or charged, on, against or in connection with any services sold or furnished hereunder, whether from any state, municipality, county or parish, or other governmental unit or agency, which may have jurisdiction over such products, service and equipment. Franchisee must also pay all personnel performing services for Franchisee in full compliance with all Federal, state, local, and municipal laws, statutes, and regulations. Failure to pay taxes will result in termination of this Agreement.

4.17. Prior to beginning operation of the franchise and before the Initial Offering Period will begin, Franchisee must submit proof of a valid and active business checking account in Franchisee's name, such account being with a reputable banking institution. Franchisee agrees to timely pay all debts, obligations, and encumbrances that might arise as a result of its operation of the Franchised Business.

4.18. Franchisee agrees to be solely responsible for the services, and results of such services, performed at locations where cleaning and/or maintenance services are performed by Franchisee and Franchisee's representatives. Franchisee agrees to be solely responsible for providing all labor, materials, tools, and supplies necessary to provide the service to such premises. Franchisee is solely responsible for choosing the times, manner, means, and methods of providing the services in conjunction with the instructions of the customer and in accordance with the terms of the contract under which the services are provided. All such services will meet the customer's requirements and Jani-King's brand standards.

The following procedures apply if any contract we previously offered the right to you to provide services as part of the Initial Business requests a transfer to another franchisee or cancels the cleaning contract:

(1) If an account cancels due to non-performance, theft, failure by representatives of Franchisee to service the account to the approval of the customer, failure by Franchisee to maintain good customer relations, or failure by Franchisee to comply with the brand standards in the Manual, Franchisee will not be offered the right to service an additional account to replace the cancelled account.

(2) If an account requests a transfer to a new franchisee due to non-performance, theft, failure by Franchisee to service the account to the approval of the customer, failure by Franchisee to maintain good customer relations, or failure by Franchisee to comply with the brand standards in the Manual, the contract for said account will automatically revert to Franchisor to be offered to another franchisee and Franchisee will not be offered the right to service an additional account to replace the transferred account.

(3) If an account cancels at no fault of the actions of Franchisee and before Franchisee has serviced the account for 12 full months, Franchisee will be offered the right to provide service to one or more accounts with cumulative gross monthly billings equal to at least the gross monthly billing of the cancelled account within a reasonable period of time at no additional cost to Franchisee. This provision applies until the cumulative time Franchisee has provided service to the original account and all replacement account(s) equals 12 months. If any replacement account or combination of accounts has a greater gross monthly billing than the cancelled account being replaced, the amount of gross monthly billing in excess of the cancelled account will be applied to the obligation of other Initial Business, or if the Initial Business obligation has been fulfilled, Finder's Fees will be charged. Franchisor is not otherwise obligated to replace the accounts that are serviced by Franchisee if the account(s) cancel before the full term of the account.

EXAMPLE: An account with a gross monthly billing of $1,000 cancels after seven months through no fault of Franchisee. Franchisor will replace the account with one or more accounts having cumulative gross monthly billing of at least $1,000 per month. If any of the replacement accounts also happen to cancel at no fault of Franchisee at any time during the next five months you service the account(s), Franchisor will replace the replacement account(s) with other account(s). If the cumulative gross monthly billings of the replacement accounts exceed $1,000, the gross monthly billing in excess of $1,000 would apply against other Initial Business obligation or Finder's Fees will be charged.

4.19.1. Franchisee is solely responsible for ensuring that its representatives are in uniforms that comply with Franchisor's brand standards, including that said uniforms are approved, neat, and clean at any time Franchisee's representatives are performing services at a customer's facility. A personal identifying name tag is considered a part of the uniform and is required for compliance with Franchisor's brand standards.

4.19.2. To protect the reputation of the Jani-King name and the Proprietary Marks, Franchisor may inspect any premises or communicate with any customers serviced by Franchisee from time to time to ensure that the Franchisee meets the customer's requirements and Jani-King's brand standards.

4.19.3. Franchisee must cooperate fully with Franchisor, and pay an hourly rate ("***Service Fee***"), plus expenses and travel time, on each occasion Franchisor has to dispatch Franchisor's staff or another franchisee to an account in order to correct a deficiency in satisfying the customer's requirement or complying with the brand standards of Jani-King. The Service Fee charged is currently $50 per hour. This fee may be increased at the sole discretion of Franchisor who will provide notice to Franchisee before such fee increase. In order to promote full compliance with the customer's requirement and all Jani-King brand standards, a Complaint Fee may also be charged to Franchisee as provided in Section 4.19.5.

4.19.4. Franchisee acknowledges that responding to customer demands, complaints, and emergencies is important for protecting customer goodwill toward the Jani-King name, the System, and Proprietary Marks. Franchisor may establish systems for customers to submit demands, complaints, and emergency communications to Franchisee through Franchisor's system. Franchisee must address all customer demands, complaints, and emergencies in a timely and diligent manner. Franchisee will cooperate fully with Franchisor in investigating and resolving the demand, complaint, or emergency, and Franchisee will confirm resolution of the matter to Franchisor.

Franchisor can elect to dispatch another franchisee to correct deficiencies in satisfying a customer's requirements or complying with Jani-King's brand standards if Franchisor is not able to reach the Franchisee or the Franchisee is not available for an immediate visit or performance of services. Further, Franchisor can elect to dispatch Franchisor's own staff to the account and correct all deficiencies in performance and Franchisee will be assessed the Service Fee, plus expenses, for the franchisee's and Franchisor's time and effort to satisfy the customer's requirements or comply with Jani-King's brand standards. Notwithstanding the above, Franchisor reserves the right to dispatch another franchisee to the customer without contacting, or attempting to contact, Franchisee if Franchisor determines, in Franchisor's sole reasonable discretion, that the customer's premises has an emergency requiring immediate attention.

4.19.5. Franchisee will be charged a $50.00 complaint fee ("***Complaint Fee***") if there is a customer complaint, demand, or emergency which requires Franchisor or another franchisee to respond to or service the customer under the following circumstances: (1) Franchisee's failure to respond to the customer in a timely or diligent manner; (2) Franchisee's unavailability to provide immediate service to the customer; (3) Franchisee's failure to cooperate fully with Franchisor in investigating or resolving the matter; (4) Franchisee's failure to timely and diligently respond to Franchisor's efforts to contact Franchisee; or (5) if Franchisee was notified of the complaint, demand, or emergency and, after two hours following the opening of the customer's business the following day, the deficiency in satisfying the customer's requirements or complying with Jani-King's brand standards has not been corrected to the satisfaction of the customer.

"Service" or "respond to" the customer in this case means communicating with the customer to determine the nature of the complaint, demand, or emergency, and what needs to be done to resolve the situation, and to provide the customer relations necessary to try to protect the account from cancellation or damages to Jani-King's goodwill and does not mean providing cleaning or maintenance services to the customer to resolve a complaint.

4.19.6. The $50.00 Complaint Fee, plus the Service Fee and expenses, will be charged to the Franchisee responsible for the complaint, demand, or emergency even if the account must be transferred to save the account or if the account terminates for non-performance. The fees will be payable in the month they are incurred.

4.19.7. If Franchisee fails to comply with any provision of this Agreement, customer requirement, or Jani-King's brand standards, pursuant to the spirit and intent of this Agreement, and such deficiency continues for 7 days after Franchisor has given notice to the Franchisee of non-compliance, Franchisor may exercise its right to suspend the authority of Franchisee to perform services for any or all accounts serviced by Franchisee, until such time as Franchisor is satisfied that Franchisee has complied with the provisions, or, at the option of Franchisor, to transfer the right to provide service to the account to another Franchisee, without notice or delay.

4.19.8. Franchisor may also exercise the option to transfer Franchisee's right to provide service to an account immediately upon receiving a request for transfer or cancellation from the customer, or if Franchisee provides any services to any customer and does not report and include such services in their Gross Revenue.

4.19.9. Franchisee will waive any and all payments for services which may become due and payable after Franchisor has exercised the option to transfer an account under any of the Sections 4.19.1 through 4.19.8, and Franchisee will not be entitled to any refund, rebate, or reduction of any fees previously paid or pledged in connection with that customer's contract. If Franchisor does not exercise any option for any contract to revert hereunder, either in part or in full, with regard to any deficiency or default, the election not to exercise any option will not constitute a waiver of such rights with regard to any subsequent deficiency or default.

4.20. At Franchisor's request, Franchisee will provide to Franchisor a list of all customers to which Franchisee is providing service and copies of the contracts under which service is being performed. Franchisee is prohibited, without Franchisor's prior written approval, from disclosing to anyone other than Franchisee's employees the names of the customers or any list of customers to whom Franchisee is providing service.

4.21.1. In the event Franchisee voluntarily wishes to discontinue providing service to an account, Franchisee must notify Franchisor, in writing. If the account's monthly billing amount is less than $10,000, the written request must be made at least 10 days prior to the desired date of transfer. If the account's monthly billing is $10,000 or more, the written request must be made at least 30 days prior to the desired date of transfer. Upon Franchisor's receipt of Franchisee's request to discontinue providing service or in the event Franchisee fails to provide service to an account for a period of two days, for any reason, Franchisor may offer the right to provide service to another franchisee. In either event, Franchisee agrees that any and all payments (regardless of when services were rendered) made after Franchisee no longer provided services to the account will be waived by Franchisee, and Franchisee will not be entitled to any refund or rebate of any fees paid or pledged previously to Franchisor for such business.

4.21.2. Franchisee may solicit potential customers to provide cleaning and maintenance services in the Territory through its Franchised Business, but all contracts for the provision of services by Franchisee must be drafted and/or approved by Franchisor. Franchisor reserves the right, at Franchisor's sole discretion, to suspend or cancel service of any contract serviced by Franchisee in the event the contract becomes delinquent in payment for services.

4.22. Franchisor reserves the right to establish brand standards pertaining to the operation of Franchisee's Franchised Business or this Agreement. Franchisor also reserves the right to provide guidelines, recommendations,

and advice for the Franchisee to adopt, modify, or reject in Franchisee's operation of the Franchised Business. Franchisor will keep a current, updated Manual of all such brand standards and guidelines, recommendations, and advice at Franchisor's corporate office. If brand standards kept by Franchisor differ from those kept by Franchisee, the brand standards maintained in Franchisor's corporate office will be controlling. Franchisor will lend Franchisee one copy of the Manual. The Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other medium capable of conveying the Manual's contents. The Manual will, among other things, set forth Franchisor's brand standards and guidelines, recommendations, and advice for operating your Franchised Business. Franchisee agrees to be bound by the brand standards upon receipt of same by Franchisee, and to operate its franchise in strict compliance with brand standards in the Manual. Franchisor has the right to prescribe additions to, deletions from or revisions of the Manual (the "***Supplements to the Manual***"), all of which will be considered a part of the Manual. All references to the Manual in this Agreement will include the Supplements to the Manual. Supplements to the brand standards in the Manual will become binding on Franchisee as if originally set forth in the Manual, upon being delivered to Franchisee. The Manual and any Supplements to the Manual are material in that they will affect the operation of the Franchised Business, but they will not conflict with or materially alter Franchisee's rights and obligations under this Agreement.

4.23. Franchisee acknowledges that the System must continue to evolve in order to reflect the changing market and to meet new and changing customer demands, and that accordingly, variations and additions to the System and brand standards may be required from time to time in order to preserve and enhance the public image of the Jani-King name and Proprietary Marks. Accordingly, Franchisee agrees that Franchisor may, from time to time, hereafter or otherwise, change the System and brand standards, including, without limitation, the adoption and use of new or modified Proprietary Marks, Confidential Information, Products, and Services; and Franchisee agrees to be bound by these changes.

Franchisee agrees to promptly comply with all such additions, modifications and changes at Franchisee's sole cost and expense.

4.24. Franchisee agrees that if Franchisee develops any new concept, process or improvement in the System or the Confidential Information, Franchisee will promptly notify Franchisor and provide Franchisor with all necessary information concerning same, without compensation. Franchisee acknowledges that any such concept, process or improvement will become the property of Franchisor, and Franchisor may utilize or disclose such information to other franchisees as Franchisor determines to be appropriate.

4.25. Franchisee agrees to maintain a valid and operational email address at which Franchisee may receive communications from Franchisor. Franchisee agrees to update Franchisor as to any changes to such email address.

4.26. At any and all times that Franchisee is actively servicing customers, Franchisee is solely responsible for employing one or more employees, in addition to any Principals, in connection with the provision of commercial cleaning services by Franchisee to customers, as contemplated in this Franchise Agreement. Franchisee is solely responsible for maintaining accurate, complete and current payroll records, and for abiding by all applicable wage and hour laws, rules and regulations, and any other federal, state or local laws applicable to Franchisee's relationship with its employees. Franchisee has the sole authority to determine all terms and conditions of employment for its employees and to make employment decisions regarding its employees, including, but not limited to, the authority to determine wages, benefits and other compensation, work and scheduling, hiring and discharge, discipline, workplace health and safety, supervision, assignment, and work rules.

4.27. Upon termination or non-renewal of this Agreement for any reason, Franchisee must immediately and permanently cease all use of the Proprietary Marks, Confidential Information, and all aspects of the System, and cease indicating verbally or in writing to customers and any other franchisee that Franchisee is a Jani-King franchisee or associated with Jani-King. Franchisee must immediately return to Jani-King all advertising matter, products, and writings that contain Jani-King's Proprietary Marks, trade name, logo or copyright, as well as any

Confidential Information. All such lists, files, and the information contained therein will remain the exclusive property of Franchisor.

4.28. If this Agreement is terminated or not renewed for any reason, Franchisee must surrender to Franchisor all property belonging to Franchisor. Franchisee must also pay, in full, all amounts owed to Franchisor at the date of termination or non-renewal and surrender all equipment belonging to Jani-King. If Franchisee has proclaimed to have terminated or not renewed the Agreement and refused to surrender the items described herein, Franchisee agrees to pay Franchisor $500.00 per day for each day that it has not complied with the foregoing paragraph. The parties acknowledge that damages for Franchisee's failure to adhere to the foregoing paragraph are difficult to ascertain and therefore agree that this amount will be payable as liquidated damages and not as a penalty.

4.29. If this Agreement is terminated or not renewed, Franchisee may sell its customer contracts to Franchisor or another franchise, provided it receives Franchisor's prior written consent, which consent will not be unreasonably withheld, Franchisee will not be permitted to sell its customer contracts if termination is the result of Franchisee's Event of Default. Franchise will not be permitted to sell its customer contracts unless Franchisee has fully-paid its financial obligations to Franchisor or Franchisor is satisfied that Franchisee will pay the amounts due to Franchisor from the proceeds of the sale. The amount paid to Franchisee from any sale of customer contracts, whether to another franchisee or Franchisor, will first be applied to satisfy all financial obligations owed by Franchisee to Franchisor. As a condition precedent to Franchisee's receipt of payment from any sale, Franchisee will assist with the transition of any customers to another franchisee and execute a general release in favor of Franchisor and Franchisor's affiliates. If Franchisee proposes to sell the customer contracts to another franchisee, the proposed sale is subject to the transfer provisions in Section 10 and right of first refusal provisions in Section 11 of this Agreement. Upon termination or non-renewal, Franchisee forfeits all rights to its customers and customer contracts, and any customer contracts not sold by Franchisee will revert to Franchisor.

SECTION 5

NONCOMPETITION AND CONFIDENTIALITY

5.1. Franchisor agrees to provide Franchisee with valuable initial and ongoing specialized training, the Confidential Information, and the Proprietary Marks. The initial specialized training provides training in Jani-King brand standards and its guidelines, recommendations, and advice related to operation of the Franchised Business. The ongoing specialized training includes updated information of the type provided in the initial training, as well as additional training and information compiled and developed over time as the System and brand standards evolve. Franchisee acknowledges that, whether the initial and ongoing specialized training, or Confidential Information is denoted, labeled, or marked as confidential, Franchisor considers such training and Confidential Information to be, and treats it as, confidential.

5.2. In consideration for the valuable initial and ongoing specialized training, and Confidential Information described above, Franchisee and all the Principals agree as follows:

5.2.1. Franchisee, the Principals, and Franchisee's employees will not at any time, either during the term of this Agreement or after the termination of this Agreement, communicate or disclose to any person or entity (other than Franchisor or a person or entity expressly designated by Franchisor in writing), or use outside the scope of the Franchised Business governed by this Agreement, any of the initial or ongoing specialized training or Confidential Information acquired by Franchisee, the Principals, or Franchisee's employees.

5.2.2. Franchisee and the Principals agree to use all reasonable efforts to maintain as confidential the initial and ongoing, specialized training and Confidential Information. Accordingly, Franchisee and the Principals agree that each of Franchisee, the Principals, and Franchisee's employees may not duplicate, copy, record, or otherwise reproduce, in whole or in part, materials containing Confidential Information and/or information imparted through

initial and/or ongoing specialized training, except as expressly authorized in writing by Franchisor.

5.2.3. Franchisee and the Principals agree that during the term of this Agreement and for a continuous uninterrupted period of one year thereafter (unless otherwise specified in this Section 5) commencing upon expiration or termination of this Agreement, regardless of the cause for termination, except as otherwise approved in writing by Franchisor, Franchisee, the Principals, and Franchisee's employees may not, directly or indirectly, for itself/themselves or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or other business entity:

(a) Divert or attempt to divert to any competitor, by direct or indirect inducement or otherwise, any business or customer of the Franchised Business hereunder or any other Jani-King franchisee;

(b) Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Jani-King's trademarks or trade names, or the Jani-King System;

(c) Own, maintain, operate, engage in, or have any financial interest in any business in the commercial cleaning industry or commercial cleaning franchising industry (hereinafter referred to as "***Competing Business***"), which Competing Business operates, solicits business, or is intended to operate or solicit business within the Territory of this Agreement.

5.3. The Parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this section is held unreasonable or unenforceable by a court or agency having valid jurisdiction over any final decision to which Franchisor is a party that is not appealed, Franchisee and the Principals expressly agree that Franchisee, the Principals, and Franchisee's employees will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

5.4. Franchisee understands and acknowledges that Franchisor will have the right, in Franchisor's sole discretion, to reduce the scope of any covenant set forth in this Section, or any portion thereof, without Franchisee's consent, effective immediately upon written notice to Franchisee; and Franchisee agrees that Franchisee must comply with any covenant as so modified, which modified covenant will be fully enforceable notwithstanding the provisions of any other Sections hereof.

5.5. Franchisee acknowledges that any materials and information provided to Franchisee, the Principals, or Franchisee's employees by Franchisor will at all times be and remain the property of Franchisor. Franchisee also acknowledges that any materials, concept, process, or improvement developed in the operation or promotion of the business governed by this Agreement by Franchisee, the Principals, or Franchisee's employees will at all times be and remain the property of Franchisor. Franchisee agrees to give Franchisor notice of and all necessary information related to such development(s). Upon sale, assignment, termination, expiration, or transfer of this Agreement, Franchisee will deliver to Franchisor all property belonging to Franchisor (including, but not limited to, the materials described above) and/or relating to Franchisor's business. In addition, upon sale, assignment, termination, expiration, or transfer to this Agreement, Franchisee agrees to provide Franchisor, with a list of all customers that Franchisee is servicing or has serviced on or at any time during the 12 months preceding the date of such sale, assignment, termination, expiration, or transfer, and a copy of any contracts under which the service is or was provided.

5.6. Franchisee expressly agrees that the existence of any claims that Franchisee, the Principals, or Franchisee's employees may have against Franchisor, whether or not arising from this Agreement, may not constitute a defense to the enforcement by Franchisor of the covenants in this Section. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees and all costs of court) incurred by Franchisor in connection with the enforcement of this section of this Agreement.

5.7. Franchisee acknowledges that a violation of any of the terms of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee acknowledges that the initial and ongoing specialized training, and Confidential Information described herein have been developed and compiled through Jani-King's time and effort in the franchising industry. Accordingly, Franchisee acknowledges that, in addition to Franchisor's remedies at law, Franchisor may seek and obtain preliminary and permanent injunctive relief restraining the breach or threatened breach by Franchisee; and Franchisee consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of this Section.

