FRANCHISE DISCLOSURE DOCUMENT

ABM FRANCHISING GROUP, LLC
a Delaware limited liability company
501 Technology Drive, Suite 3000
Canonsburg, Pennsylvania 15317
(724) 873-2940
JoinUs@LincService.com
www.lincservice.com

The franchisee will operate a Linc Service® franchised business engaging in the maintenance, repair and replacement of heating, ventilating and air conditioning systems, equipment and controls.

The total investment necessary to begin operation of a Linc Service® franchise is $66,530 to $136,000. This includes $65,000 to $118,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ABM Franchising Group, LLC at 501 Technology Drive, Suite 3000, Canonsburg, PA 15317, Attention: Linc Service® or call (724) 873-2940.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or an accountant.

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

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

ISSUANCE DATE: January 27, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits J and K.
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 L 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 Linc Service 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 Linc Service franchisee?	Item 20 or Exhibits J and K list 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 H.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pittsburgh, Pennsylvania. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Pennsylvania than in your own state.

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

3. **Liquidated Damages.** The franchise agreement requires you to pay us liquidated damages of $65,000 if the franchise agreement is terminated prior to the end of the term for any reason other than pursuant to section 34(a), 34(b) or 34(c) of the franchise agreement.

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.

TABLE OF CONTENTS

Page

Item 1: The Franchisor and any Parents, Predecessors and Affiliates 1
Item 2: Business Experience 4
Item 3: Litigation 4
Item 4: Bankruptcy 4
Item 5: Initial Fees 5
Item 6: Other Fees 6
Item 7: Estimated Initial Investment 10
Item 8: Restrictions on Sources of Products and Services 13
Item 9: Franchisee's Obligations 15
Item 10: Financing 17
Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training 17
Item 12: Territory 26
Item 13: Trademarks 29
Item 14: Patents, Copyrights, and Proprietary Information 31
Item 15: Obligation to Participate in the Actual Operation of the Franchise Business 31
Item 16: Restrictions on What the Franchisee May Sell 32
Item 17: Renewal, Termination, Transfer and Dispute Resolution 33
Item 18: Public Figures 36
Item 19: Financial Performance Representations 36
Item 20: Outlets and Franchisee Information 40
Item 21: Financial Statements 46
Item 22: Contracts 47
Item 23: Receipts 47

EXHIBITS

A. Franchise Agreement
B. Satellite Branch Amendment
C. Remote Branch Amendment
D. Guarantee
E. Confidentiality Agreement
F. LincWare Software Agreement
G. General Release
H. State Administrators
I. Agents for Service of Process
J. List of Franchisees
K. Franchisees Who Left the System During Our Last Fiscal Year
L. Financial Statements, Independent Auditors' Acknowledgement Letter and Guarantee of Performance
M. COM Table of Contents
N. State Addenda to the Disclosure Document
O. Franchise Agreement Riders for Certain Registration States
P. Receipts

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

The Franchisor, Its Parents, Predecessor and Affiliates

ABM Franchising Group, LLC is the franchisor of the Linc Service® franchise program this Disclosure Document describes. For simplicity, we refer to ABM Franchising Group, LLC, as "Linc" or by a first person plural pronoun ("we", "us" or "our"). "You" means the individual or business entity (corporation, limited liability company, partnership, etc.) that buys a franchise. Except for sole proprietorships, "you" does not include a business entity's owners.

We were organized under Delaware law on November 3, 2003 under the name Linc Franchises, LLC and changed our name to Linc Network, LLC on December 17, 2004. We changed our name to ABM Franchising Group, LLC on November 1, 2012. We maintain our principal business addresses at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317 and 1005 Windward Ridge Parkway, Alpharetta, Georgia 30005. We conduct the business described in this Disclosure Document under the Linc® and Linc Service® names. Exhibit I lists our agents for service of process in the states whose franchise laws require us to name an agent for service.

We have offered Linc Service franchises since acquiring the brand in 2003. Our affiliates operate businesses of the type being offered. We treat the Linc Service businesses operated by our affiliates as "company-owned" outlets for purposes of this Disclosure Document. We also offer TEGG® franchises and have offered GreenHomes America® and CurrentSAFE® franchises.

We are a member of an affiliated group of companies that was organized in November 2003 to acquire the business and assets of The Linc Corporation, a Pennsylvania corporation ("Linc Corporation") and its affiliates. On December 8, 2003, Linc Corporation transferred the assets of its franchising operations to us, and we assumed its obligations as franchisor. Linc Corporation may be considered our "predecessor" with respect to the Linc Service brand. We have no predecessor within the last 10 years.