5.8. Franchisee is solely responsible for obtaining execution of covenants similar to those set forth in this Section (including covenants applicable upon and after the termination of a person's relationship with Franchisee) from any or all Principals and employees of Franchisee who have received or will receive initial and/or ongoing specialized training, or Confidential Information directly or indirectly from Franchisor. Every covenant required by this paragraph must be in a form satisfactory to Franchisor, including, without limitation, specific and express identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required herein will constitute an Event of Default (as defined in Section 8.3) under the terms of this Agreement.

SECTION 6

FRANCHISOR PLEDGES

Franchisor pledges to do the following:

6.1.1. To offer Franchisee the opportunity to provide service to Franchisor's contracts located at any location, or multiple locations, within the Territory, as defined herein, which have minimum cumulative gross monthly billings in an amount at least equal to the Initial Business. The contracts under which Franchisee will provide service are and will remain the property of Franchisor. The right to provide service to the Initial Business will be offered within the Initial Offering Period. The Initial Offering Period will begin on the date after:

(i) all required equipment and supplies have been obtained by Franchisee,
(ii) Franchisee has successfully completed training as indicated by Franchisee's signing and returning to Franchisor the Acknowledgment of Completion of Training,
(iii) Franchisee's delivery to Franchisor of written proof that Franchisee has obtained the insurance required under this Agreement,
(iv) Franchisee's delivery of Articles of Incorporation or Formation and a certificate of good standing from the jurisdiction in which Franchisee was formed,
(v) Franchisee's delivery of a properly completed Internal Revenue Service Form W-9 Request for Taxpayer Identification Number certifying the Taxpayer Identification Number (Employer Identification Number) assigned by the Internal Revenue Service that will be used for operation of Franchisee's business,
(vi) Franchisee's delivery of proof of Franchisee's registration with all state and local tax authorities to which Franchisee will be responsible for paying taxes and any other governmental regulatory agencies that require registration of the Franchisee's business activities or business activities in general, including any identification numbers assigned to Franchisee's business by such tax authorities and governmental agencies within the Territory; and
(vii) Franchisee's delivery of proof of a valid and active business checking account held by Franchisee.

Notwithstanding items (i) through (vii) above, the Initial Offering Period may begin at a later date if requested by Franchisee and agreed to by Franchisor, or as provided below. As a condition to Franchisee being eligible to provide service under the Jani-King name to certain customers and to protect the reputation and goodwill of the Jani-King name, Proprietary Marks, and the System, Franchisee and Franchisee's employees may be required

to undergo background checks.

6.1.2. The actual time to secure and offer, as described above, the Initial Business to the Franchisee may, at Franchisor's sole discretion, be automatically extended under the following conditions: (1) if Franchisee requests a delay in the offering of the Initial Business; (2) if Franchisee is in default under the terms and conditions of this Agreement or any other agreements between Franchisee and Franchisor; or (3) if any of the Initial Business previously provided to Franchisee requests a transfer to another Franchisee or requests to be cancelled due to non-performance in which case Franchisee is required to repeat and complete to Franchisor's satisfaction all training classes required by Franchisor. In the event of the occurrence of any of the above conditions, Franchisor will have the remainder of the Initial Offering Period or a minimum of 150 days, whichever is longer, from the date: (1) Franchisee notifies Franchisor that they are ready to accept the right to service other business and has provided any documentation required under this Agreement or under the Manual; (2) Franchisee has cured any default; or (3) the acknowledgment of retraining is signed, to offer the balance of Initial Business to Franchisee. Franchisor does not guaranty that the Initial Business will reach or remain at the level stated on the Franchise Summary throughout the term of this Agreement.

6.2. To provide Franchisee with the Office Supply and Advertising Package outlined in Schedule One of this Agreement.

6.3. To make available to Franchisee applicable confidential manuals, training aids, and other pertinent information concerning Jani-King brand standards and guidelines, recommendations, and advice.

6.4. To provide an initial training program to include Jani-King brand standards and guidelines, recommendations, and advice related to operation of the Franchised Business. Franchisee agrees to successfully complete the training within six months after the date of this Agreement. Franchisee further agrees that some or all of the initial training program may take place at Franchisor's principal place of business in Addison, Texas.

6.5. To offer Franchisee the right to provide service under the Jani-King name to customers until Franchisee has been offered the right to provide service to customers with cumulative gross monthly billings in an amount equal to or greater than the Initial Business.

6.6. To provide additional training and support for Franchisee at reasonable rates as established by Jani-King, currently at a rate of $50.00 per hour, plus expenses.

6.7. To allow Franchisee the non-exclusive right to use the Jani-King marks, insignia, logo, design and color scheme in the Territory subject to limitations and restrictions herein, and to allow Franchisee to utilize the processes, methods, materials, equipment, and promotional plans developed by Jani-King.

6.8. At Franchisor's discretion and at a reasonable cost, to make promotional materials, sales and service manuals, equipment, and other materials relevant to the operation of a Jani-King franchise available for loan to and use by Franchisee.

SECTION 7

ADDITIONAL SERVICES

7.1. There are no additional services provided by Franchisor to Franchisee except as explicitly set out in this Agreement.

SECTION 8

DEFAULT AND TERMINATION

8.1. Right to Terminate Immediately. Franchisor will have the right, at its option, to terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure any default, effective immediately upon written notice to Franchisee, either by mailing or hand delivery, upon the occurrence of any of the following events (each of which constitutes an "***Event of Default***"):

(a) If any of the Principals is convicted of, pleads guilty or no contest to, pleas down to a lesser crime, or receives deferred adjudication for a felony, a crime involving theft, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect the System, any Jani-King trademarks, trade names, or the goodwill associated therewith or Franchisor's interest therein.

(b) If Franchisee or any of the Principals discloses or divulges the contents of any Confidential Information, or any other trade secrets or confidential information provided to Franchisee by Franchisor in violation of the terms and conditions of this Agreement.

(c) If Franchisee abandons the Franchised Business or otherwise forfeits the right to do or transact business in the Territory where the Franchised Business is located.

(d) If Franchisee or any of the Principals purport to transfer any rights or obligations under this Agreement or any customer contract to any third party without the Franchisor's prior written consent.

(e) If Franchisee or any of the Principals makes any material misrepresentations or untrue or false statements on the franchise application or in other correspondence relating to the acquisition of the Franchised Business.

(f) If the Franchisee has three or more Events of Default within a 12-month period, whether corrected after notice.

(g) If Franchisee is declared insolvent or bankrupt, or makes any assignment or trust mortgage for the benefit of creditors, or if a receiver, guardian, conservator, trustee in bankruptcy or similar officer is appointed to take charge of all or a part of Franchisee's property by a court of competent jurisdiction. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A., Sec. 101 et seq.)

8.2. Right to Terminate Following 24-Hour Cure Period. Franchisee's conduct that reflects materially and unfavorably on the reputation of the Franchised Business or on the Jani-King name, the System, Proprietary Marks, or the associated goodwill and reputation thereof will constitute an Event of Default. Franchisor will have the right, at its option, to terminate this Agreement and all rights granted hereunder immediately for such Event of Default if Franchisee fails to cure the default to Franchisor's satisfaction within 24 hours of receiving written notice thereof.

8.3. Right to Terminate Following 30-Day Cure Period. Franchisee's failure to comply with any provision of this Agreement, the brand standards in the Manual, or any other agreement between Franchisor and Franchisee will constitute an Event of Default. If Franchisee fails to cure such Event of Default to the satisfaction of the Franchisor within 30 days after written notice of default has been given thereof, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder effective immediately upon Franchisee's receipt of a written notice of termination, Events of Default by the Franchisee under this Section 8.3 include, without limitation, the occurrence of any of the following events:

(a) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor, or its subsidiaries or affiliates when due, or to submit the financial information required by Franchisor under this Agreement, or makes any false statements in connection therewith.

(b) If Franchisee (i) enters a contract with a customer without obtaining Franchisor's prior approval, (ii) takes payment directly from a customer, (iii) in any manner circumvents Franchisor's exclusive right to perform billing and accounting services for a customer, or (iv) otherwise does business with a customer without informing Franchisor of the terms of the customer contract or payment obligations of the customer.

(c) If Franchisee fails to maintain the brand standards that Franchisor requires in this Agreement or any other brand standards contained in Jani-King manuals, including the Manual.

(d) If Franchisee fails, refuses, or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement, other than as provided in Section 8.1(d).

(e) If Franchisee or any of the Principals misuses or makes any unauthorized use of the Jani-King proprietary trademarks, trade names, service marks or other materials, including any forms of advertising, or otherwise materially impairs the goodwill associated with the Jani-King name or Franchisor's rights.

(f) If Franchisee is declared insolvent or bankrupt, or makes any assignment or trust mortgage for the benefit of creditors, or if a receiver, guardian, conservator, trustee in bankruptcy or similar officer is appointed to take charge of all or a part of Franchisee's property by a court of competent jurisdiction. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A., Sec. 101 et seq.)

(g) If Franchisee fails, refuses, or neglects to comply with the requirements set forth in Section 4.10.2.

(h) If Franchisee ceases to be duly organized, validly existing, and in good standing under the laws of the state of Franchisee's formation or incorporation or to be duly licensed and qualified to transact business as a foreign entity in all jurisdictions in which the nature of the business conducted by it makes such qualification as a foreign entity necessary.

(i) Any other event specifically designated in this Agreement as an Event of Default.

8.4. The termination of this Agreement will be without prejudice to any remedy or cause of action which Jani-King may have against Franchisee for the recovery of any monies due Jani-King or any equipment or property of Jani-King, or to any other right of Jani-King to recover damages for any breach hereof.

8.5. If the provisions of this Agreement provide for periods of notice less than those required by applicable state law, or provide for termination, cancellation, non-renewal or the like other than in accordance with applicable state law, Section 12.2.2. of this Agreement will apply.

SECTION 9

TERM AND EXTENSION

9.1. Subject to Section 9.2 herein, this Agreement and the franchise and license granted hereunder, unless sooner terminated, will be and remain in full force and effect for a period of 10 years from and after the Effective Date of this Agreement which is the date identified in the Franchise Summary. This Agreement will expire 10 years after the Effective Date unless extended pursuant to the terms contained herein.

9.2. Provided Franchisee is not in default of this Agreement and provided Franchisee has delivered to Franchisor the required notice, Franchisee will have the option to renew this Agreement for an additional period of

10 years and for two subsequent, additional 10-year periods following the first extension (a total of 40 years when initial periods and renewal terms are combined). Prior to the expiration of each 10-year term, Franchisee must notify Franchisor, in writing, of Franchisee's intention to renew the Agreement not less than seven months, nor more than 12 months prior to the end of the then current term.

9.3. As a condition to and at the time of any renewal, Franchisee is required to execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and Franchisor's affiliates, and their respective officers, directors, agents, and employees in their corporate and individual capacities, including without limitation, claims arising under this Agreement and any federal, state and local laws, rules, and ordinances.

9.4. As a further condition to and at the time of any renewal, Franchisee agrees to execute Franchisor's then current franchise agreement being used by Franchisor, which may differ substantially from the agreement under which the Franchisee has operated, and any other ancillary agreements and documents as Franchisor may require. Franchisee understands that the most current, executed agreement between Franchisee and Franchisor will govern relations between Franchisor and Franchisee for the following 10 years. However, no additional Initial Franchise Fee or renewal fee must be paid by Franchisee at the time of renewal, nor will Franchisor be obligated to provide any additional Initial Business or training.

SECTION 10

TRANSFER

10.1. This Agreement will inure to the benefit of the successors and assigns of Franchisee. The interests of Franchisee in this Agreement are personal and may not be sold, assigned, transferred, shared or divided in any manner, by operation of law or otherwise (each, a "***Transfer***"), by Franchisee without the written consent of Franchisor, which consent will not be unreasonably withheld. Franchisee will provide to Franchisor prior to the Transfer, a copy of any written agreements relating to the proposed Transfer, or any additional information which Franchisor may require in order to determine if Franchisor will grant Franchisor's consent to the proposed Transfer. For purposes of this Agreement, any change in stock ownership, voting or other control whatsoever of a corporation or other entity which acts as a Franchisee under this Agreement constitutes a Transfer. For all purposes herein, a beneficiary of a trust which owns a beneficial interest in a Franchisee which is an entity will be deemed to have an interest in this Agreement. Provided further, for all purposes herein, if a trust owns a beneficial interest in Franchisee which is an entity, any change in the beneficial interest of a beneficiary will constitute a Transfer. Any transaction or series of transactions which would have such an effect must be approved by Franchisor on the same basis as any other Transfer as set forth herein. Franchisee hereby covenants and warrants (i) that Franchisee's certificate or articles of incorporation or formation, corporate charter, by-laws, LLC agreement, and/or company agreement limit Transfers as described in this Section 10, and (ii) if Franchisee is a corporation, that each security will bear a legend (in a form to which Franchisor consents) indicating that any Transfer is subject to this Section 10.

10.2. In the event Franchisee seeks to transfer a single customer contract to another franchisee, rather than the Franchised Business as a whole, Franchisee must obtain Franchisor's prior written consent before transferring any single customer contract to another franchisee, which consent will not be unreasonably withheld. Franchisee may not transfer a customer contract to a Competing Business outside the Jani-King franchise system.

10.3. Franchisee agrees to pay to Franchisor the lesser of $4,000.00 or 10% of the sales price or exchanged value as a transfer fee (the "***Transfer Fee***"). This Transfer Fee must be paid before Franchisor will grant consent to the Transfer. If no monetary consideration or other exchange of value is made for the Transfer of a franchise, no Transfer Fee will be charged for a transfer to: (1) any party currently holding an interest in the franchise at the time of the Transfer; (2) a controlled corporation in which the current owners of the franchise retain 90% percent or greater of the outstanding shares of stock; or (3) if the Transfer is to an immediate family member of the current owner (for the purposes of this Section 10.2, family members include Franchisee's spouse, mother, father, brother, sister, and children only), whether an *inter vivos* Transfer or upon death. An administrative fee will be charged to

cover necessary and reasonable costs and preparation of the documents associated with the Transfer if no Transfer Fee is assessed. The current administrative fee is $250.00, but may be increased by Franchisor in the future.

10.4. Prior to the Transfer of the Franchised Business or a single customer contract, Franchisee will provide to Franchisor a copy of any written agreements relating to the proposed Transfer or any additional information which Franchisor may require in order to determine if Franchisor will grant consent to the proposed Transfer. It is agreed that consent for Transfer will be granted only when: (a) all obligations under the terms of this Agreement have been fulfilled, (b) all money owed by Franchisee to Franchisor and Franchisor's affiliates have been paid in full, (c) the purchaser of the franchise agrees to undergo and successfully completes the training required of a new Jani-King franchisee and (d) the purchaser of the franchise executes Franchisor's then current franchise agreement which may differ substantially from this Agreement. Franchisee agrees to continue providing service to all of the Franchisor's contracts to which Franchisee is providing service at the time of the proposed Transfer, until items (a) through (d) above are complete and such Transfer is consummated.

10.5. Franchisee and its Principals also agree to provide, as a condition of Franchisor's consent to the Transfer of the Franchised Business, a personal covenant to the purchaser not to seek to divert business from Franchisor's franchisees for a period of two years after the Transfer. Franchisee and its Principals also agree to provide, as a condition of Franchisor's consent to the Transfer of a single customer contract, a personal covenant to the purchaser not to seek to divert business from that customer for a period of two years after the Transfer. The transferor must also execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, Franchisor's parent corporation and affiliated corporations, and the officers, directors, shareholders, and employees of Franchisor and each parent and affiliate corporation in their corporate and individual capacities including, without limitation, claims arising under this Agreement and federal, state, and local laws, rules, and ordinances, subject, however, to the provisions set forth in Section 9.3 relating to general releases and state law.

10.6. This Agreement is fully assignable by Franchisor and will inure to the benefit of any assignee or other legal successor to the interest of Franchisor.

SECTION 11

RIGHT OF FIRST REFUSAL

11.1. In the event Franchisee receives a bona fide, arms-length offer to purchase Franchisee's interest in this Agreement (or in the business conducted hereunder) or a customer contract from any third party, or in the event Franchisee proposes to convert, assign, or otherwise transfer Franchisee's interest in this Agreement (or in the business conducted hereunder) or a customer contract, in whole or in part, to any third party, Franchisee hereby agrees to offer to Franchisor a first right to purchase or otherwise receive Franchisee's interest under the same terms and conditions offered to or accepted from the third party (the "***Right of First Refusal***"). Franchisee's failure to offer to Franchisor the Right of First Refusal will be an Event of Default of the terms of this Agreement. Notwithstanding anything contained herein to the contrary, Franchisee will not be obligated to offer Franchisor the Right of First Refusal if the Transfer is solely between Franchisee and either (a) a corporation whose original sole shareholders are individuals who comprise the original Franchisee and/or (b) the immediate family of Franchisee or the immediate family of the individuals described in (a) herein. For the purpose of this section, immediate family means the spouse, children, siblings, or parents of Franchisee only.

11.2. Franchisee will make available to Franchisor in a written statement verified by Franchisee the terms of the offer received or made by Franchisee, and Franchisor will have 30 days from the receipt of said statement to either accept or refuse such offer. Written notice of Franchisor's decision to accept or refuse said offer will be delivered to Franchisee. Acceptance by Franchisor will be at the same price and on the same terms set forth in the written statement submitted by Franchisee.

11.3. In the event Franchisor fails to accept the offer within the 30-day period, Franchisee will be free to effect the disposition described in the statement upon the exact terms set forth in the statement delivered to Franchisor, provided that nothing in this paragraph may be interpreted as limiting the requirements of Sections 4.29 and 10.

11.4. Furthermore, in the event Franchisee is insolvent, or upon the filing of any petition by or against Franchisee under any provisions of any bankruptcy law, Franchisor will have the first right to purchase the business conducted by Franchisee, for an amount and pursuant to terms established by an independent appraiser selected by Franchisor.

SECTION 12

GENERAL

12.1. Nothing in this Agreement may be construed to prevent Franchisee from freely setting Franchisee's own prices and discounts for services and products which Franchisee may render or sell provided such actions do not affect the business of Franchisor.

12.2.1. Should any part of this Agreement for any reason be declared invalid or unenforceable, such decision will not affect the validity of the remaining portion, which remaining portion will remain in full force and effect as if this Agreement had been executed with the invalid or unenforceable portion eliminated, and the parties to this Agreement agree that they would have executed the remaining portion of this Agreement without including any such part, parts, or portion which may, for any reason, hereafter be declared invalid or unenforceable.

12.2.2. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of the Agreement or any requirement prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions hereof, and Franchisor will have the right to modify such invalid or unenforceable provision or requirement to the extent required to be valid and enforceable. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is comprehended within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or any requirement prescribed by Franchisor, any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Such modifications to this Agreement will be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and will be enforced as originally made and entered into in all the jurisdictions.

12.3. This Agreement and the Attachments and Exhibits hereto constitute the entire Agreement between us and you concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter; *provided, however*, that nothing in this Agreement or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. All transactions between Franchisee and Franchisor regarding any operation of a Jani-King franchised business granted under any franchise agreement dated prior to this Agreement will be controlled by this Agreement and the most current publication of the Manual. Any amendment or modification to this Agreement is invalid unless made in writing and signed by all the parties. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

12.4.Franchisor does not authorize any representative of Franchisor to make any oral, written, visual or other claim or representation that is not contained in the Franchise Disclosure Document provided to Franchisee by Franchisor and does not permit any promises, agreements, contracts, commitments, or representations to be made

to Franchisee except those stated in this Agreement.

12.5. The Franchised Business and all documents and information Franchisee receives from Franchisor relating to the operation of the Franchised Business, including the manuals and communication tools and the training will be presented to Franchisee in the English language. Franchisee is solely responsible for ensuring that a representative of Franchisee that is fluent in the English language is present during any training provided by Jani-King and available for any translating necessary during the operation of the Franchised Business.

12.6. The Parties agree and understand that Franchisee will be at all times an independent contractor under this Agreement and will not, at any time, directly or indirectly, hold itself out as an agent, servant, or employee of Franchisor. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. All Principals and employees of Franchisee will be considered to be employees of Franchisee, and only Franchisee, at all times. None of Franchisee's employees or Principals will be considered to be employees of Franchisor. Neither Franchisee, nor any of the Principals, nor any of Franchisee's employees whose compensation Franchisee pays may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose. Franchisee may not, without Franchisor's prior written approval, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement.

12.7. No waiver by Franchisor of any default in performance on the part of Franchisee, time being of the essence, or like waiver by Franchisor of any breach or series of breaches, of any of the terms, covenants and conditions of this Agreement will constitute a waiver of any subsequent breach or waiver of said terms, conditions or covenants.

12.8. Any notice required or permitted under this Agreement must be in writing and delivered by personal delivery service, by deposit in the U.S. mail, certified, return receipt requested, or by a recognized express delivery service providing written receipt of delivery at the address listed for the Franchisee in the Franchise Summary or to Franchisor at the following address:

JANI-KING OF WASHINGTON, D.C., INC.
11351 Random Hills Road, Suite 150
Fairfax, Virginia 22030

A Party to this Agreement may change its notice information by providing written notice to the other Party pursuant to the notice requirements stated above, and such change will be effective as to each other Party on the 10th day after delivery to such other Party.

12.9. THE PARTIES AGREE AND INTEND THIS INSTRUMENT TO BE EXECUTED, INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES. TEXAS LAW WILL APPLY TO ALL CLAIMS, DISPUTES, AND DISAGREEMENTS BETWEEN THE PARTIES, WHETHER ARISING FROM ALLEGED BREACHES OF THE CONTRACT OR AGREEMENT OR OTHER CLAIMS ARISING IN ANY WAY FROM THE PARTIES' DEALINGS. SUBJECT TO SECTION 12.16 BELOW, JURISDICTION AND VENUE IS DECLARED TO BE EXCLUSIVELY IN DALLAS COUNTY, IN THE STATE OF TEXAS.

12.10. The submission of this Agreement does not constitute an offer to license, and this Agreement becomes effective only upon execution thereof by Franchisor and Franchisee and the compliance with Section 12.12.

12.11. THE PARTIES AGREE THAT ANY DAMAGES SOUGHT BY OR AWARDED TO FRANCHISEE WILL BE LIMITED TO FRANCHISEE'S TOTAL INVESTMENT WITH FRANCHISOR, AND

NO PUNITIVE OR EXEMPLARY DAMAGES WILL BE AWARDED TO FRANCHISEE.

12.12. This Agreement will not be binding on Franchisor unless and until it has been accepted and signed by an officer or director of Franchisor at Franchisor's home office in Addison, Dallas County, Texas.

12.13. The numbers and headings of paragraphs used herein are for convenience only and do not affect the substance of the paragraphs themselves.

12.14. Franchisee certifies and warrants that all owners and spouses of owners and all persons who are a shareholder, member, manager, officer or director of any corporation who holds the franchise: (1) are listed in the attached SCHEDULE OF PRINCIPALS; and (2) that all such parties will execute all Guarantees or other documents required by Jani-King.

12.15. Franchisee explicitly affirms and recognizes the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, Franchisee agrees that any noncompliance by Franchisee with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by Franchisee, will cause irreparable damage to Franchisor and other System franchisees. Franchisee therefore agrees that if it engages in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, Franchisor and its affiliates will be entitled to request and obtain both temporary and permanent injunctive relief against Franchisee, in addition to all other remedies which Franchisor may have at law or equity, from any court of competent jurisdiction. Franchisee consents to the entry of these temporary and permanent injunctions without the requirement that Franchisor posts a bond of any type or nature, or any other form of security, and without the requirement to prove the inadequacy of money damages as a remedy, and without waiving any other rights or remedies at law or in equity. Franchisee will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which Franchisor and/or its affiliates may incur in connection with our efforts to secure such injunctive relief. The rights and remedies set forth in this Section 12.15 are in addition to those set forth in Section 5.7.

12.16. The Parties agree that - - except for those controversies, disputes or claims for which Franchisor and/or its affiliates have the right to request and obtain temporary and permanent injunctive relief and other remedies as set forth in Sections 5.7 and 12.15 above - - all controversies, disputes, or claims between the Franchisor and its affiliates, and the Franchisor's and its affiliates' respective shareholders, officers, directors, agents, and employees, and Franchisee (and its owners, guarantors, affiliates, and employees) arising out of or related to:

- this Agreement or any other agreement between Franchisee (or its owners) and the Franchisor (or its affiliates);
- the Franchisor's relationship with Franchisee;
- the scope or validity of this Agreement or any other agreement between Franchisee (or its owners) and the Franchisor (or its affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration obligation under this Section 12.16, which the Parties acknowledge shall be determined by an arbitrator, not a court); or
- any System standard shall be exclusively resolved through binding arbitration, on demand of either Party, before the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of the Franchisor's then-current principal place of business. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator may issue only a standard decision and not a reasoned decision. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by the Franchisor or its affiliates generic or otherwise invalid or, except as expressly provided in this Section 12.16, award any punitive, exemplary, or multiple damages against either party (the Parties hereby waiving to the fullest extent permitted by law, except as expressly provided in this Section 12.16, any right to or claim for any punitive, exemplary, or multiple damages against the other).

The Parties agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or under this Agreement, whichever expires earlier. The Parties further agree that, in any arbitration proceeding, each Party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Party.

The Parties agree to evenly share the cost of the arbitrator's fee. The Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished any right to seek the recovery of those costs.

The Parties agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between the Franchisor and its affiliates, and the Franchisor's and its affiliates' respective shareholders, officers, directors, agents, and employees, and Franchisee (and its owners, guarantors, affiliates, and employees) may not be commenced, conducted, or consolidated with any other arbitration proceeding between the Franchisor and any other person. Notwithstanding the foregoing or anything to the contrary in this Section, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then all Parties agree that this arbitration clause will not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

The Parties agree that, in any arbitration arising as described in this Section, requests for documents must be limited to documents that are directly relevant to significant issues in the case or to the case's outcome; must be restricted in terms of timeframe, subject matter and persons or entities to which the requests pertain; and must not include broad phraseology such as "all documents directly or indirectly related to." The Parties further agree that there may be no interrogatories or requests to admit. With respect to any electronic discovery, the Parties agree that:

(a) production of electronic documents need only be from sources used in the ordinary course of business. No such documents will be required to be produced from back-up servers, tapes or other media;

(b) the production of electronic documents will normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party. Absent a showing of compelling need, the Parties need not produce metadata, with the exception of header fields for email correspondence;

(c) the description of custodians from whom electronic documents may be collected must be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute; and

(d) where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator may either deny such requests or order disclosure on condition that the requesting Party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein.

In any arbitration arising out of or related to this Agreement, each side may take three discovery depositions. Each side's depositions are to consume no more than a total of 15 hours. There are to be no speaking objections at the depositions, except to preserve privilege. The total period for the taking of depositions may not exceed six weeks.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements. Any provisions of this Agreement below that pertain to judicial proceedings will be subject to the agreement to arbitrate contained in this Section.

[*Signatures appear on the following page.*]

IN WITNESS WHEREOF, the parties hereto have set their hands this _____ day of _____, 20____.

JANI-KING OF WASHINGTON, D.C., INC.

BY:_____

TITLE:_____

FRANCHISEE:

_____
(Signature of Owner, Partner or Authorized Officer)

_____
(Print Name)
Social Security #_____

_____
(Title of Authorized Officer)

Franchise Federal Tax ID#: _____

ACCEPTED by the Home Office of Franchisor on this _____ day of _____, _____.

BY:_____
Authorized Representative

SCHEDULE OF PRINCIPALS

ANY OTHER PERSON NOT LISTED IN THIS AGREEMENT WHO IS A SPOUSE, PARTNER, OR AN OFFICER, DIRECTOR, MANAGER, MEMBER OR SHAREHOLDER OF FRANCHISEE:

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
_____
Telephone: _____

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
_____
Telephone: _____

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
_____
Telephone: _____

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
_____
Telephone: _____

SCHEDULE ONE
"OFFICE SUPPLY AND ADVERTISING PACKAGE"

LIST OF MATERIALS PROVIDED TO FRANCHISEE
PURSUANT TO THE FRANCHISE AGREEMENT

ITEM	AMOUNT
JANI-KING Business Cards (imprinted logo)	1,000
JANI-KING Logo/Border Paper (matching envelopes)	100
JANI-KING Color Tri-Fold	50
JANI-KING Tunics	3
JANI-KING Golf Shirt	1
JANI-KING Polo Shirts	4
JANI-KING Inspection Pads	5
JANI-KING Memo Pads	5
JANI-KING Past Performance Pads	5
JANI-KING Account Bid Sheet Pad	1 pad
JANI-KING Contact Evaluation Pad (replace as needed)	1 pad
JANI-KING Logo Binders	2
JANI-KING Executive Pad Holder	1
JANI-KING Tri-fold Pad Holder	1
JANI-KING Training Videos	1 set
JANI-KING Customer Relations Handbook	1
JANI-KING Account Follow-up Sheets (replace as needed)	5
JANI-KING New Account Start-Up (replace as needed)	5
JANI-KING Initial Clean Sign-Off Sheets (replace as needed)	5
JANI-KING Franchisee Request Cards (replace as needed)	5
JANI-KING Authorization for Extra Work Forms (replace as needed)	5
JANI-KING Business Card Order Forms	As Needed

"SUPPLY AND EQUIPMENT PACKAGE"

THE FOLLOWING SUPPLIES AND EQUIPMENT MUST BE PURCHASED BY EACH FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND PRIOR TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor, subject to shipping restrictions, or any other source. Franchisor reserves the right, upon thirty days' notice to Franchisee, to require Franchisee to purchase all cleaning equipment and supplies for the operation of its Franchised Business from one or more of Franchisor's affiliates, or from a vendor approved by Franchisor. Prices currently charged by Franchisor may be changed or modified in the future.

ITEM	AMOUNT
All Purpose Cleaner (Biodegradable for use on walls, formica, etc.	1 - one gallon container (or equivalent)
Glass Cleaner	1 - one gallon container (or equivalent)
Restroom Disinfectant	1 - one gallon container (or equivalent)
Cream Cleanser	2 - one quart containers (or equivalent)
Neutral Floor Cleaner	1 - one gallon container (or equivalent)
Carpet Cleaning Concentrate (Bonnet Method)	1 gallon
Carpet Spot Remover	1 can (or equivalent)
Floor Finish Stripper	1 gallon
High Gloss Floor Finish	1 gallon
Stainless Steel Cleaner	1 can
Dust Mop Treatment	1 can
Small Trash Liners (10-12 gallon capacity)	1 case
Large Trash Liners (40-45 gallon capacity)	1 case

ITEM	AMOUNT
Combination Mop Bucket and Wringer (26 quart minimum with wet floor caution inlayed)	2
Wet Mop Handle	2
Wet Mop Head (24 oz.)	4
Dust Mop Head (24 inch)	1
Dust Mop Frame (24 inch)	1
Swivel Dust Mop Handle	1
Metal-Tipped Handle for Doodle Bug	1
Doodle Bug Holder and Pads (3)	1
Plastic Angle Broom	1
Corner Brush	1
Toy Broom	1
Janitor Dust Pan	1
17" Black Stripping Pad	5

"SUPPLY AND EQUIPMENT PACKAGE" – Continued

ITEM	AMOUNT
17" Red Buffing Pad	5
17" Bonnet Pad	1
Window Squeegee Handle	1
14" Window Stripwasher with Sleeve	1
12" Squeegee Channel	1
Commercial Sponge with Scrubber	1
Commercial Sponge	1
Roll-around Trash Container (32 gallon)	1
Brute Container Caddy	1
Lambswool Duster (Telescoping)	1

ITEM	AMOUNT
Disposal Wipes	1 package
Disposal Gloves	1 box
Putty Knife	1
Sanitary Bowl Swab	2
Rubber Door Stop	1
Wet Floor Caution Sign	4
One Quart Spray Bottle	6
Trigger Sprayer	6
8 oz. Measuring Cup	1
Cellular Phone (not available through Franchisor)	1

Franchisor may adjust the items included in the Supply and Equipment Package as industry standards change.

"ADDITIONAL ELECTRIC EQUIPMENT"

THE FOLLOWING EQUIPMENT MUST BE PURCHASED BY EACH FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND PRIOR TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor or any other source. Prices currently charged by Franchisor may be changed or modified in the future.

For Plans E-5 and higher:

QUANTITY	DESCRIPTION	UNIT PRICE
1	17" Heavy Duty Floor Machine with 1.5 HP electric motor, triple planetary gearing, includes pad driver, 175 rpm, with easy adjusting handle	$1,319.28 each
1	Wet/Dry vacuum with 14 gallon tank including tool kit	$868.32 each
1	Backpack Vacuum Cleaner, 10 qt. including tool kit	$657.73 each

In addition to the above equipment, any Franchisee purchasing Plans E-10 or higher must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	20" high speed Burnisher with dust control	$2,870.28 each

In addition to all of the above equipment, any Franchisee purchasing a Plan E-20 or Plan E-25 must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	Self-contained Extractor with 9 gallon tank with built-in spotting tool	$3,145.70 each

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

1. The following language is added to Section 4.5.2 of the Franchise Agreement: "A franchisee in Maryland may obtain an accounting of expenditures of the Advertising Fee as required by COMAR 02.02.08.04B(2) and COMAR 02.02.08.16G(1)."

2. Sections 9.3 and 10.4 of the Franchise Agreement, each of which require the execution of a General Release, are each amended to add the following language:

   "The release requirement of this Section is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The release required under this Section will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

3. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.

4. No term or condition contained in the Franchise Agreement will act to reduce the three year statute of limitations afforded to franchisees bringing claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.

5. Section 12.9 of the Franchise Agreement requires venue to be limited to Dallas County, Texas. This provision is deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.

6. The following language is added to the end of Section 12.3 and end of Section 12.4 of the Franchise Agreement: "The previous language is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

7. The acknowledgments or representations of the franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law 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.

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

[Signature pages follows.]

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

JANI-KING OF WASHINGTON, D.C., INC.

By:_____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Virginia:

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.

[Signature pages follows.]

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

JANI-KING OF WASHINGTON, D.C., INC.

By:_____

EXHIBIT B

GUARANTY

GUARANTY

In consideration of the making by Jani-King of _____, Inc. ("Franchisor") of that certain Jani-King franchise agreement ("Franchise Agreement") dated the ____ day of _____, 2____, by and between Franchisor and _____ _____("Franchisee"), which the parties agree was made, in part, on this Guaranty, the undersigned ("Guarantor") unconditionally guarantees to Franchisor, it's successors and assigns (collectively "Franchisor") the complete and timely performance by Franchisee of all terms of the Franchise Agreement, including full compliance of the non-compete provisions and prompt payment of all royalty, accounting, advertising, and other fees, Promissory Note payments and all other sums due. In that Guarantor is: (i) a spouse or partner of the Franchisee, if the Franchisee is a sole proprietorship or partnership; or (ii) a shareholder, officer or director of a corporation which owns interest in the franchise; or (iii) otherwise a principal with a beneficial interest in the Franchise Agreement, and thus will be privy to the confidential information and trade secrets of Franchisor, Guarantor agrees to comply with all covenants of the Franchise Agreement including the covenants related to the protection of the Jani-King trade and service marks, all noncompetition provisions or other restrictive covenants, financial responsibilities, and all post termination covenants of the Franchise Agreement, including the noncompetition provisions and other obligations setout regarding transfer, expiration, termination or non-renewal of the Franchise Agreement. Guarantor further agrees that all such covenants shall be binding upon and fully enforceable against Guarantor as though they were fully set forth in this Guaranty and Guarantor accepts all responsibility and liabilities relating to the covenants. This covenant shall survive any dissolution of marriage, resignation or other withdrawal of Guarantor from affiliation with Franchisee.

Guarantor waives notice of acceptance of this Guaranty, waives diligence, presentment, and suit by Franchisor to enforce any covenant of the Franchise Agreement or other guarantees herein. Guarantor further waives notice of Franchisee's default under the Franchise Agreement, and any notice required to be presented to Franchisee pursuant to the Franchise Agreement.

This Guaranty will remain in effect with regard to any renewals, modifications or amendments to the Franchise Agreement by Franchisee or its successors or assigns (collectively "Franchisee"), without notice or approval of same by Guarantor, provided any transfer of ownership rights relating to the Franchise Agreement have been approved by Franchisor in accordance with the terms of the Franchise Agreement. This Guaranty shall remain valid until released in writing by Franchisor. No action or inaction by Franchisor shall serve to release this Guaranty.

Franchisor reserves the right to join Guarantor in any action or proceeding commenced against Franchisee. Franchisor may file suit and recover judgment from Guarantor without prior suit or exhaustion of any remedy against Franchisee. If Franchisee is involved in a bankruptcy, reorganization or winding up, no laws, regulations, administrative or judicial determination pertaining to such action shall limit this Guaranty in any way.

This Guaranty shall be binding upon the Guarantor's agents, successors, assigns, heirs, executors, and administrators. Where there is more than one Guarantor, each shall be jointly and severally liable for each obligation of the Guarantor herein. This Guaranty shall not be revoked or impaired as to any Guarantor by the death of the other party.

INT: _____ **INT: _____**

If this Guaranty is placed in the hands of an attorney for enforcement, Guarantor agrees to pay all of Franchisor's expenses, including reasonable attorney's fees, incurred in its enforcement.

Signed this _____ day of _____, 2_____.

GUARANTOR:

_____
Signature

_____
Print Name

_____

_____
Guarantor's Resident Address

GUARANTOR:

_____
Signature

_____
Print Name

_____

_____
Guarantor's Resident Address

GUARANTOR:

_____
Signature

_____
Print Name

_____

_____
Guarantor's Resident Address

GUARANTOR:

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Signature

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Print Name

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Guarantor's Resident Address

GUARANTOR:

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Signature

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Print Name

_____

_____
Guarantor's Resident Address

GUARANTOR:

_____
Signature

_____
Print Name

_____

_____
Guarantor's Resident Address

EXHIBIT C

ACCOUNT ACCEPTANCE/
FINDER'S FEE AGREEMENT

ACCOUNT ACCEPTANCE / FINDER'S FEE AGREEMENT

ACCOUNT: _____ **FRANCHISEE:** **NUMBER** _____

NAME: _____ _____

ADDRESS: _____ _____

_____ _____

MONTHLY BILLING: $ _____ **START DATE:** _____

1. The above named Franchisee ("Franchisee") hereby accepts from Jani-King of _____, Inc. ("Jani-King") the right to service the account listed above (the "Account") under the terms of the related Jani-King Maintenance Agreement ("Maintenance Agreement") and agrees to closely adhere to all terms of the Maintenance Agreement, including the Cleaning Schedule. Franchisee further agrees to provide service according to all Jani-King standards, procedures and policies. Franchisee acknowledges receiving a copy of the Maintenance Agreement and Cleaning Schedule.

2. If any portion of the Account is offered as additional business in excess of the Initial Business, as stated in Franchisee's Franchise Agreement, Franchisee agrees to pay Jani-King a Finder's Fee according to the Jani-King Policies and Procedures in effect on the date of this agreement, as summarized by the provisions marked below:

$ _____ - $ _____ = $ _____ (Amount Finder's Fee based upon)
Monthly Billing — Initial Business/ Finder's Fee Credit

ACCOUNT TYPE: ☐ **FIXED RATE** ☐ **VARIABLE RATE** ☐ **OTHER (Non-Standard)**

DOWN PAYMENT: Franchisee agrees to pay Jani-King a Finder's Fee down payment equal to:

_____ (_____%) Percent of the gross monthly billing for the first full month of service;

MONTHLY PAYMENT: Franchisee agrees to pay to Jani-King a monthly payment equal to:

_____ (_____%) Percent of the gross monthly billing for _____ (_____) consecutive months;

3. If this Account cancels for improper performance or improper conduct by Franchisee or Franchisee's employees, or for any reason that Franchisee or Franchisee's employees could have controlled, Franchisee will remain liable for any remaining Finder's Fee monthly payments and such remaining monthly payments will either be paid as scheduled or will be due and payable immediately, at the option of Jani-King. Franchisee will also remain liable for any remaining Finder's Fee monthly payments if this Account is transferred to another franchisee at the request of the client due to Franchisee's failure to perform or for reasons that Franchisee or Franchisee's employees could have controlled, and the Account is later canceled by the client within sixty (60) days of such transfer.