Between 1980 and the date we acquired its assets, Linc Corporation offered Linc Service franchises for service businesses engaged in the maintenance, repair and replacement of heating, ventilating and air conditioning systems, equipment and controls, primarily for commercial, industrial, institutional and multifamily residential buildings ("Linc Businesses"). Linc Corporation also owned and operated Linc Businesses indirectly through subsidiaries and other affiliates. Linc Corporation did not offer franchises in any other line of business.

On May 1, 2012, we purchased certain assets and liabilities of TEGG Corporation and CurrentSAFE Corporation, including their franchise business operations. From 1993 until we acquired its assets, TEGG Corporation offered TEGG® franchises for service businesses engaged in the maintenance, testing, repair and other related activities of electrical components and systems. It did not own any businesses of the type being offered. We have offered TEGG® franchises since acquiring the brand in May 2012. As of October 31, 2022, we had 64 total domestic and international TEGG® franchises.

From November 2008 until we acquired its assets, CurrentSAFE Corporation offered CurrentSAFE® franchises for residential electrical contractors to offer Electrical Hazard Detection services ("EHD") to homeowners. We offered CurrentSAFE® franchises from May 2012 until September 30, 2015, when we sold

the assets of the CurrentSAFE franchise business to CurrentSAFE, LLC, an unaffiliated Ohio limited liability company. As of the date of the asset sale, we had 22 CurrentSAFE® franchises.

On November 1, 2012, through a series of mergers, GreenHomes America, LP ("GreenHomes America") merged into ABM Franchising Group, LLC and ABM Franchising Group, LLC became the sole member of GreenHomes America, LLC. From 2009 until the mergers in November 2012, GreenHomes America offered GreenHomes America® franchises for the development, operation and improvement of businesses engaged in residential home performance products and services. We offered GreenHomes America® franchises from November 2012 until October 31, 2015. As of October 31, 2015, we had 13 GreenHomes America franchises. On September 8, 2016 we sold the assets of the GreenHomes franchise business to GreenHomes America, LLC, an unaffiliated Connecticut limited liability company.

We have no affiliates or subsidiaries that offer franchises or that provide products or services to our Linc Service franchisees.

Our parent company is ABM Industries Incorporated ("ABM"), a Delaware corporation with its principal place of business at One Liberty Plaza, New York, NY 10006.

Description of the Franchise

We own a distinctive system (the "Linc System") for the development, operation and improvement of businesses engaged in the repair and maintenance of heating, ventilating, and air conditioning (HVAC) systems, equipment and controls, primarily for commercial, industrial, institutional and multifamily residential business. The Linc System includes methods and techniques for managing, marketing and operating Linc Businesses, for recruiting and training employees, for accounting and data processing, for advertising and promotion, and for quality control. The Linc System is identified by various trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Linc" and "Linc Service" (the "Proprietary Marks"). The Franchise Agreement grants you the right to use the Proprietary Marks and the Linc System only in connection with your Franchised Business.

We offer franchises primarily to qualified individuals and business entities presently engaged in the repair and maintenance of heating, ventilating, and air conditioning (HVAC) systems. We may also offer franchises to qualified individuals and entities that are not presently engaged in the HVAC business. The franchise entitles you to establish and operate one service establishment that sells, services, maintains and repairs heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls and that designs and installs temperature controls, energy management and building automation systems (a "Franchised Business"). Franchisees offer their products and services primarily to owners or managers of commercial, industrial, institutional and multifamily residential buildings. You may establish your Franchised Business either at your existing business premises or at another location that you select (the "Franchised Location") within your defined marketing area. Your defined marketing area will be either a "Primary Marketing Area" or "Shared Marketing Area". In a Shared Marketing Area you may face competition from other Linc Service franchisees. You will know prior to execution of your Franchise Agreement whether or not your marketing area will be a Primary Marketing Area or a Shared Marketing Area.

We have certain proprietary computer software and related information and documentation for accounting and information management and for field work order management of your Franchised Business (known as "ValueBuilder®"). We highly recommend that you use ValueBuilder® for the accounting and information management and field work order management for your Linc Service Business, but it is not mandatory. We

also highly recommend that you use ProposalBuilder™ proposal generating software, PriceBuilder® maintenance pricing software, and SpotBuilder™ extra work quoting software that we provide you for your Linc Service Business, but it is not mandatory. We provide you the opportunity to license salesforce.com customer relationship management software. We highly recommend that you use salesforce.com for customer relationship management for your Linc Service Business, but it is not mandatory. We refer to ValueBuilder®, ProposalBuilder™, PriceBuilder®, SpotBuilder™ and salesforce.com collectively as "LincWare" or "Proprietary Software". To use our proprietary software, you must sign the LincWare Software Agreement in Exhibit F to this disclosure document. You also have the option of accessing ValueBuilder® along with salesforce.com customer relationship management software in our hosted environment.