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4. Franchisee certifies that it has sufficient working capital to purchase all needed supplies and equipment, and to meet all expected payrolls for the first forty-five (45) days of service under the Maintenance Agreement.

5. The Maintenance Agreement relating to this Account is and shall at all times remain the property of Jani-King.

6. In the event an attorney is employed by Jani-King to enforce any of the terms of this agreement, Franchisee agrees to pay all reasonable costs and attorneys' fees incurred by Jani-King in connection therewith.

7. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

FRANCHISEE:

_____ **DATE:** _____
Signature of Owner, Authorized Officer or Partner

_____
Print Name

_____
Title

FINDER'S FEE SCHEDULES – 2024

FINDER'S FEE SCHEDULE FOR FIXED RATE ACCOUNT

MONTHLY BILLING		***DOWN***	***MONTHLY***	
OVER	***UP TO***	***PAYMENT***	***PAYMENT***	***MONTHS***
0	2,000	40%	20%	22
2,000	5,000	30%	15%	30
5,000	8,000	20%	10%	45
8,000	10,000	15%	10%	45
10,000	unlimited	5%	5%	90

FINDER'S FEE SCHEDULE FOR VARIABLE RATE ACCOUNT:

MONTHLY BILLING		***DOWN***	***MONTHLY***	
OVER	***UP TO***	***PAYMENT***	***PAYMENT***	***MONTHS***
0	3,000	30%	5%	90
3,000	6,000	15%	5%	90
6,000	unlimited	5%	5%	90

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EXHIBIT D

EQUIPMENT LEASE AGREEMENT

EQUIPMENT LEASE AGREEMENT

Franchisee Name:_____ Franchisee Address:_____

Franchisee Number:_____Phone:_____ _____

This is an Equipment Lease Agreement ("***Lease***") between _____, a Franchisee of _____ ("***Franchisor***"), as Lessee, and JANI-KING LEASING CORPORATION, as Lessor, which covers the lease of the equipment described below. As used in this Lease, the words "I", "me", or "my" refer to the Lessee, the words "you" or "your" refer to the Lessor and the words "we" or "us" refer to both the Lessee and Lessor. I understand that the consumer law disclosures you have made in this Lease are also made on behalf of any eventual assignee of this Lease, if any.

Equipment Description (the "***Equipment***"): _____

_____

_____

AMOUNTS DUE UPON LEASE SIGNING, MONTHLY LEASE OBLIGATIONS, AND END OF TERM PAYMENT: I will pay the following amounts when due.

Due On Lease Signing		**Monthly Payments**		**Due On End of Term Purchase**	
Down Payment	_____	Monthly Payment	_____	Last Payment	_____
Sales Tax	_____	Sales Tax	_____	Sales Tax	_____
Other:_____	_____		_____	Other	_____
Total Due on Signing	_____	Total Due Monthly	_____	Final Amount Due	_____

LEASE TERM AND MONTHLY PAYMENTS: This Lease becomes effective when I sign it and will be for a term of _____ months beginning with delivery of the Equipment and will require the same number of monthly payments of $_____ including tax for a total of monthly payments of $_____ including tax. I will pay the down payment when I sign this Lease. Beginning the month after delivery of the Equipment, I promise to pay monthly payments on or before the _____ of each month. I agree payments owed to you may be deducted from monies to be remitted to me by Franchisor pursuant to the Franchise Agreement between Franchisor and me ("***Franchise Agreement***").

LEASE TERMINATION AND PURCHASE OPTION: This Lease includes a right to purchase the Equipment at the end of the term of this Lease, at my option, for $_____ ("***Purchase Price***"), which I agree may be deducted from monies to be remitted to me by Franchisor pursuant to the Franchise Agreement. You will give me notice prior to the end of the Lease and I will be deemed to have exercised the purchase option unless I return the Equipment to you on or before the end of the Lease term. If (i) at the end of the Lease term, I choose not to purchase the Equipment, (ii) the Lease is terminated early, or (iii) I default on this Lease, I agree to immediately return the Equipment to the place you specify.

EQUIPMENT MAINTENANCE: I realize that all expenses concerning the use and operation of the Equipment are my responsibility. I will, at my expense, have the Equipment serviced in accordance with the manufacturer's recommendations, maintain the Equipment in good working order and condition, and have all the necessary repairs made. If you request, you may inspect the Equipment at any reasonable time during the term of this Lease.

EQUIPMENT WARRANTIES: I acknowledge that you do not make any express warranties regarding the Equipment and that I am leasing the Equipment from you "**AS IS**". However, to the extent the Equipment is still subject to the manufacturer's warranty, you assign to me all your rights and remedies under such warranty to the extent the warranty is assignable.

INSURANCE: I agree that I must keep and provide sufficient insurance coverage at my expense to be able to reimburse you for the value of the Equipment should there be any losses due to fire, theft, or other occurrences. I agree that I will furnish you with written confirmation of coverage, and that you will be the primary beneficiary of the insurance proceeds

DAMAGE OR LOSS OF EQUIPMENT: I agree to be liable for any damage to, or theft or destruction of, the Equipment. I will notify you as soon as possible if the Equipment is damaged, stolen, or destroyed. I understand that the proceeds of the insurance covering the Equipment will be applied to my remaining Monthly Payments and the Purchase Price, and that I remain liable for any difference between (i) the total of the remaining Monthly Payment and the Purchase Price, and (ii) the amount of the proceeds payable from the insurance coverage.

LIENS AND CLAIMS: I promise that no liens, encumbrances, or claims will be made on the Equipment by anyone.

SECURITY INTEREST: I recognize that your interest in the loss proceeds of the insurance shall be a security interest under the laws of the State of Texas.

DEFAULT: I will be in default under this Lease if:

- Any information in my credit application is false or misleading;
- I fail to make any payment when due;
- I fail to keep any of my other promises to you; or
- I become the subject of an insolvency or bankruptcy, or die.

REMEDIES: In the event of default you may do any or all of the following without giving me advance notice:

- Take any reasonable measures designed either to correct the default or save yourself from the loss, in which case I will pay you immediately for the expenses incurred;
- Terminate this Lease and my rights to possess and use the Equipment;
- Take possession of the Equipment by any method or manner permitted by law;
- Determine my remaining Monthly Payments and Purchase Price, which I agree to pay immediately;
- Apply any security deposit to any amounts I owe; and
- Pursue any other remedy permitted by law.

I also agree to be liable for all collection and legal costs, including reasonable attorney's fees and court costs, to the extent permitted by law.

GENERAL: I understand that:

- I have no right to assign any of my rights under this Lease.
- Your waiver of any default or your failure to insist on the keeping of any of my promises will not be a waiver of any of the terms of this Lease in the future.
- You have no obligation to provide any replacement Equipment for any reason.
- You can assign this Lease, all amounts I will owe you, and all your interest in the Equipment without my consent.
- THIS LEASE WILL BE SUBJECT TO THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICT OF LAW RULES. JURISDICTION AND VENUE FOR ANY ACTION ARISING OUT OF OR RESULTING FROM THIS LEASE WILL BE EXCLUSIVELY IN DALLAS COUNTY, IN THE STATE OF TEXAS.

NOTICE TO LESSEE:

1. **Read this Lease before you sign it.**
2. **You are entitled to a completed copy of this Lease**.

I HAVE READ AND RECEIVED A COMPLETED COPY OF THIS LEASE BEFORE SIGNING BELOW AND I ACKNOWLEDGE RECEIPT OF THE EQUIPMENT DESCRIBED ON THE REVERSE SIDE OF THIS LEASE BEARING SERIAL NUMBER _____ on _____, 201____ in acceptable condition.

LESSEE	**LESSOR**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT E

OFFICE SUPPLY AND ADVERTISING PACKAGE
SUPPLY AND EQUIPMENT PACKAGE &
ADDITIONAL ELECTRIC EQUIPMENT

"OFFICE SUPPLY AND ADVERTISING PACKAGE"

LIST OF MATERIALS PROVIDED TO FRANCHISEE
PURSUANT TO THE FRANCHISE AGREEMENT

ITEM	AMOUNT
Business Cards (imprinted logo)	1,000
JANI-KING Logo/Border Paper (matching envelopes)	100
Color Tri-Fold	50
JANI-KING Tunics	3
JANI-KING Gray Golf Shirt	1
JANI-KING Black Polo Shirts	4
Inspection Pads	5
Memo Pads	5
Past Performance Pads	5
Account Bid Sheet Pad	1 pad
Contact Evaluation Pad (replace as needed)	1 pad
JANI-KING Logo Binders	2
JANI-KING Executive Pad Holder	1
JANI-KING Tri-fold Pad Holder	1
JANI-KING Training Videos	1 set
JANI-KING Trust Your Keys Video	1
JANI-KING Customer Relations Handbook	1
Account Follow-up Sheets (replace as needed)	5
New Account Start-Up (replace as needed)	5
Initial Clean Sign-Off Sheets (replace as needed)	5
Franchisee Request Cards (replace as needed)	5
Authorization for Extra Work Forms (replace as needed)	5
JANI-KING Business Card Order Forms	As Needed

"SUPPLY AND EQUIPMENT PACKAGE"

THE FOLLOWING SUPPLIES AND EQUIPMENT MUST BE PURCHASED BY EACH FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND PRIOR TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor, subject to shipping restrictions, or any other source. Franchisor reserves the right, upon thirty days' notice to Franchisee, to require Franchisee to purchase all cleaning equipment and supplies for the operation of its franchise from one or more of Franchisor's affiliates, or from a vendor approved by Franchisor. Prices currently charged by Franchisor may be changed or modified in the future.

ITEM	AMOUNT
All Purpose Cleaner (Biodegradable for use on walls, formica, etc.	1 - one gallon container (or equivalent)
Glass Cleaner	1 - one gallon container (or equivalent)
Restroom Disinfectant	1 - one gallon container (or equivalent)
Cream Cleanser	2 - one quart containers (or equivalent)
Neutral Floor Cleaner	1 - one gallon container (or equivalent)
Carpet Cleaning Concentrate (Bonnet Method)	1 gallon
Carpet Spot Remover	1 can (or equivalent)
Floor Finish Stripper	1 gallon
High Gloss Floor Finish	1 gallon
Stainless Steel Cleaner	1 can
Dust Mop Treatment	1 can
Small Trash Liners (10-12 gallon capacity)	1 case
Large Trash Liners (40-45 gallon capacity)	1 case

ITEM	AMOUNT
Mop Bucket (26 quart minimum with wet floor caution inlayed)	2
Mop Wringer; Down Press	2
Wet Mop Handle	2
Wet Mop Head (24 oz.)	4
Dust Mop Head (24 inch)	1
Dust Mop Frame (24 inch)	1
Swivel Dust Mop Handle	1
Metal-Tipped Handle for Doodle Bug	1
Doodle Bug Holder and Pads (3)	1
Plastic Angler Broom	1
Corner Brush	1
Toy Broom	1
Janitor Dust Pan	1

"SUPPLY AND EQUIPMENT PACKAGE" – Continued

ITEM	AMOUNT
17" Black Stripping Pad	5
17" Red Buffing Pad	5
17" Bonnet Pad	1
Window Squeegee Handle	1
14" Window Stripwasher with Sleeve	1
12" Squeegee Channel	1
Commercial Sponge with Scrubber	1
Commercial Sponge	1
Roll-around Trash Container (32 gallon)	1
Brute Container Caddy	1
Lambswool Duster (Telescoping)	1

ITEM	AMOUNT
Disposal Wipes	1 package
Disposal Gloves	1 box
Putty Knife	1
Sanitary Bowl Swab	2
Rubber Door Stop	1
Wet Floor Caution Sign	4
One Quart Spray Bottle	6
Trigger Sprayer	6
8 oz. Measuring Cup	1
Cellular Phone (not Available through Franchisor)	1

Franchisor may adjust the items included in the Supply and Equipment Package as industry standards change.

"ADDITIONAL ELECTRIC EQUIPMENT"

THE FOLLOWING EQUIPMENT MUST BE PURCHASED BY EACH FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND PRIOR TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor or any other source. Prices currently charged by Franchisor may be changed or modified in the future.

For Plans E-4 and Higher:

QUANTITY	DESCRIPTION	UNIT PRICE
1	17" Heavy Duty Floor Machine with 1.5 HP electric motor, triple planetary gearing, includes pad driver, 175 rpm, with easy adjusting handle	$1,008.08 each
1	Wet/Dry vacuum with 14 gallon tank including tool kit	$671.75 each
1	Backpack Vacuum Cleaner, 10 qt. including tool kit	$502.71 each

In addition to the above equipment, any Franchisee purchasing Plans E-10 and higher must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	20" high speed Burnisher with dust control	$2,223.05 each

In addition to all of the above equipment, any Franchisee purchasing Plans E-20 and higher must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	Self-contained Extractor with 9 gallon tank with built-in spotting tool	$2,684.15 each

At the current time, the following equipment may be leased from JANI-KING LEASING CORPORATION for the following amounts plus tax and shipping:

	DOWN PAYMENT	MONTHLY PAYMENT	TERMINAL PAYMENT
17" Heavy Duty Floor Machine	$126.01	$63.01	$126.01
14 Gallon Wet/Dry Vacuum	$83.97	$41.98	$83.97
Backpack Vacuum Cleaner – 10 qt.	$62.84	$31.42	$62.84
20" High Speed Burnisher	$277.88	$138.94	$277.88
9 Gallon Self-contained Extractor	$335.52	$167.76	$335.52

Lease prices as outlined above are the prices effective April 1, 2020 and are based on the down payment which equals two monthly payments, twelve (12) monthly lease payments and a terminal payment which equals two monthly payments. These prices may be modified or changed without the consent or knowledge of Franchisor. Franchisee is not required to purchase or lease any equipment from Franchisor or JANI-KING LEASING CORPORATION, and may obtain the required equipment from other vendors.

EXHIBIT F

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Franchise Operations Manual

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Floor Care Guide, copyright © 1987 by Cleaning Management Institute
National Trade Publications, Inc.
13 Century Hilt Drive, Latham, NY 12110 USA

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Policies and Procedures Manual

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Franchise Training Manual

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FINANCIAL STATEMENTS

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

JANI-KING INTERNATIONAL, INC., AND SUBSIDIARIES
Consolidated Balance Sheets
(Not Reviewed, Not Compiled, and Unaudited)

As of March 31,

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 5,023,767	$ 10,046,463
Short-term investments	35,814,917	21,662,595
Short-term investments - restricted	5,275,000	7,250,000
Accounts receivable, net	13,689,438	13,631,814
Notes receivable, current	1,152,090	823,060
Reinsurance premiums receivable	710,732	535,039
Inventory	34,563	82,372
Deferred reinsurance acquisition costs	72,137	68,054
Other assets - current	1,902,673	1,997,324
Total current assets	63,675,317	56,096,721
NON-CURRENT ASSETS		
Property and Equipment, net	5,663,736	5,249,433
Operating lease right of use	3,954,203	4,104,929
Notes receivable, net of current	1,180,027	1,060,664
Intangibles, net	—	-
Notes receivable from related parties	600,000	10,562,891
Total non-current assets	11,397,966	20,977,917
TOTAL ASSETS	$ 75,073,283	$ 77,074,638

JANI-KING INTERNATIONAL, INC., AND SUBSIDIARIES
Consolidated Balance Sheets (continued)
(Not Reviewed, Not Compiled, and Unaudited)

As of March 31,

LIABILITIES AND SHAREHOLDER'S EQUITY

	2024	2023
CURRENT LIABILITIES		
Due to Franchisees	$ 9,929,014	$ 9,089,415
Accounts payable and accrued expenses	7,852,116	8,855,855
Accounts payable due to related party	9,000,000	—
Revolving credit line payable	—	—
Term notes payable, current	2,398,800	1,082,800
Lease liability, current	1,122,042	1,436,321
Unearned reinsurance premiums	590,335	555,682
Accrued income taxes	1,335,316	1,801,925
Legal settlement reserves, current	—	3,430,135
Deferred franchise revenues, current	635,166	487,771
Total current liabilities	32,862,789	26,739,904
NON-CURRENT LIABILITIES		
Term notes payable, net of current	2,477,634	4,143,100
Lease liability, net of current	3,129,473	2,877,227
Insurance company reserves	4,753,058	4,758,615
Deferred franchise revenue, net of current	6,659,314	6,826,786
Legal settlement payables, net of current	—	—
Total non-current liabilities	17,019,479	18,605,728
Total liabilities	49,882,268	45,345,632
COMMITMETMENTS AND CONTINGENCIES		
SHAREHOLDER'S EQUITY		
Common stock, $10 par value; 100 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	9,000	9,000
Retained earnings	25,866,204	32,422,903
Accumulated other comprehensive loss	(685,189)	(703,897)
Total shareholder's equity	25,191,015	31,729,006
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$ 75,073,283	$ 77,074,638

JANI-KING INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statements of Income and Comprhensive Income
(Not Reviewed, Not Compiled, and Unaudited)

For the Three Months Ended March 31,

	2024	2023
REVENUES		
Commercial cleaning services	$ 33,105,917	$ 29,769,126
Regional master franchise royalties	8,814,132	8,627,766
Advertising fees	1,924,767	1,826,548
Preopening services and franchise rights	250,059	249,993
Leasing, Software and Supply Revenue	220,681	293,949
Total revenues	44,315,556	40,767,382
COST OF REVENUES	26,556,434	22,878,169
GROSS PROFIT	17,759,122	17,889,213
OPERATING COSTS AND EXPENSES		
Selling, general and administrative expenses	12,037,104	10,354,477
Legal settlement	—	—
Depreciation and amortization	149,951	145,747
Total operating costs and expenses	12,187,055	10,500,224
OPERATING INCOME	5,572,067	7,388,989
OTHER INCOME (EXPENSE)		
Gain on sale of company-owned regions	—	693,485
Net realized gain (loss) on sale of property and equipment	2,300	588
Interest expense	(80,251)	(111,197)
Intrest income	329,072	245,591
Other income, net	18,400	—
TOTAL OTHER INCOME (EXPENSE)	269,521	828,467
INCOME BEFORE INCOME TAX EXPENSE	5,841,588	8,217,456
Income taxes expense	12,445	394,984
NET INCOME	5,829,143	7,822,472
Other comprehensive income (loss)		
Foreign currency translation	18,708	26,069
Other comprehensive income (loss)	18,708	26,069
COMPREHENSIVE INCOME	$ 5,847,851	$ 7,848,541

Jani-King International, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2023, 2022, and 2021

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Jani-King International, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2023, 2022, and 2021

Jani-King International, Inc. and Subsidiaries

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600 North Pearl, Suite 1700
Dallas, TX 75201

Independent Auditor's Report

Those Charged with Governance
Jani-King International, Inc.
Dallas, Texas

Opinion

We have audited the consolidated financial statements of Jani-King International, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023, 2022, and 2021, and the related statements of income and comprehensive income, shareholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022, and 2021, 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 (U.S. 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 Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

BDO USA, P.C.

Dallas, Texas
March 29, 2024

Consolidated Financial Statements

Jani-King International, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31,	**2023**	2022	2021
Assets			
Current Assets			
Cash and cash equivalents	**$ 6,923,028**	$ 8,415,123	$ 20,623,518
Short-term investments	**27,160,000**	19,864,490	-
Short-term investments, restricted	**5,275,000**	7,250,000	7,250,000
Accounts receivable, net	**17,551,670**	14,804,060	15,047,000
Notes receivable, current	**1,298,993**	819,142	1,186,080
Reinsurance premiums receivable	**1,776,830**	1,366,284	1,349,705
Inventory	**56,375**	83,317	160,582
Deferred reinsurance acquisition costs	**180,341**	168,461	165,376
Other assets – current	**2,236,612**	2,258,849	1,741,017
Total Current Assets	**62,458,849**	55,029,726	47,523,278
Non-Current Assets			
Property and Equipment, net	**5,566,186**	5,398,123	5,739,043
Operating lease right-of-use asset	**3,692,432**	4,586,708	-
Notes receivable, net of current	**1,123,723**	933,283	654,166
Intangible assets, net	**-**	-	46,652
Notes receivable from related party	**750,000**	10,837,757	11,931,950
Total Non-Current Assets	**11,132,341**	21,755,871	18,371,811
Total Assets	**$ 73,591,190**	$ 76,785,597	$ 65,895,089

Jani-King International, Inc. and Subsidiaries

Consolidated Balance Sheets (Continued)

December 31,	**2023**	2022	2021
Liabilities and Shareholder's Equity			
Current Liabilities			
Due to franchisees	**$ 10,671,570**	$ 9,460,479	$ 9,194,662
Accounts payable and accrued expenses	**8,677,312**	10,473,051	11,826,843
Accounts payable due to related party	**7,500,000**	-	-
Term notes payable, current	**2,462,800**	1,082,800	4,330,779
Operating lease liability, current	**1,312,735**	1,533,113	-
Unearned reinsurance premiums	**1,475,837**	1,375,540	1,351,167
Accrued income taxes	**1,363,351**	1,633,453	1,069,628
Legal settlements payable, current	**-**	3,396,472	4,854,564
Deferred franchise revenues, current	**504,383**	477,079	468,349
Total Current Liabilities	**33,967,988**	29,431,987	33,095,992
Non-Current Liabilities			
Term notes payable, net of current	**2,709,333**	4,213,800	5,200,235
Lease liability, net of current	**2,598,881**	3,255,658	-
Insurance reserves	**4,353,059**	5,041,697	5,181,198
Deferred franchise revenues, net of current	**6,740,119**	5,369,869	5,742,776
Legal settlements payable, net of current	**-**	-	3,263,301
Total Non-Current Liabilities	**16,401,392**	17,881,024	19,387,510
Total Liabilities	**50,369,380**	47,313,011	52,483,502
Commitments and Contingencies			
Shareholder's Equity			
Common stock, $10 par value; 100 shares authorized, issued, and outstanding	**1,000**	1,000	1,000
Additional paid-in capital	**9,000**	9,000	9,000
Retained earnings	**23,927,061**	30,126,631	14,107,591
Accumulated other comprehensive loss	**(715,251)**	(664,045)	(706,004)
Total Shareholder's Equity	**23,221,810**	29,472,586	13,411,587
Total Liabilities and Shareholder's Equity	**$ 73,591,190**	$ 76,785,597	$ 65,895,089

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Income and Comprehensive Income

Year ended December 31,	**2023**	2022	2021
Revenues			
Commercial cleaning services	**$ 121,249,648**	$ 135,874,167	$ 128,380,301
Regional franchise royalties	**35,724,901**	34,468,543	31,550,507
Advertising fees	**7,751,334**	7,676,604	6,855,299
Preopening services and franchise rights	**1,239,678**	1,634,323	969,871
Leasing, software, and transfer fees	**1,240,725**	1,108,787	2,083,146
Total Revenues	**167,206,286**	180,762,424	169,839,124
Cost of Revenues	**94,880,876**	105,062,012	99,041,802
Gross Profit	**72,325,410**	75,700,412	70,797,322
Operating Costs and Expenses			
Selling, general, and administrative expenses	**48,896,271**	43,324,443	38,819,074
Legal settlements	**(1,200,000)**	73,358	15,247,422
Depreciation and amortization	**586,776**	660,677	729,902
Total Operating Costs and Expenses	**48,283,047**	44,058,478	54,796,398
Operating Income	**24,042,363**	31,641,934	16,000,923
Other Income (Expense)			
Loss on sale of company-owned regions	**(51,105)**	-	-
Net realized gain /(loss) on sales of property and equipment	**(206,833)**	30,187	34,360
Interest expense	**(428,560)**	(500,322)	(384,067)
Interest income	**1,432,504**	383,514	233,187
Other income, net	**147,058**	3,116,053	17,437
Total Other Income (Expense)	**893,064**	3,029,432	(99,083)
Income, before income tax expense	**24,935,427**	34,671,366	15,901,841
Income tax expense	**173,297**	887,326	345,127
Net Income	**24,762,130**	33,784,040	15,556,714
Other Comprehensive Income (Loss)			
Foreign currency translation	**(51,206)**	41,959	23,962
Other Comprehensive Income (Loss)	**(51,206)**	41,959	23,962
Comprehensive Income	**$ 24,710,924**	$ 33,825,999	$ 15,580,676

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Shareholder's Equity

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholder's Equity
Balance, December 31, 2020	$ 1,000	$ 9,000	$ 13,374,477	$ (729,966)	$ 12,654,511
Net income	-	-	15,556,714	-	15,556,714
Foreign currency translation	-	-	-	23,962	23,962
Net distributions to shareholder	-	-	(14,823,600)	-	(14,823,600)
Balance, December 31, 2021	1,000	9,000	14,107,591	(706,004)	13,411,587
Net income	-	-	33,784,040	-	33,784,040
Foreign currency translation	-	-	-	41,959	41,959
Net distributions to shareholder	-	-	(17,765,000)	-	(17,765,000)
Balance, December 31, 2022	1,000	9,000	30,126,631	(664,045)	29,472,586
Net income	-	-	24,762,130	-	24,762,130
Foreign currency translation	-	-	-	(51,206)	(51,206)
Net distributions to shareholder	-	-	(30,961,700)	-	(30,961,700)
Balance, December 31, 2023	$ 1,000	$ 9,000	$ 23,927,061	$ (715,251)	$ 23,221,810

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	**2023**	2022	2021
Cash Flows from Operating Activities			
Net income	**$ 24,762,130**	$ 33,784,040	$ 15,556,714
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on sale of corporate owned regions	**(51,105)**	-	-
Net realized gain on sales of property and equipment	**206,833**	(30,187)	(34,360)
Depreciation and amortization	**586,776**	660,677	729,902
Amortization of right-of-use assets	**1,508,052**	1,739,142	-
PPP loan forgiveness	**-**	(3,089,380)	-
Bad debt expense	**71,078**	70,849	129,409
Changes in operating assets and liabilities:			
Accounts receivable and notes receivable, current	**(2,926,224)**	539,029	(2,676,983)
Inventory	**26,942**	77,265	92,098
Reinsurance premiums receivable	**(410,546)**	(16,579)	500,758
Deferred reinsurance acquisition costs	**(11,880)**	(3,085)	13,147
Other assets	**33,107**	(517,832)	149,541
Notes receivable, non-current	**(190,440)**	(279,117)	(316,366)
Operating lease liability	**(1,490,931)**	(1,731,810)	-
Due to franchisees, accounts payable and accrued expenses	**(1,701,729)**	(839,363)	4,500,040
Accounts payable to related party	**7,500,000**	-	-
Unearned reinsurance premiums	**100,297**	24,373	(179,901)
Accrued income taxes	**(270,102)**	563,825	229,710
Legal settlements payable	**(3,396,472)**	(4,721,393)	8,033,769
Deferred franchise revenues	**1,397,554**	(364,178)	(46,555)
Insurance reserves	**(688,638)**	(139,501)	(810,209)
Net Cash Provided by Operating Activities	**25,054,703**	25,726,775	25,870,714
Cash Flows from Investing Activities			
Sale (purchase) of short-term investments	**(7,295,510)**	(19,864,490)	5,151,614
Change in restricted short-term investments	**1,975,000**	-	1,250,000
Purchases of property and equipment	**(969,122)**	(272,846)	(535,632)
Proceeds from sale of corporate owned regions	**785,000**	-	-
Proceeds from sale of property and equipment	**7,450**	29,927	35,589
Net Cash Provided by (Used in) Investing Activities	**$ (5,497,182)**	$ (20,107,409)	$ 5,901,571

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

Year ended December 31,	**2023**	2022	2021
Cash Flows from Financing Activities			
Receipts on notes receivable from related parties	**$ 10,087,757**	$ 1,094,193	$ 1,578,374
Net distributions to shareholder	**(30,961,700)**	(17,765,000)	(14,823,600)
Proceeds from term notes	**1,000,000**	-	-
Payments on term notes	**(1,124,467)**	(1,198,913)	(1,258,882)
Net Cash Used in Financing Activities	**(20,998,410)**	(17,869,720)	(14,504,108)
Effect of Currency Translation on Cash and Cash Equivalents	**(51,206)**	41,959	23,962
Net Increase (Decrease) in Cash and Cash Equivalents	**(1,492,095)**	(12,208,395)	17,292,139
Cash and Cash Equivalents, beginning of year	**8,415,123**	20,623,518	3,331,379
Cash and Cash Equivalents, end of year	**$ 6,923,028**	$ 8,415,123	$ 20,623,518
Supplemental Disclosures of Cash Flow Information			
Interest paid during the year	**$ 562,389**	$ 420,766	$ 174,067
Income taxes paid during the year	**278,823**	922,257	175,168
Recognition of right-of-use assets obtained in exchange for new operating lease liabilities	**(613,776)**	(663,948)	-
Recognition of lease liability upon adoption of ASC 842	**-**	5,856,633	-
Derecognition of deferred rent upon adoption of ASC 842	**-**	(194,731)	-

See accompanying notes to consolidated financial statements.

1. Organization

Jani-King International, Inc. (separately or together with its subsidiaries, as the context requires, the "Company") is incorporated in the State of Texas and is a marketer and franchisor of commercial cleaning services. The Company sells and supports commercial cleaning franchises, which operate under the Company's trademarks and franchise system in the United States of America and internationally. The Company provides the framework for franchisees to provide commercial cleaning services to a variety of commercial enterprises, including services to specialized markets such as hospitals and other health care providers, hotels and resorts, schools and other educational institutions, and large event venues, such as athletic stadiums and arenas. This framework consists of the marketing and sale of commercial cleaning services, training and administrative support for franchisees, a proven business model, and the use of a widely-recognized registered trademark.

Jani-King International, Inc. is a wholly-owned subsidiary of JAC Holdings, LLC, a Texas limited liability company (Parent Company).

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

JKI Indemnity SPC, a wholly-owned subsidiary of the Company, was incorporated under the laws of the Cayman Islands on December 15, 1999. Its principal activity is to reinsure a portion of the workers compensation and general liability risks of the Company and its franchisees that choose to participate in the Company's insurance program.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and reported amounts of revenues and expenses during the reporting periods. An estimate is made in the calculations and assessments of allowance for doubtful accounts, and in the calculations of the insurance reserves. Actual results may differ from the estimates.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include $362,048, $1,593,568, and $1,638,962 on December 31, 2023, 2022, and 2021, respectively, on deposit with banks outside of the United States, including foreign branches of United States financial institutions.

The Company holds its cash and cash equivalents both within and outside the United States at high credit quality institutions. At times, cash on deposit with any one bank may be in excess of the government insured limits. The Company has not experienced, and management does not expect to experience in the future, any losses as a result of these concentrations.

Short-Term Investments

Short-term investments are comprised of funds deposited in a money market account at a major United States bank and are stated at fair value. The deposits have an aggregate fair value of $27,160,000, $19,864,490, and $0 on December 31, 2023, 2022, and 2021, respectively.

Restricted Short-Term Investments

Restricted short-term investments are comprised of certificates of deposit and money market accounts the Company intends to hold for more than three months and other time deposits at a major bank and are stated at fair value. The deposits have an aggregate fair value of $5,275,000, $7,250,000, and $7,250,000 on December 31, 2023, 2022, and 2021, respectively, and mature within 11 months of year end. The Company intends to hold the investments until their maturity. All of the investments are restricted and pledged as security for the issuance of irrevocable letters of credit to support liabilities under reinsurance contracts of JKI Indemnity SPC.

Accounts Receivable, Notes Receivable, and Reinsurance Premiums Receivable

Accounts receivable consist primarily of billings to commercial customers for commercial cleaning services and royalties due from regional franchisees.

Notes receivable consist of amounts due from unit franchisees for the purchase of equipment and promissory notes due from regional franchises. The notes receivable due from unit franchisees provide for payment for the equipment purchased over a 12 to 36 month period.

Allowance for credit risk for accounts receivable and notes receivable is established based on various factors including credit profiles of our customers or regional franchisees, historical payments, and current economic trends. We review the allowance for accounts receivables and notes receivable from regional franchisees by assessing individual accounts receivable and notes receivable. We review the allowance for accounts receivables from customers by assessing individual accounts receivable over a specific aging and amount. All other balances are pooled based on historical collection experience. The estimate of expected credit losses is based on information about past events, historical loss experience, balances past due by aging category, prior payment history with affected customers, geographic conditions, current economic conditions, and forecasts of future economic conditions that affect the collectability. The Company also takes into account any known disputes or collection issues with customers. Accounts receivable and notes receivable are written-off on a case by case basis, net of any amounts that may be collected. Interest accrues on the notes receivable over the life of the notes. However, interest income is not accrued on notes that are past due. Interest income on such notes is recognized when cash is received. The Company generally does not charge interest on past due customer accounts.

Reinsurance premiums receivable are amounts due from the fronting insurance company which collects premiums and remits the Company's portion of the annual premiums in equal monthly installments over the term of the policies.

Deferred Reinsurance Acquisition Costs

Deferred reinsurance acquisition costs consist primarily of commissions and other costs that vary with and are primarily related to the production of insurance business and are amortized over the

terms of the underlying policies to which they relate. The portion at the balance sheet date which will be expensed in the future is deferred and reported as deferred reinsurance acquisition costs.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are provided using the straight-line method over the following estimated useful lives:

Property and Equipment	Estimated Useful Lives (Years)
Buildings and improvements	20-39
Aircraft	10-20
Furniture, office equipment, and automobiles	5
Leasehold improvements	Useful life of the asset or the lease term, whichever is shorter

All maintenance and repair costs are expensed as incurred. Asset purchases and significant improvements that extend the remaining useful life of an asset are capitalized if the cost is over $5,000. When assets are sold or otherwise disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is reflected in income.

Operating Lease Right-of-Use Assets and Lease Liabilities

Effective January 1, 2022, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach. The Company's 2021 financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use (ROU) asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the non-cancelable lease term. Expenses for finance leases are comprised of the amortization of the ROU asset and interest expense recognized based on the effective interest method.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Company elected:

- The package of practical expedients permitted under the transition guidance which does not require the Company to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

The new standard also provides for several accounting policy elections, as follows:

- When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all leases.

- The Company elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 7.

Unearned Reinsurance Premiums

Reinsurance premiums assumed are recognized on a pro-rata basis over the term of the policies. The unearned portion at the balance sheet date is included in unearned reinsurance premiums.

Insurance Reserves

Insurance reserves represent the actuarially determined estimate of the costs to settle claims and claims adjustment expenses, including claims that have been incurred but not yet reported, of the Company's insurance subsidiary.

Income Taxes

The Company is a qualified subchapter S subsidiary of the Parent Company under the Internal Revenue Code. As such, the Company does not pay federal corporate income taxes; however, its income and expenses are included in the federal income tax return of the Parent Company. Some states do not recognize the subchapter S filing status and assess taxes directly against the Company, while other states that do recognize the subchapter S filing status require or allow the Company to make tax payments on behalf of its ultimate individual owner. The Company records such payments as income tax expense when incurred.

The Company's foreign subsidiaries are taxed by the jurisdictions in which they operate. Such taxes are included in income tax expense on the consolidated statements of income and comprehensive income as they are incurred.

Accrued income taxes reported in the financial statements represent state and foreign income taxes payable by the Company.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an examination. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. There was no amount recorded as a liability for unrecognized tax benefit in any of the periods presented.

Because the Company is a pass-through entity for federal income tax purposes and for substantially all of the state jurisdictions in which it is required to file an income tax return, the effect of any changes in tax positions that result from an examination of its tax returns are borne principally by the Company's ultimate individual owner. The impact of any changes that may be borne by the Company would be highly unlikely to be material to the financial position or results of operations of the Company. Tax returns for 2020 and later are still subject to examination by the federal and state tax authorities.

Any penalties and interest assessed against the Company by taxing authorities are included in income tax expense. There were no such amounts included in income tax expense in the years ended December 31, 2023, 2022, and 2021.

Fair Value of Financial Instruments

In accordance with FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, certain assets and liabilities carried at fair value are categorized based on the level of judgement associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 – Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The Company believes the carrying amounts of financial instruments as of December 31, 2023, 2022, and 2021 including cash equivalents, short-term investments, accounts receivable, notes receivable, notes receivable from related party, accounts payable, and accrued expenses, approximate their fair values due to their short maturities. The Company believes that the Company's debt balances approximate fair value as they bear interest at market rates.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* (ASU 2018-19), which clarifies that receivables arising from operating leases are accounted for using lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments* (ASU 2019-04), which clarifies the treatment of certain credit losses. The Company adopted the standard for credit losses on January 1, 2023 using the modified retrospective approach. The adoption of ASC 326 did not have an impact on the Company's financial condition and results of operations within its consolidated financial statements.

Revenue Recognition

The Company adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequent ASUs that modified Topic 606 (ASC 606) effective January 1, 2020. The new guidance clarifies the principles used to recognize revenue for all entities and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled. The Company elected to apply the full

retrospective method of adoption, which required the Company to adjust prior reporting periods presented.

The FASB issued ASU 2021-02, *Franchisors – Revenue from Contracts with Customers (Subtopic 952-606)*, creating a practical expedient that simplifies the identification of performance obligations for private company franchisors for certain pre-opening services. The pre-opening services provided by a franchisor to a franchisee can be accounted for as a single performance obligation, distinct from the franchise license. The Company elected to apply the practical expedient allowed by ASU 2021-02, and has elected to account for all qualifying pre-opening activities as a single performance obligation. Pre-opening services per ASU 2021-02 are defined as follows:

- Assistance in the selection of a site.
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation.
- Training of the franchisee's personnel of the franchisee.
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.
- Bookkeeping, information technology and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting franchisee's business.
- Inspection, testing, and other quality control programs.

The Company derives its revenue primarily from commercial cleaning services performed by franchisees, royalties from regional franchisees, and franchise sales. The Company accounts for revenue from contracts with customers (commercial cleaning services customers, regional franchises and unit franchises), which comprises 100% of its revenue, through the following steps:

- Identification of the contract with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company has a direct contractual relationship, generally for initial and renewal periods of one year, with its commercial cleaning services customers for the services rendered and holds title to the related receivables. The revenue from commercial cleaning services is recognized as the services are performed and is included in commercial cleaning services revenues. Commercial cleaning services revenue amounts are invoiced and due on a monthly basis. The related direct costs (principally payments to the Company's unit franchisees that perform the commercial cleaning services) are recognized in cost of revenues in the month in which the services are provided. Cost of revenues includes payments to the Company's unit franchisees after deducting payments for variable sales-based fees that range collectively from 14% to 19% of the franchisee's gross sales as well as for product and equipment charges. The variable sales-based fees paid by the unit franchisees include royalty, advertising, accounting and technology fees.

The Company also receives monthly variable sales-based royalty and advertising fees from regional franchisees. These variable sales-based fees range from 3% to 6% of the regional franchisee's gross revenue.

The Company recognizes the sales-based fees as it has the "right to invoice" in the period in which the related sales occur in accordance with the "sales-based royalty" exception. The royalty fees are subject to monthly minimum amounts. When the monthly minimum amount is exceeded, the Company recognizes the variable sales-based royalty fees. When the monthly minimum amount is not exceeded, the Company recognizes the fixed monthly minimum amount.

Advertising fees are recognized in the consolidated statement of income on a gross basis. All advertising expenses are charged to selling, general and administrative expense as incurred. When advertising fees are over-spent (expenses exceed the fees), the expenses are not deferred beyond the date they are incurred or beyond the date the advertising first appears. Because the Company does not have the discretion to spend advertising fees on other operating expenses when advertising fees are under-spent (fees exceed the expenses), the Company accrues additional advertising expenses to match the advertising fees recognized.

The Company receives fixed, non-refundable upfront consideration for the sale and transfer of regional and unit franchises which is related to providing pre-opening services and the sale of franchise rights. Additionally, for regional franchises, the non-refundable upfront transaction price amount includes consideration related to the franchisee's right to use functional intellectual property provided by the Company through the transfer of a proprietary franchise management and sales management, customer relationship management and accounting software license. The non-refundable upfront transaction price is invoiced and due from the franchisee upon execution of the franchise agreement. The unit franchisee has the option to pay the Company a portion of the upfront transaction price amount over a prescribed time period.

The Company allocates the non-refundable upfront transaction price to the pre-opening services, franchise right and regional franchise software license performance obligations relative to their standalone selling prices and recognizes these amounts in preopening services and franchise rights. The Company has determined the standalone selling prices of the software license and pre-opening services by using the expected cost plus a margin approach. The Company has used the residual approach to determine the standalone selling price of the franchise right. The Company recognizes franchise software license fee revenue upon the transfer of the software license to the regional franchisee. The Company recognizes pre-opening services revenue over the time period that these services are performed. Because the non-refundable upfront transaction price amount received for the franchise right represents an advance payment for future services to be provided, the Company recognizes franchise right fee revenue ratably over the term of the related franchise agreement beginning at the opening date of the franchise location.

The Company's agreements generally do not include any significant financing components.

Performance Obligations

A significant portion of the Company's performance obligations are satisfied over time. The Company satisfies performance obligations for pre-opening services over the time period that these services are provided to the franchisee. The performance obligations related to the franchise right and continuing franchise services, including the advertising, accounting, and technology services, are satisfied over time as the franchisee utilizes the franchise right and as the services are rendered

each month. The Company satisfies the sale of product (e.g., software license) and equipment performance obligation at the point in time that the product or equipment is delivered to the franchisee.

Sales-based fees are recognized over time using the "sales-based royalty" exception, which states that revenue will be recognized at the later of when the subsequent sales occur or when the satisfaction or partial satisfaction of the performance obligation to which the royalty relates occurs.

The aggregate amount of the upfront transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for executed agreements includes amounts yet to be recognized from franchise sales and transfer fees. These amounts are reflected in the deferred franchise revenues account which is classified as a contract liability in the accompanying consolidated balance sheets as shown in the following table:

Year ended December 31,

	2023		2022		2021	
	Amount	**(%)**	Amount	(%)	Amount	(%)
Deferred franchise revenues, current	**$ 504,383**	**7.0**	$ 477,079	8.2	$ 468,349	7.5
Deferred franchise revenues, net of current	**6,740,119**	**93.0**	5,369,869	91.8	5,742,776	92.5
Total Deferred Franchise Revenues	**$7,244,502**	**100**	$5,846,948	100.0	$6,211,125	100.0

The deferred franchise revenues amount does not include the value of unsatisfied performance obligations related to those agreements for which the Company recognizes revenue at the amount for which it has the right to invoice for services performed. Additionally, this balance does not include revenue related to performance obligations that are part of an agreement with an original expected duration of one year or less. Lastly, this balance does not include variable consideration recognized using the "sales-based royalty" exception.

The following table summarizes deferred revenue activity:

Year ended December 31,	**2023**	2022	2021
Balance, beginning of year	**$ 5,846,948**	$ 6,211,125	$ 6,257,681
Fees received from Franchise sales and transfer fees	**2,672,282**	1,263,895	865,075
Franchise sales and transfer fees revenue recognized	**(1,274,728)**	(1,628,072)	(911,631)
Balance, end of year	**7,244,502**	5,846,948	6,211,125
Less: current	**(504,383)**	(477,079)	(468,349)
Deferred Franchise Revenues, net of current	**$ 6,740,119**	$ 5,369,869	$ 5,742,776

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Company's revenue based on the timing of the transfer of goods and services to its customers:

Year ended December 31,

	2023		2022		2021	
	Amount	**(%)**	Amount	(%)	Amount	(%)
Point in time recognition	**$ 3,002,236**	**1.8**	$ 3,588,312	2.2	$ 3,800,594	2.2
Over time recognition	**164,204,050**	**98.2**	177,174,112	97.8	166,038,530	97.8
Total Revenues	**167,206,28**	**100.0**	$180,762,424	100.0	$169,839,124	100.0

Neither the type of good or service sold, nor the location of sale significantly impacts the nature, amount, timing, or uncertainty of revenue and cash flows.

Taxes Collected from Customers

In the course of its business, the Company collects various taxes from customers including, but not limited to, sales taxes. Because the amounts of such taxes are determined by various taxing authorities and the Company collects the taxes on behalf of those authorities, the Company does not include the taxes collected as a component of revenues.

Advertising Costs

All advertising expenditures are charged to selling, general and administrative expenses as incurred. Advertising costs were $8,721,055, $8,521,970, and $8,272,917 for the years ended December 31, 2023, 2022, and 2021, respectively.

Foreign Currency Transactions and Translations

The Company has regional franchisees in several countries outside of the United States. The royalties due to the Company from its non-United States regional franchisees are calculated in the functional currency of the country in which the regional franchisee operates but are converted to and remitted

in United States dollars by the regional franchisee. The Company records those royalties at the amount of United States dollars received.

The Company conducts operations in Brazil, Great Britain, and Belgium through indirectly wholly-owned subsidiaries. The functional currency of the Company is the United States dollar. The functional currency of its operations in Brazil is the Brazilian real, in Great Britain the British pound and in Belgium the euro. Assets and liabilities of the Company's foreign operations are translated into United States dollars at the exchange rate at the balance sheet date. Revenues and expenses are translated at the average exchange rate during the applicable period. Adjustments resulting from the translation of foreign currencies into United States dollars are included in the foreign currency translation adjustment, which is a component of accumulated other comprehensive income (loss) in shareholder's equity. As of December 31, 2023, 2022, and 2021, and for each of the years then ended, the assets, liabilities, revenues, and expenses attributable to foreign subsidiaries were not material to the consolidated financial statements of the Company.

There has been no significant fluctuation from the exchange rates used at December 31, 2023, through the date the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the Company's prior period consolidated financial information in order to conform to the current year presentation. These presentation changes did not impact the Company's consolidated net income, cash flows, total assets, total liabilities, or shareholders' equity.

3. Accounts Receivable, Net

Accounts receivable consist of the following:

Year ended December 31,	**2023**	2022	2021
Trade accounts receivable	**$ 20,526,070**	$ 17,714,660	$ 17,698,565
Allowance for uncollectible accounts	**(2,974,400)**	(2,910,600)	(2,651,565)
Accounts Receivable, Net	**$ 17,551,670**	$ 14,804,060	$ 15,047,000

The following table summarizes the activity in the allowance for uncollectible accounts:

Year ended December 31,	**2023**	2022	2021
Balance, beginning of year	**$ 2,910,600**	$ 2,651,565	$ 2,713,638
Bad debt expense	**71,078**	70,849	129,409
Accounts written off	**(7,278)**	188,186	(191,482)
Balance, end of year	**$ 2,974,400**	$ 2,910,600	$ 2,651,565

Approximately 22% of our accounts receivable balance on December 31, 2023 is attributable to our top customer. This concentration has arisen from normal business operations and are not the result of preferential credit terms or conditions. There were no account concentrations on December 31, 2022, and 2021.

4. Property and Equipment, Net

Property and equipment are comprised of the following:

Year ended December 31,	**2023**	2022	2021
Land	**$ 104,116**	$ 104,116	$ 104,116
Buildings and improvements	**5,195,648**	5,483,423	5,483,423
Leasehold improvements	**515,420**	453,789	453,789
Furniture	**1,932,225**	1,937,421	2,248,891
Office equipment	**1,219,926**	475,364	1,245,973
Automobiles	**1,446,616**	1,531,141	1,877,970
Aircraft	**5,824,151**	5,783,505	5,533,550
	16,238,102	15,768,759	16,947,712
Less: accumulated depreciation	**(10,671,916)**	(10,370,636)	(11,208,669)
Property and Equipment, Net	**$ 5,566,186**	$ 5,398,123	$ 5,739,043

Depreciation expense for the years ended December 31, 2023, 2022, and 2021 was $586,776, $614,025, and $683,239, respectively.

5. Intangible Assets, Net

Intangible assets are comprised of the following:

Year ended December 31,	**2023**	2022	2021
Reacquired franchise rights	**$ 466,637**	$ 1,025,827	$ 1,025,827
Less: accumulated amortization	**(466,637)**	(1,025,827)	(979,175)
Reacquired Franchise Rights, Net	**$ -**	$ -	$ 46,652

The Company recognized amortization of purchased franchise rights for the years ended December 31, 2023, 2022, and 2021 of $0, $46,652, and $46,663, respectively.

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6. Debt

Debt at December 31 is summarized below:

December 31,

	Interest Rate, December 31, 2023 (%)	Maturity Date	**2023**	2022	2021
Term loans A and B	6.990%	March 25 and July 2027	**$ 3,636,133**	$ 3,504,600	$ 4,428,000
Term loan secured by airplane	3.095%	October 2024	**1,536,000**	1,792,000	2,048,000
PPP term loan		April 2022		-	3,035,500
Term loans secured by automobiles		Varies through December 2022	**-**	-	19,514
Total Debt			**5,172,133**	5,296,600	9,531,014
Less: current			**(2,462,800)**	(1,082,800)	(4,330,779)
Term Notes Payable, net of current			**$ 2,709,333**	$ 4,213,800	$ 5,200,235

In June 2019, the Company entered into a credit agreement with its current primary lender providing for up to $30,860,000 of loans (Credit Facility). The Credit Facility provided for a revolving credit facility of up to $14,500,000 (Credit Facility Revolving Loan), a term loan of $3,000,000 (Term Loan A), a term loan of $3,360,000 (Term Loan B), and a revolving credit facility of up to $10,000,000 (Franchise Advance Revolving Facility). In July 2022, the 2019 credit agreement was amended to reduce the provided amount to $24,418,000 and change the maturity to July 2027. The amended Credit Facility provided for a revolving credit facility of up to $14,500,000 (Credit Facility Revolving Loan), a term loan of $1,650,000 (Term Loan A), a term loan of $3,268,000 (Term Loan B) which included a delayed draw borrowing of up to $1,000,000, and a revolving credit facility of up to $5,000,000 (Franchise Advance Revolving Facility).

The Credit Facility Revolving Loan bears interest at daily SOFR plus 1.60%, payable monthly, and matures in July 2025. No amounts were due under the Credit Facility Revolving Loan as of December 31, 2023, 2022, and 2021. The Credit Facility Revolving Loan commitment includes a $3,000,000 letter of credit sublimit, of which $1,000,000, $1,000,000, and $1,000,000 was used as of December 31, 2023, 2022, and 2021, respectively, that incurs a fee of 1.50% per annum, payable quarterly. The letters of credit issued under the facility are used to support liabilities under reinsurance contracts of the Company's insurance subsidiary.

The Term Loan A for $3,000,000 was drawn in March 2020 and had a balance outstanding of $1,650,000 at the time of the latest amendment and requires payments in monthly installments of $50,000 on the last day of each month beginning April 2020 and ending March 2025; of principal plus interest at daily SOFR plus 1.60%. The Term Loan A matures in March 2025, and the unpaid balance at that date is due in full. The loan can be repaid in full or in part, without penalty, at any time prior to its maturity.

The Term Loan B for $3,360,000 was drawn in June 2019 and had a balance outstanding of $2,268,000 at the time of the latest amendment and requires payments in monthly installments of (A) $28,000 on the last day of each month beginning July 2019 and ending June 2021, (B) $35,000 monthly for the period beginning July 2021 and ending June 2022, and (C) $18,900 plus an amount

equal to 10% of the principal amount outstanding of the Term B delayed draw divided by 12 monthly for the period beginning July 2022 and ending June 2027; of principal plus interest at daily SOFR plus 1.60%. The Term Loan B matures in June 2027, and the unpaid balance at that date is due in full. The loan can be repaid in full or in part, without penalty, at any time prior to its maturity. In 2023 the company borrowed $1,000,000 of the available delayed draw.

No amounts had been drawn on the Franchise Advance Revolving Facility as of December 31, 2023.

The obligations under the Credit Facility are secured by substantially all the Company's assets, including its accounts and notes receivable and a negative pledge of all of its real estate. All obligations of the Company under the Credit Facility are personally guaranteed by the owner of the Parent Company.

The Credit Facility contains various restrictions and covenants, including maintaining certain minimum financial ratios. At December 31, 2023, the Company was in compliance with such requirements.

In November 2019, the Company entered into a credit agreement with its primary lender providing for a term loan for $2,560,000 (Aircraft Loan) used to purchase an aircraft. The Aircraft Loan requires payments in monthly installments of $21,333 of principal plus interest at 3.095% beginning December 2019 and ending October 2024. The Aircraft Loan matures in November 2024, and the unpaid balance at that date is due in full.

In April 2020, the Company received a loan (the PPP Loan) from its primary lender in the amount of $3,035,500, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), which was enacted March 27, 2020. Funds from the PPP Loan may only be used for payroll costs, group healthcare benefits, mortgage interest, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company used the entire PPP Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The Company applied for forgiveness of the PPP Loan with the lender on June 27, 2021 and received forgiveness of $3,035,500 plus accrued interest of $53,880 on January 14, 2022. The amount of the loan forgiveness was reported as a component of other income in 2022.

The Company has various other debt arrangements totaling $0, $0, and $19,514, as of December 31, 2023, 2022, and 2021, respectively, for certain computer equipment and automobiles. Specific automobiles owned by the Company are pledged to secure the automobile term loans. Specific computer equipment owned by the Company is pledged to secure the computer equipment term loan.

The remainder of this page intentionally left blank.

As of December 31, 2023, the aggregate maturities of the Company's term notes payable are as follows:

Year ending December 31,		
2024	$	2,462,800
2025		476,800
2026		326,800
2027		1,905,733
Total	$	5,172,133

7. Commitments and Contingencies

Operating Leases

The Company has real property leases for its regional offices and various facilities, used for general operating purposes, with original terms ranging from one year to six and a half years. Generally, the leases have available renewal options which extend the terms of the underlying leases by between three and ten years. For certain of the Company's real property leases, it is responsible for paying variable operating expenses including property taxes, insurance, and maintenance and repair costs.

Leases, January 1, 2022 and After

ROU assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Company's sole discretion. The Company regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Company includes such options in the lease term. Additionally, upon adoption of the new standard, the Company made judgments regarding lease terms for certain of its real property leases that were in month-to-month status or that contained auto-renewal clauses. The Company estimated a lease end date based on the required length of usage of the property and calculated a ROU asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the ROU assets and lease liabilities, the Company uses the rate implicit in the lease, or if not readily available, the Company uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

ROU assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Company made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Company:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determined whether contracts contain embedded leases; and
- Allocated consideration in the contract between lease and non-lease components.

See Note 8 for a discussion of the Company's material leasing transactions with related parties.

The following table summarizes the operating lease ROU assets and operating lease liabilities:

December 31, 2023	
Operating lease ROU assets	$ 3,692,432
Operating lease liabilities:	
Current	1,312,735
Long-term	2,598,881
Total Operating Lease Liabilities	$ 3,911,616

Below is a summary of expenses incurred pertaining to leases:

Year ended December 31,	2023	2022
Operating lease expense	$ 1,619,952	$ 1,814,420
Short-term lease expense	349,168	297,311
Variable lease expense	160,615	148,482
Total lease expense	$ 2,129,735	$ 2,260,213

The ROU assets and lease liabilities were calculated using a weighted average discount rate of 2.36% and 1.63% respectively, for the years ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, the weighted average remaining lease term was 4.69 and 4.05 years, respectively. Lease expense as of December 31, 2021 was $1,884,159.

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The table below summarizes the Company's scheduled future minimum lease payments as of December 31, 2023:

Year ending December 31,		
2024	$	1,379,172
2025		949,354
2026		692,438
2027		377,503
2028		236,003
Thereafter		557,540
Total Future Lease Payments		4,192,010
Less: amount representing interest		(280,394)
Total Lease Liabilities		3,911,616
Less: current portion included in operating lease liabilities, current		(1,312,735)
Lease Liabilities Included in Operating Lease Liabilities, net of current	$	2,598,881

Advertising

The Company advertises to maximize the general public recognition and acceptance of its registered trademarks and to promote the commercial cleaning services provided by its franchisees. Advertising typically includes various forms of media including television, on-line, print, vehicle signage, billboards, and large event venues such as athletic stadiums and arenas sponsorship.

Accounts payable and accrued expenses include $2,674,283, $3,989,579, and $5,600,748, at December 31, 2023, 2022, and 2021, respectively, to pay for advertising expenditures to be used to promote the sale of commercial cleaning services to a variety of commercial enterprises, including services to specialized markets such as hospitals and other healthcare providers, hotels and resorts, schools and other educational institutions, and large event venues such as athletic stadiums and arenas, as well as general brand awareness.

Legal Proceedings

In late 2008, the Company filed suit against its then Brazilian regional franchisee and its owners for breach of the regional franchise agreement. The suits were filed in Brazilian courts and sought to terminate the regional franchise agreement as well as recover damages from the franchisee. The court allowed the termination of the regional franchise agreement and permitted the Company to conduct operations in Brazil. However, the former Brazilian regional franchisee appealed the court's ruling, and the court required the Company to deposit 500,000 Brazilian reais (approximate value of $299,000 at December 31, 2010) with the court while the former Brazilian regional franchisee pursues the appeal. In 2011, the court allowed 250,000 reais (approximate value of $144,092 at the date of receipt) (plus interest) to be returned to the Company.

In 2022, the court ruled in favor of the Company and the Company is pursuing collection of the judgement against the former regional franchisee at this time. The remainder of the deposit was returned at the time of the ruling. The approximate value of the deposit still held by the court at

December 31, 2023, 2022, and 2021 was $0, $0, and $76,800, respectively. The Company conducts its Brazilian operations through an indirectly wholly-owned Brazilian subsidiary.

In 2019, the Company agreed in principle to settle a class action lawsuit in Pennsylvania. The agreement (i) requires total payments from the Company in the amount of $3,700,000, (ii) includes a release of all claims by the impacted class, and (iii) resulted in allowing the Company's business in Pennsylvania to continue to operate. The Company recorded this settlement in legal settlements in the 2018 consolidated statement of income and comprehensive income. During 2020, the Company made payments (including imputed interest) under the settlement totaling $1,850,000.

In 2019, the Company agreed in principle to settle a dispute with the California Employment Development Department (the EDD). The agreement (i) requires total payments from the Company in the amount of $269,100 plus interest at 5%, and (ii) satisfies all liabilities from the Company to the EDD for the period from April 1, 2010 through March 31, 2013. The expense of this settlement is included in legal settlements in the 2019 consolidated statement of income and comprehensive income. This amount was paid in monthly installments of $15,000 over the subsequent two years. The liability is included in current liabilities of legal settlements payable of $84,096, as of December 31, 2020. During 2021 and 2020, the Company made payments (including imputed interest) under the settlement totaling $63,084, and $195,000, respectively.

In 2021, the Company agreed to a settlement of two related class action lawsuits in California and a related individual settlement. The settlements (i) require total payments from the Company in the amount of $15,500,000, (ii) include a release of all claims reasonably related to the litigation, and (iii) specifies that Jani-King will not sell any new commercial cleaning franchises in California until January 1, 2024, unless California law materially changes. As a result of the settlement, the Company's franchisees located in California were dissolved.

The Company entered into service agreements with certain legacy franchisees to continue to provide certain administrative functions related to billing and collections. Amounts recognized in revenue for 2022 related to these agreements were not significant. The settlements are being paid in annual installments though 2023. The expense of these settlements, less related imputed interest, is included in legal settlements in the 2021 consolidated statement of income and comprehensive income. During 2023, 2022, and 2021, the Company made payments (including interest) under the settlements totaling $3,500,000, $5,000,000 and $7,000,000, respectively. As of December 31, 2023, there are no amounts due related to the foregoing settlement.

In 2023, 2022, and 2021, the Company settled lawsuits with various other parties for payments totaling approximately $0, $73,000, and $130,000, respectively.

The Company is party to various other legal claims and litigation arising in the normal course of its business. Management does not believe that the results of such claims and litigation, individually or in the aggregate, will have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

Letters of Credit and Other

The Company's insurance subsidiary has obtained $6,275,000 of irrevocable standby letters of credit in support of its insurance reserves. Letters of credit totaling $5,275,000 are secured by an equivalent amount of restricted short-term investments of the insurance subsidiary, and the remainder has been issued under the Company's principal credit facility. The investments pledged

to support the letters of credit as of each year end are included in restricted short-term investments in the accompanying consolidated balance sheets.

As required by the laws of certain states, the Company has guaranteed the performance and obligations of certain of its regional franchisees to their unit franchisees. The Company has not been called upon to perform under any of these guarantees and believes it is unlikely to be called upon to do so in the future. Therefore, no amount has been recorded in the consolidated financial statements related to such guarantees.

8. Related Party Transactions

Note Receivable from Related Party

Notes receivable from related party at December 31, 2022 consists of $9,487,575 term note to the owner of the Parent Company, bearing interest at 1.70% per annum, which requires monthly payments of $55,000 (inclusive of principal and interest) through November 2023. In 2023 this note was paid in full.

In 2020, the Company made a $3,000,000 loan to the owner of the Parent Company. The note bears interest at LIBOR plus 1.5% per annum and required an initial payment of $500k of principal plus interest due on January 31, 2021 and monthly payments of $50k of principal plus interest until maturity in May 2024. The remaining balance as of December 31, 2023 is $750,000.

Leases from Related Parties

The Company leases space for certain of its regional offices from companies directly or indirectly owned by the Parent Company. Such leases have original terms of ten years, include stipulated escalations at various points in the lease term, and contain other terms and conditions typical of similar leases of office space. The Company paid rent of $72,860, $125,905, and $181,510 under these leases during 2023, 2022, and 2021, respectively.

Consulting agreement with related parties

The Company entered into a consulting agreement with the Parent Company in 2023. The Company paid consulting fees of $7,500,000 under the agreement in 2023. The full amount of these fees are included in general and administrative expenses on the face of the income statement and the related payable is presented as accounts payable to related parties on the balance sheet.

Other

The Company received royalties of $1,023,269, $1,023,554, and $893,965 in 2023, 2022, and 2021, respectively, from regional franchisees owned in whole or in part by persons who were directors or officers of the Company during such periods.

9. Employee Benefit Plan

The Company sponsors the Jani-King International, Inc., 401(k) Plan (the Plan), which covers all employees of the Company that meet the eligibility requirements. Participants in the Plan are allowed to contribute up to 15% of their pre-tax annual compensation, not to exceed the maximum allowable by IRS regulations. Contributions to the Plan by the Company may be made at the

discretion of the Board of Directors. The Company did not make any contributions to the Plan in 2023, 2022, or 2021.

10. Subsequent Events

The Company evaluated events and transactions that occurred after December 31, 2023, through March 29, 2024, the date these consolidated financial statements were available to be issued, and determined no events had occurred that would have significantly affected these consolidated financial statements, other than those previously disclosed.

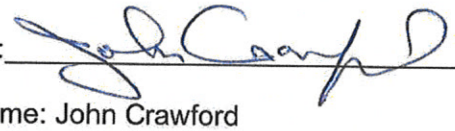
GUARANTY OF PERFORMANCE

For value received, Jani-King International, Inc., a Texas Corporation (the "Guarantor"), located at 16885 Dallas Parkway, Addison, Texas 75001, absolutely and unconditionally guarantees to assume the duties and obligations of Jani-King of Washington, D.C., Inc., located at 16885 Dallas Parkway, Addison, Texas 75001 (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 franchise 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 Addison, Texas on the April 29, 2024.

Guarantor:

Jani-King International, Inc.

By: 

Name: John Crawford

Title: Chief Operating Officer

EXHIBIT H

GUARANTY OF PERFORMANCE

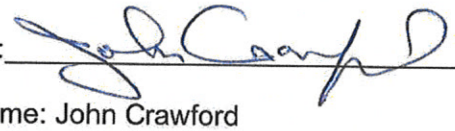
GUARANTY OF PERFORMANCE

For value received, Jani-King International, Inc., a Texas Corporation (the "Guarantor"), located at 16885 Dallas Parkway, Addison, Texas 75001, absolutely and unconditionally guarantees to assume the duties and obligations of Jani-King of Washington, D.C., Inc., located at 16885 Dallas Parkway, Addison, Texas 75001 (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 franchise 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 Addison, Texas on the April 29, 2024.

Guarantor:

Jani-King International, Inc.

By: 

Name: John Crawford

Title: Chief Operating Officer

CORPORATE ACKNOWLEDGMENT
JANI-KING INTERNATIONAL, INC.

STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

On this 29th day of April, 2024, before me, Stacy L. Manley, Notary Public, personally appeared John Crawford, known personally to me to be the Chief Operating Officer of the above-named corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Stacy L. Manley
Notary Public

My Commission expires: 3-4-2026

STACY L. MANLEY ID# 338771-1 NOTARY PUBLIC STATE OF TEXAS EXPIRES MARCH 4, 2026
(NOTARIAL SEAL)

EXHIBIT I

LISTS OF FRANCHISEES

JANI-KING OF WASHINGTON, D.C., INC.
FRANCHISE LIST

District of Columbia	
HULL, Edwin A. and	SPOTLESS SOLUTIONS, INC.
ARNETT, Karen D.	Terrence McKinley
3204 Gainesville Street South East	4914 B Street South East
Washington, D.C. 20020	Washington, D.C. 20019
(202) 528-7468	(202) 441-9064
KT GOLD INVESTMENTS, LLC	TRIPLE S, LLC
Jamaal Drumgold and Katrina Fleming	Sule Hassen, Saada Redi
4225 Grant Street North East	and Sitina Suleyman
Washington, D.C. 20019	5019 Benning Road South East
(202) 999-8868	Washington, D.C. 20019
	(202) 412-5474
Maryland	
Beltsville:	
JIREH ENTERPRISE, LLC	
Augustus Korkoyah	
6827 Ammendale Way	
Beltsville, Maryland 20705	
(240) 416-4283	
Bowie:	
K L HEALTH SYSTEM, LLC	KAISER DC, LLC
Sunday Nordee	Teraesa Brooks Lynch
2258 Ruby Turn	3531 Emperor Court
Bowie, Maryland 20721	Bowie, Maryland 20716
(716) 846-9708	(240) 216-2648
College Park:	
FADCIJA, LLC	
Fallah Dadzie	
7412 Wellesley Drive	
College Park, Maryland 20740	
(571) 494-7886	

Derwood:	
GOMEZ, Carlos H.	
5913 Bethlehem Court	
Derwood, Maryland 20855	
(240) 461-6371	
Fort Washington:	
BARNES, Selma M.	KINGDOM EXPECTATIONS, LLC
13452 Buchanan Drive	Arthur Hawthorne, III
Fort Washington, Maryland 20744	12811 Hallwood Place
(301) 417-4300	Fort Washington, Maryland 20744
	(631) 275-9982
IDENTIFY SOLUTIONS, LLC	
Loretta Lewis	
7512 Lenham Drive	
Fort Washington, Maryland 20744	
(240) 603-3322	
Frederick:	
LNS INNOVATIONS, LLC	
Shawn Kenney	
420 Mohican Drive	
Frederick, Maryland 21701	
(615) 992-0985	
Gaithersburg:	
REYES, Fidel A.	
8212 Ironclad Court	
Gaithersburg, Maryland 20877	
(240) 620-6577	
Hyattsville:	
BAPTISTE, Hantz P. and	LEO & DOM, LLC
BAPTISTE, Domingas F.	Carlito De Guzman
3808 Powhatah Road	7020 East Ridge Drive
Hyattsville, Maryland 20782	Hyattsville, Maryland 20785
(301) 864-1740	(240) 393-6619

Silver Spring:	
JB COMPANY, LLC	KRISHNA ENTERPRISE CORPORATION
Jose Benitez	Isha Rasanayagam
12226 Centerhill Street	13215 Lantern Hill Court
Silver Spring, Maryland 20902	Silver Spring, Maryland 20906
(240) 644-4513	(301) 871-6254
Suitland:	
EMERGENCY HERO, LLC	
Joe Davis, IV and Rudy Briscoe, Jr.	
2227 Forest Glade Lane	
Suitland, Maryland 20746	
(614) 499-5244	
Upper Marlboro:	
EMERSON, Valerie S.	THOMAS, Tracey A. and
14102 Town Farm Road	THOMAS, Sabrina B.
Upper Marlboro, Maryland 20774	2815 Sissinghurst Place
(202) 528-2782	Upper Marlboro, Maryland 20774
	(703) 404-9013
OLFUS, Eric A.	
10803 Kingsmere Court	
Upper Marlboro, Maryland 20774	
(301) 661-9064	
Waldorf:	
FIRST CHOICE ENTERPRISES, LLC	
Sally Alagoa and Albert Ogiara	
3570 Fossilstone Place	
Waldorf, Maryland 20601	
(301) 257-0920	
White Plains:	
CAPSOL, LLC	
Kenneth Carter and LaJuan Carter	
3714 Wilton Court	
White Plains, Maryland 20695	
(240) 475-3031	

Virginia:	
Alexandria:	
GENESIS COMPANY USA, LLC	WHITFIELD, Desmond
Julio Suarez	5793 Winston Court, Apt 62
2717 Jefferson Drive	Alexandria, Virginia 22312
Alexandria, Virginia 22303	(703) 622-5365
(703) 576-2677	
PA & E, LLC	
Alina Vargas	
6172 Edsall Road #51	
Alexandria, Virginia 22304	
(571) 572-1936	
Annandale:	
GJV, LLC	
Marcelo Lopez	
3318 Woodburn Village, Apt. #22	
Annandale, Virginia 22003	
(703) 499-0821	
Ashburn:	
DAVIS, Jeffrey	RUUN, LLC
43765 Raleigh Place	Marian Abdi
Ashburn, Virginia 20147	42564 Olmstead Drive
(703) 723-1528	Ashburn, Virginia 20148
	(703) 930-1614
Burke:	
PADILLA, Maria C.	
5533 Hollins Lane	
Burke, Virginia 22015	
(703) 915-0027	
Centreville:	
SKLTBF, LLC	
Loida Marlene Soto Amurrio	
14627 Batavia Drive	
Centreville, Virginia 20120	
(703) 310-9211	

Chantilly:	
ALCANCIA, Regino M.	
13901 Valley Country Drive	
Chantilly, Virginia 20151	
(703) 818-0263	
Fairfax:	
MENDOZA, Raul and	YILFU, Kelemua
MENDOZA, Goldy C.	4120 Point Hollow Lane
3319 Sydenham Street	Fairfax, Virginia 22033
Fairfax, Virginia 22031	(703) 624-2921
(703) 876-0243	
Fredericksburg:	
MINMEJIA LLC	
Yasmin Mejia	
1917 Captain Drive	
Fredericksburg, Virginia 22408	
(703) 203-9704	
Herndon:	
FRAGMENTS, LLC	TR & MB, LLC
Colin Connors	Teodoro Rivera
2801 Classic C Court	12304 Exbury Street
Herndon, Virginia 20171	Herndon, Virginia 20170
(301) 580-2138	(579) 259-2091
JIGME, Sonam	
1438 Powells Tavern Place	
Herndon, Virginia 20170	
(703) 796-9179	
Indian Head:	
ANUBIS R., LLC	
Ronald Graham	
5091 Breezewood Court	
Indian Head, Virginia 20640	
(202) 905-1445	

Leesburg:	
CENTRIMOL NUTRITION, LLC	
Stephen Agorgor	
43579 Wild George Terrace	
Leesburg, Virginia 20176	
(703) 717-9333	
Manassas:	
MASS, Victor R.	SHEIKHIBRAHIM, Ahmed
8716 Phipps Farm Way	14099 Banberry Circle
Manassas, Virginia 20109	Manassas, Virginia 20112
(703) 369-0342	(703) 567-2159
Springfield:	
PAREDES, Maria M. and	
PAREDES, Carlos V.	
6800 Huntsman Boulevard	
Springfield, Virginia 22152	
(703) 967-2034	
Stafford:	
MW2, LLC	SIMPLY O.C.D., LLC
Michael Warr	Phyllis McConnell, Monique Moxam
4 Barnum Drive	and Natasha Douet
Stafford, Virginia 22556	1Thornberry Lane
(301) 379-3908	Stafford, Virginia 22556
	(917) 224-4571
Triangle:	
GG, JR LLC	
Gabriel Banilevici	
18395 Joplin Road	
Triangle, Virginia 22172	
(301) 605-5452	
Warrenton:	
GODELLA, LLC	
Yaw Danso Damley	
5213 Beverly Court	
Warrenton, Virginia 20187	
(703) 655-6249	

Woodbridge:	
CASTILLO, Gilberto A.	GOMEZ ENTERPRISE, LLC
11236 Edgemoor Court	Mario Gomez
Woodbridge, Virginia 22192	14800 Daley Lane
(703) 494-1328	Woodbridge, Virginia 22193
	(703) 454-4476
ELITE CREW, INC.	SHIELD, LLC
Jose Chicas	Joaquin Funes
14309 Bismark Avenue	14503 Anderson Street
Woodbridge, Virginia 22193	Woodbridge, Virginia 22193
(571) 276-5893	(571) 214-5145

THE FOLLOWING FRANCHISES HAVE BEEN CANCELLED, NON-RENEWED, REACQUIRED BY FRANCHISOR, TRANSFERRED OR CEASED TO DO BUSINESS WITHIN THE LAST TWELVE MONTHS OR HAS NOT HAD COMMUNICATION WITH FRANCHISOR WITHIN THE PAST TEN (10) WEEKS (*):

District of Columbia	
* FOREMAN & FOREMAN, LLC	
Ian Foreman	
2575 Irving Street North East	
Washington, D.C. 20018	
(240) 698-9364	
Maryland	
Fort Washington:	
* CHAVEZ, Sandra I.	
9926 Old Fort Road	
Fort Washington, Maryland 20744	
(703) 306-3606	
Virginia	
Alexandria:	
* KRD INTERNATIONAL, LLC	
Komlan Dotou	
6104 Larstan Road	
Alexandria, Virginia 22312	
(984) 484-0980	
Brambleton:	
* PURITY PLUS, LLC	
Usta Omar Mahmoud	
42480 Rockrose Square, Apt. 202	
Brambleton, Virginia 20148	
(571) 552-0478	
McLean:	
* MOHAMED-ALI, Ramadan	
1867 Old Meadow Road, Apt. #201	
McLean, Virginia 22102	
(202) 255-2272	

Woodbridge:	
* V&B, LLC	
Noemi Vargas Padilla	
12035 Stoneford Drive	
Woodbridge, Virginia 22192	
(703) 940-2830	

EXHIBIT J

LISTS OF AGENTS FOR SERVICE OF
PROCESS IN VARIOUS STATES

OUR AGENTS FOR SERVICE OF PROCESS
IN VARIOUS STATES

Connecticut

C T Corporation System
67 Burnside Avenue
East Hartford, Connecticut 06108-3408

Delaware

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

District of Columbia

C T Corporation System
1015 15th Street, North West, Suite 1000
Washington, D.C. 20005

Florida

C T Corporation System
1200 South Pine Island Road
Plantation, Florida 33324

Maryland

Maryland Securities Commissioner
Office of Attorney General
200 St. Paul Place
Baltimore, Maryland 21202

The Corporation Trust Incorporated
2405 York Road, Suite 201
Lutherville Timonium, Maryland 21093

Michigan

Michigan Department of Labor & Economic Growth
Commercial Services & Corporations Bureau
611 West Ottawa Street
Lancing, Michigan 48909

The Corporation System, Inc.
40600 Ann Arbor Road East, Suite 201
Plymouth, Michigan 48170-4675

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
Suite 500, St. Paul, Minnesota 55101

C T Corporation System, Inc.
1010 Dale Street North
Saint Paul, Minnesota 55117

New Jersey

The Corporation Trust System
820 Bear Tavern Road
West Trenton, New Jersey 08628

New York

Secretary of State of New York
Commissioner of Commerce
99 Washington Street
Albany, New York 12231

C T Corporation System
28 Liberty Street
New York, New York 10005

Oklahoma

The Corporation Company
1833 South Morgan Road
Oklahoma City, Oklahoma 73128

Pennsylvania

C T Corporation System
600 North 2nd Street, Suite 401
Harrisburg, Pennsylvania 17101

Texas

C T Corporation System
1999 Bryan Street, Suite 900
Dallas, Texas 75201

Virginia

Clerk of the State Corporation Commission
Tyler Building
First Floor, 1300 East Main Street
Richmond, Virginia 23219

C T Corporation System
4701 Cox Road, Suite 285
Glen Allen, Virginia 23060

EXHIBIT K

STATE ADMINISTRATORS

LIST OF ADMINISTRATORS

CALIFORNIA

Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

CONNECTICUT

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800

FLORIDA

Department of Agriculture and Consumer
Services
Plaza Level 10, The Capitol
400 South Monroe Street
Tallahassee, Florida 32399-0800

HAWAII

Business Registration Division
Department of Commerce
and Consumer Affairs
King Kalakaua Building
335 Merchant Street, Room 201
Honolulu, Hawaii 96813

ILLINOIS

Chief, Franchise Bureau
Attorney General's Office
500 South Second Street
Springfield, Illinois 62701

INDIANA

Securities Commissioner
Indiana Securities Division
302 West Washington Street
Room E111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Franchise Administrator
Consumer Protection Division
Antitrust and Franchising Unit
Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 West Ottawa Street
Lansing, Michigan 48909

MINNESOTA

Franchise Examiner
Minnesota Department of Commerce
Golden Rule Building
85 Seventh Place East
Suite 280
St. Paul, Minnesota 55101

NEBRASKA

Nebraska Department of
Banking and Finance
1526 K Street
Suite 300
Lincoln, Nebraska 68508

NEW YORK

New York Department of Law
Investment Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Bismarck, North Dakota 58505-0510

OREGON

Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
350 Winter Street North East
Salem, Oregon 97309-0405

RHODE ISLAND

Department of Business Regulation
Securities Division
1511 Pontiac Avenue
Cranston, Rhode Island 02920

SOUTH DAKOTA

Franchise Administrator
Department of Revenue
Division of Securities
445 E. Capitol Ave.
Pierre, South Dakota 57501-3185

TEXAS

Statutory Documents Section
Secretary of State
James E. Rudder Building
1019 Brazos Street
Austin, Texas 78701

UTAH

Director
Department of Commerce
Heber M. Wells Building
Division of Consumer Protection
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84114-6704

VIRGINIA

State Corporation Commission
Division of Securities
and Retail Franchising
Tyler Building
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Administrator
Department of Financial Institutions
Securities Division
150 Israel Road South West
Tumwater, Washington 98501

WISCONSIN

Franchise Administrator
Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705

EXHIBIT L

GENERAL RELEASE

GENERAL RELEASE

KNOWN OF ALL THOSE PRESENT: that _____, whose address is _____, in _____, _____, (hereinafter "***Releasor***") for and in consideration of Jani- King of _____, Inc.'s, (hereinafter "***Jani-King***") [check one] [ ] agreement to renew my Jani-King franchise for another terms or [ ] consent to transfer the ownership of my Jani-King franchise, together with such other good and valuable considerations, of behalf of its principals, agents, employees, servants, legal and personal representatives, successors and assigns, hereby fully releases and forever discharges Jani-King, Jani-King International, Inc., Jani-King, Inc., and the affiliated corporations, principals and the heirs, executors and/or administrators, successors and/or assigns, agents, employees and servants of Jani-King, Jani-King International, Inc., and Jani-King, Inc. (the "***Released Parties***") from any and all manner of actions, cause and causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands, whatsoever, at law or in equity, Releasor now has or may have against the Released Parties relating to Releasor's ownership, directly or indirectly, of a Jani-King franchise.

Releasor acknowledges that the person(s) executing this General Release have read and understand that this is a General Release and the Releasor (or, as the case may be, each Releasor) intends to be and shall be bound legally by it. The person executing this General Release represents, with the signature below, that they are duly authorized to represent Releasor with regard to the above issues.

WITNESS the signature(s) of Releasor this _____ day of _____, 2_____, at _____, _____ (City and State of Execution).

Releasor:	Releasor:
_____	_____
Signature	Signature
_____	_____
Print Name/Date	Print Name/Date
Releasor:	Releasor:
_____	_____
Signature	Signature
_____	_____
Print Name/Date	Print Name/Date

EXHIBIT M

BUSINESS PROTECTION PLAN ELECTION FORM

BUSINESS PROTECTION PLAN ELECTION FORM

In accordance with the terms of the Jani-King of Washington, D.C., Inc. ("Jani-King") franchise agreement to which terms I have agreed, I acknowledge that I have been offered the right to participate in the optional Business Protection Plan ("BPP") being made available through Jani-King and hereby:

[ ] ACCEPT [ ] REJECT

I understand that participation in the BPP is not mandatory. If rejected, I understand I must, prior to commencing operations of my franchise, provide Jani-King with a certificate of insurance showing that I have obtained the equivalent amount of insurance coverage with limits as shown in my franchise agreement, naming Jani-King and Jani-King International, Inc., and their respective officers, directors, and employees as additional insureds for all loss or damage originating from, in connection with, or relating to the operation of my Jani-King franchised business and for all claims or demands for damages to property or for injury or death of persons directly or indirectly resulting from or related to the operation of my Jani-King franchise. Upon my acceptance, I acknowledge and agree that:

1. My participation in the BPP includes participation in group insurance policies for certain coverages. The BPP's group insurance policies are not individual insurance policies and the policy limits are shared between all BPP participants. If I do participate in the BPP, I am not required to purchase the required liability insurance stated in my franchise agreement so long as I participate in the BPP.

2. Insurance provided by the BPP does not include coverage for any personal or business use automobile(s) or my equipment, supplies, or building if the building out of which I operate my Jani-King franchise is different from Jani-King's; and I am required to purchase this additional insurance and supply proof of insurance to Jani-King before I will be authorized to begin operations of my franchise.

3. My participation in the BPP includes additional insured status under a Contractor's Pollution Liability Policy issued to Jani-King International, Inc.

4. I am required to keep accurate payroll records.

5. I understand that my participation in the BPP includes administration fees paid to Jani-King Insurance Services, LLC, a licensed insurance producer, as payment for the following services: (1) assistance with risk assessment; (2) management of overall claims handling processes; (3) assistance with compliance of workers' compensation laws; (4) assistance with risk control; (5) assistance with Certificates of Insurance; (6) insurance coverage analysis; (7) assistance with premium audits; (8) general risk management services; (9) periodic safety training; and (10) other regulatory compliance assistance.

6. My membership in GRPG can be terminated if I: (1) fail to pay any amount owed for my participation in the BPP; (2) if I fail to report all Gross Revenue as such term is defined in my Jani-King franchise agreement; (3) if I file a fraudulent insurance claim under any of the insurance coverage obtained through the BPP; (4) if I have excessive losses; or (5) if I do not participate in the janitorial industry.

7. Insurance provided by the BPP is limited to the operations of my franchise under contracts which have been authorized by Jani-King, and any services provided by my franchise which have not been authorized by Jani-King will not be covered by the insurance provided by the BPP. I must notify Jani-King, in advance, of all additional services to be performed by my franchise which have not received prior

authorization including but not limited to specialty cleans, carpet or upholstery cleaning, or additional floor care.

Date:_____, 20___.

_____
Franchise Owner/Number

_____
Signature of Franchisee or Authorized Officer

_____
Print Name/Title

_____
Signature of Partner

_____
Print Name

Jani-King Insurance Services, LLC

_____
Lauren Rambo, Secretary

EXHIBIT N

MAINTENANCE AGREEMENT

JANI-KING® MAINTENANCE AGREEMENT

This Maintenance Agreement (this "***Agreement***") is made as of the Effective Date below by and between Jani-King of _____, Inc. ("***Jani-King***"), _____, the authorized Jani-King franchisee designated for this account, ("***Franchisee***"), and _____ ("***Client***"). Jani-King, Franchisee, and Client may be referred to individually as, a "***Party***", and collectively as, the "***Parties***."

WHEREAS:

- Jani-King is a franchisor of commercial cleaning and maintenance businesses; and
- Jani-King provides certain support functions to the Franchisee in Franchisee's business of providing commercial cleaning and maintenance services under the trade name and style of "Jani-King"; and,
- Client desires that Franchisee provide Client with certain cleaning services to the Named Areas (defined below) described in the Cleaning Schedule (the "Services"); and,
- Franchisee agrees to provide the Services, and Jani-King agrees to provide related contract management and administrative services, all in accordance with the terms and conditions of this Agreement;

THEREFORE, in consideration of the mutual covenants and obligations set out in the Agreement, the Parties hereby agree as follows:

1. COMMENCEMENT/TERM

1.1 Performance of the Services shall begin the _____day of _____, 2____ (the "***Start Date***").

1.2 The term of the Agreement shall be for three (3) years from the Start Date.

2. SERVICES

2.1 The Services shall be performed at the following location:

_____

_____

_____

2.2 The premises making up the working area under this Agreement are the "***Named Areas***", which are described in the Cleaning Schedule, attached hereto and specifically incorporated into this Agreement.

2.3 The Services will be performed in a workmanlike manner and will comply with all applicable laws and Jani-King's systemwide cleaning standards. Franchisee agrees to provide the Services to the Named Areas _____ (___) times per week on the days initialed below:

Monday___ Tuesday___ Wednesday___ Thursday___ Friday___ Saturday___ Sunday___

2.4 Authorized Franchise will furnish all equipment, tools, and cleaning supplies necessary for the performance of the Services. The Named Areas shall be maintained in a neat, clean and orderly condition as outlined in the Cleaning Schedule. Client warrants that the Named Areas are free of asbestos, or other hazardous materials and waste materials. Client hereby agrees to hold Jani-King and Authorized Franchise, and their respective officers, directors, agents, and employees, harmless from any and all claims, liabilities, loss, or expense resulting from exposure to such hazardous or harmful materials.

2.5 Franchisee will schedule a meeting for a monthly performance review and inspection at a time that is convenient for Client.

3. JANI-KING SERVICES

3.1 Franchisee hereby designates Jani-King as the exclusive provider of the following accounting, administration, and quality control functions relating to this Agreement for the benefit of Client and Franchisee: account billing for the Services; receipt and accounting for monies paid by Client for the Services; remittance to Franchisee after deduction of applicable fees and royalties; liaise between Client and Franchisee with respect to the performance of the Services; and provide quality control inspections and customer service to ensure Jani-King's systemwide quality standards are met through Franchisee's provision of the Services.

3.2 In the event (i) Jani-King determines, in its reasonable judgment, that its systemwide quality standards at the Named Areas are not being met, or (ii) Client reasonably requests in writing that the Franchisee be removed from Client's account, Jani-King, after consultation with Client, may designate another authorized Jani-King franchisee to perform the Services. Upon such designation, Franchisee will be removed as a party to this Agreement and the designated replacement franchisee will become a party to this Agreement through the completion and execution of the Addendum to this Agreement, which is set forth beneath the signature lines to this Agreement below, and will assume all of the rights and obligations of the prior Franchisee under this Agreement.

4. PAYMENT OF SERVICES

4.1 Client agrees to remit to Jani-King, on behalf of Franchisee, each month the total minimum sum stated in the Pricing Schedule set forth below on or before the last day of each month during which the Services are provided. Additionally, Client also agrees to pay any sales or use tax levied by any taxing authority on the value of the Services or supplies purchased. Any payments not received on or before the 10th day of the following month will be assessed a late fee equal to the greater of 5% of the amount past due or $25.00. Client agrees that all payments due shall be deemed paid and credited only when delivered to the following address:

_____

_____

_____

4.2 Credits for holidays were predetermined and given as part of the charges set forth in the Pricing Schedule, and no other adjustments will be made for those holidays.

4.3 From time to time, as the Parties may agree, the amount to be paid by Client may be increased or decreased to reflect an increase or decrease in the area of space serviced and the kind, amount or frequency of service to be rendered. Such modifications shall be binding only if in writing and signed by the Parties. In the event mutual agreement relating to the frequency of service, type of service, space serviced or amount to be paid cannot be reached, the frequency of service, type of service, space serviced or amount to be paid shall remain unchanged.

4.4 It is expressly agreed by the Parties that the total minimum sum stated in the Pricing Schedule may be increased annually by a percentage amount not to exceed the annual increase of the Consumer Price Index as most recently published in the Wall Street Journal.

4.5 In the event payment for the Services is not received within thirty (30) days from the date such payment is due, the Services may be suspended until such payment is received. Suspension of the Services under this Section shall not deprive Jani-King or Franchisee of any rights or remedies against Client, including claims for past or future payments due under this Agreement, nor shall the bringing of any action for payment of the Services or other rights contained herein be construed as a waiver of any rights under this Agreement.

5. INDEPENDENT BUSINESS RELATIONSHIP

5.1 Franchisee may select, hire, pay, and designate all personnel to perform the Services.

5.2 It is expressly intended, agreed and understood by the Parties that neither Jani-King, Franchisee, nor their respective personnel are employees of Client, but rather, Jani-King and Franchisee are independent contractors, and their respective employees are their own; and, in this regard, such persons will not be within the protection or coverage of Client's Workers' Compensation Insurance and no withholding of Social Security, Federal or State

Income Tax, or other deductions shall be made from the sums agreed to be paid herein, the same being contract payments and not wages.

5.3 Client agrees that during the term of this Agreement, and within one hundred and eighty (180) days after termination, Client will not employ, or solicit for employment, any employees, agents, representatives or franchisees of Jani-King or Franchisee, without prior express written consent of Jani-King or Franchisee, as applicable. Jani-King and Franchisee agree that during the term of this Agreement and within one hundred eighty (180) days after termination, they will not employ, or solicit for employment, any employees, agents or representatives of Client without the express written consent of Client.

6. RENEWAL AND TERMINATION

6.1 This Agreement shall be automatically extended and renewed on each anniversary date on the same terms and conditions, unless a Party provides written notice to the non-terminating parties, as described herein, of termination at least thirty (30) days prior to such anniversary date. If timely notice is given for termination, this Agreement shall expire at midnight of the anniversary date. Otherwise, this Agreement may only be terminated for the reasons set out below in Section 6.2.

6.2 Client may terminate this Agreement based on failure, neglect, or refusal of Jani-King or Franchisee to perform any of the Services. Before any termination will be deemed to be effective, Client must give written notice, as described herein, specifying in detail the nature of any defect or failure in performance. Upon the effective date of receipt of such notice, Jani-King and Franchisee, at their election, shall have thirty (30) days in which to cure the defect or failure in performance in a commercially reasonable manner, including, without limitation, designating another Jani-King authorized franchise owner to service the account. In the event the defect is not cured at the end of the thirtieth (30^{th}) day from the effective date of such notice, the Client will provide written notification within two (2) weeks of the end of the thirtieth (30^{th}) day, as described herein, of the failure to satisfactorily cure the defect. This Agreement shall then terminate thirty (30) days from the date of the second notice. In the event the second notice is not received within the specified time, all alleged defect in or failure to perform will be deemed cured.

6.3 In the event Client terminates this Agreement for any reason other than the reasons stated in Section 6.2 above, Client agrees to pay, as liquidated damages, an amount equal to fifty percent (50%) of the total minimum sum stated in the Pricing Schedule multiplied by the number of months remaining under this Agreement.

6.4 Jani-King, in consultation with Franchisee, may terminate this Agreement based on non-payment or other breach by Client that is not cured within thirty (30) days written notice thereof.

6.5 All notices required by this Agreement shall be in writing. Any notice shall be deemed duly served if such is deposited, postpaid and certified, with the United States Postal Service, or a recognized common parcel courier providing express, receipted delivery to:

Jani-King: _____ Client: _____

_____ _____

_____ _____

Franchisee: _____

_____

_____

All other notices, including notices personally delivered to individuals performing services under this Agreement, shall be ineffective. Any Party may change the address of notice by providing the other parties written notice of such change.

6.6 Time is of the essence for all notices required under the terms of this Agreement.

7. GENERAL PROVISIONS

7.1 In the event it becomes necessary for any party to institute suit against the other to secure or protect its rights under this Agreement, the prevailing party shall be entitled to all associated costs of the suit, including reasonable attorneys' fees, administrative fees, court costs and damages as part of any judgment entered in its favor.

7.2 The terms of this Agreement will be binding upon and inure to the benefit of Jani-King, Franchisee, and Client and their respective heirs, representatives, successors and assigns, provided however that this Agreement will not be assignable or transferable by Client in whole or in part without the prior, written consent of Jani-King and Franchisee. Notwithstanding the foregoing, this Agreement may be freely transferred by Client in connection with a merger of Client or the sale of all or substantially all of Client's assets provided the assignee agrees to assume all terms and conditions of the Client under this Agreement. This Agreement is freely transferable by Jani-King.

7.3 Jani-King retains the exclusive right to pledge this Agreement, or any receivables hereto, as collateral with any bank or other lending institution.

7.4 Any waiver by any Party to this Agreement of a breach of any term or condition of this Agreement shall not constitute a waiver of any subsequent breach of the same or any other term or condition of this Agreement.

7.5 Exclusive jurisdiction and venue for any suit brought on this Agreement shall be in state or federal courts in the governmental division of the county where Jani-King's regional office is located.

7.6 Each Party to this Agreement agrees that they have fully reviewed the terms of this Agreement and each exhibit and acknowledge that the terms reflect the entire Agreement of the Parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations and understandings of the Parties with regard to the terms and conditions contained herein.

7.7 Any changes or modification to this Agreement must be in writing, signed by Parties and attached hereto.

7.8 In the event any section, subsection, provision or clause of this Agreement or any combination thereof is found to be unenforceable at law, in equity or under any presently existing or hereafter enacted legislation, regulation, or order of the United States, any state or subdivision thereof or any municipality, those findings shall not, in any way, affect any other part of this Agreement which shall continue in full force and effect, and the unenforceable provision shall be interpreted in a manner that imposes the maximum restriction or obligation permitted by law.

8. PRICING SCHEDULE

The named areas will be serviced according to the Cleaning Schedule for the monthly charge of:

_____ Dollars ($_____.00)
(Tax Not Included)

[*Signatures appear on the following page.*]

IN WITNESS WHEREOF, the Parties hereto have set their hands to be effective as of this _____ day of _____, 20___.

JANI-KING:

Jani-King of _____, Inc.

By:_____
Name:_____
Title:_____

CLIENT:

_____

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

ADDENDUM TO DESIGNATE REPLACEMENT FRANCHISEE

Pursuant to the terms set forth above in this Agreement, by and among Jani-King, Client, and Franchisee, Client and Jani-King agree, as of the date set forth below (the "***Transfer Date***"), to replace Franchisee with the following Jani-King franchisee ("***Replacement Franchisee***"):

[Franchise Name]
[Franchise Contact Information]_____
_____
_____

Further, Replacement Franchisee agrees to accept the terms and conditions of the Agreement, and to assume the rights and obligations of the original Franchisee under such Agreement as of the Transfer Date. Any and all liabilities of Franchisee arising prior to the Transfer Date shall not be transferred to Replacement Franchisee, but shall be retained by Franchisee.

IN WITNESS WHEREOF, the Parties hereto have set their hands to this Addendum to be effective as of this _____ day of _____, 20___.

JANI-KING:

Jani-King of _____, Inc.

By:_____
Name:_____
Title:_____

CLIENT:

_____

By:_____
Name:_____
Title:_____

REPLACEMENT FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

EXHIBIT O

STATE ADDENDA TO
DISCLOSURE DOCUMENT

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provision will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland.

Item 17. Renewal, Termination, Transfer and Dispute Resolution

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

2. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.

3. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.

4. The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et. seq.).

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

1. Notwithstanding the language of Item 11 stating that requests to review financial statements of the Advertising Fee will be made on a case by case basis, a franchisee in Maryland may obtain an accounting of expenditures of the Advertising Fee as required by COMAR 02.02.08.04B(2) and COMAR 02.02.08.16G(1).

Additional Disclosure: The following statement and table are added to Item 19 ("Financial Performance Representations").

As of December 31, 2023, there were a total of 110 Non-Operational Franchisees. The table below sets forth the number of Non-Operational Franchisees that ceased operations during the subject fiscal year.

Year	Number of Ceased Franchises
2005	2
2006	6
2007	8
2008	7
2009	14
2010	12
2011	5
2012	4
2013	6

Year	Number of Ceased Franchises
2014	4
2015	5
2016	2
2017	5
2018	3
2019	5
2020	6
2021	5
2022	6
2023	5
Total	110

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.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, this Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17. H

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do 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.

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.

EXHIBIT P

STATES EFFECTIVE DATES PAGE

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:

California	Not Effective
Hawaii	Not Effective
Illinois	Not Effective
Indiana	Not Effective
Maryland	Pending
Michigan	Not Effective
Minnesota	Not Effective
New York	Not Effective
North Dakota	Not Effective
Rhode Island	Not Effective
South Dakota	Not Effective
Virginia	Pending
Washington	Not Effective
Wisconsin	Not Effective

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT Q

ACKNOWLEDGMENT OF RECEIPT BY PROSPECTIVE FRANCHISEE
OF ALL CONTRACTS AND RELATED FRANCHISE DOCUMENTS

ACKNOWLEDGMENT OF RECEIPT BY PROSPECTIVE FRANCHISEE OF ALL CONTRACTS AND RELATED FRANCHISE DOCUMENTS

DATE: _____ PROSPECTIVE FRANCHISEE: _____

_____

_____

The undersigned, personally, and/or as an officer or partner of the above named Prospective Franchisee, does acknowledge on the date above that the following dates are ACCURATE, TRUE and CORRECT relative to the following stated transactions with JANI-KING OF _____("Franchisor"):

1. _____, _____. (Month/Day/Year) — The date on which I received a Disclosure Statement (also called the Franchise Disclosure Document) about the franchise being offered by the Franchisor.

2. _____, _____. (Month/Day/Year) — The date of my first face to face meeting with the Franchisor's Marketing Representatives to discuss the possible purchase of a franchise.

3. _____, _____. (Month/Day/Year) — The date on which I signed the Franchise Agreement.

4. _____, _____. (Month/Day/Year) — The earliest date on which I delivered cash, check or other consideration to the Franchisor's Marketing Representatives.

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.

JANI-KING:

_____
Marketing Representative

APPROVED BY:

BY: _____

TITLE: _____

PROSPECTIVE FRANCHISEE

BY: _____

BY: _____

BY: _____

TITLE: _____
(Partner or Authorized Officer of Corporation)

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EXHIBIT R

RECEIPTS OF FRANCHISE DISCLOSURE DOCUMENT

ITEM 23
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 JANI-KING OF WASHINGTON, D.C., INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If JANI-KING OF WASHINGTON, D.C., INC. 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 the state agency listed on Exhibit K.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name:
Principal Business Address:
Telephone Number:

Issuance Date: April 29, 2024

The Agents for Service of Process are listed in Exhibit J.

I received a disclosure document dated April 29, 2024. The disclosure document included the following Exhibits:

A	Franchise Agreement and State Addenda to Franchise Agreement	J	List of Agents for Service of Process
B	Guaranty	K	State Administrators Financial Statements
C	Account Acceptance/Finder's Fee Agreement	L	General Release
D	Equipment Lease Agreement	M	Business Protection Plan Election Form
E	Office Supply and Advertising Package, Supply and Equipment Package & Additional Electric Equipment	N	Maintenance Agreement
F	Tables of Contents for Manuals	O	State Addenda to Disclosure Document
G	Financial Statements	P	State Effective Dates Page
H	Guaranty of Performance	Q	Acknowledgment of Receipt by Prospective Franchisee of All Contracts and Related Franchise Documents
I	List of Franchisees	R	Receipts of Franchise Disclosure Document

Dated: _____

_____ Signature (Individually and as an authorized agent) _____ Print Name _____ Print Title (if applicable)	_____ Name of corporation or limited liability company a _____ corporation a _____ limited liability company [Fill in state where applicable entity above was/will be formed]
_____ _____ Address _____ Telephone Number	Referred By: _____

[Sign and return this page]

ITEM 23
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 JANI-KING OF WASHINGTON, D.C., INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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Dated: _____

_____ Signature (Individually and as an authorized agent) _____ Print Name _____ Print Title (if applicable)	_____ Name of corporation or limited liability company a _____ corporation a _____ limited liability company [Fill in state where applicable entity above was/will be formed]
_____ _____ Address _____ Telephone Number	Referred By: _____

[Keep this page for your records]