You may not operate the Franchised Business from a location other than the Franchised Location without our prior written consent. We may offer our established Linc Service franchisees Satellite Branch Amendments to establish additional locations ("Satellite Locations") from which they may conduct the Franchised Business within their Primary or Shared Marketing Area(s). We may also offer our established Linc Service franchisees Remote Branch Amendments to establish remote branches located outside their Primary or Shared Marketing Areas. You may engage in other business enterprises simultaneously with the operation of the Franchised Business. If you do, you must establish a separate entity or division and take such further steps as we may consider necessary to insure the separation of the Franchised Business from other businesses you operate.

The market for the services offered by Linc Service franchises is well developed and competitive. Franchisees offer their services on a contract, as needed, or emergency service basis. You will compete with, among others, mechanical contractors and other independent businesses performing similar services and with local service offices of mechanical equipment manufacturers. You may also compete with our parent companies and affiliates related to the performance of bundled energy solutions, facility management services, and lighting and electrical services in your Primary or Shared Marketing Area.

If you already engage in the HVAC business, we expect you to conduct your Franchised Business from your existing facility or from another location within your Primary Marketing Area or Shared Marketing Area, as applicable. Franchised Locations are typically located in commercial or light industrial areas. Average space requirements are approximately 120 square feet of office space per office person and 100 square feet of warehouse space per $1,000,000 of annual revenue of the Franchised Business. You will determine the size of your facility at the Franchise Location as well as the size of all your Satellite Branch offices and Remote Branch offices, although our franchisees typically establish their Franchised Business at their existing facility.

Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, you must comply with Section 608 of the Federal Clean Air Act Amendments of 1990. Section 608 requires, among other things, that all persons servicing, maintaining, repairing and disposing of air conditioning and refrigeration equipment follow specific procedures, including recordkeeping and technician certifications. There may also be state and local laws in your Primary Marketing Area or Shared Marketing Area, as applicable, pertaining to the operation of businesses such as the Franchised Business. These laws may require you to obtain certain contractor's licenses and/or permits. It is your responsibility to comply with all applicable laws, and you may wish to contact an attorney to inquire about such laws.

ITEM 2: BUSINESS EXPERIENCE

Senior Vice President, Franchising – Bruce Phibbs

Mr. Phibbs, operating from Pittsburgh, Pennsylvania, has served as our Senior Vice President, Franchising since March 2017. From May 2008 until February 2017, he served as Executive Vice President of ABM Building & Energy Solutions LLC.

Senior Vice President, Franchise Operations – Martin Keyser

Mr. Keyser, operating from Pittsburgh, Pennsylvania, has served as our Senior Vice President, Franchise Operations since March 2017. From August 2012 until February 2017, he served as our Vice President, Administration. Mr. Keyser is also Senior Vice President of ABM Building & Energy Solutions, LLC.

Senior Director, FP&A, ABM Building & Energy Solutions, LLC – Bryon Bonafede

Mr. Bonafede, operating from Alpharetta, Georgia, has served as our Senior Director, FP&A since February 2017. From June 2001 until August 2016, Bryon worked in various Senior Finance roles for Scientific Games, a gaming company in Alpharetta, Georgia.

Vice President, Franchise Development – Todd Greenlee

Mr. Greenlee, operating from Pittsburgh, Pennsylvania has served as our Vice President, Franchise Development since March 2021. From June 2010 to February 2021, he served as our Area Vice President.

ITEM 3: LITIGATION

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

Franchise Fee

You must pay us an Initial Franchise Fee when you sign the Franchise Agreement. The Initial Franchise Fee is $75,000. The fee to purchase a Remote Branch Amendment is $30,000 payable in full when you sign the Remote Branch Amendment. If you are signing a Franchise Agreement based upon conversion of a Remote Branch to a franchise, as described in the Remote Branch Amendment, the Franchise Fee is $20,000. The fee to purchase a Satellite Branch Amendment is $15,000 payable in full at the time you purchase the Satellite Branch Amendment. The Initial Franchise Fee, Remote Branch Fee and Satellite Branch Fee are fully earned at the time of payment and nonrefundable.

The Franchise Fees are uniform for all new Linc franchisees receiving this disclosure document. You have two options for paying the Initial Franchise Fee: (1) pay $75,000 in installments of $37,500 upon execution of the Franchise Agreement and the remaining $37,500 in eleven consecutive monthly installment payments of $3,409.09 each; or (2) pay a discounted lump sum initial Franchise Fee of $65,000 when you sign the Franchise Agreement.

If you are signing a Franchise Agreement to renew your franchise, you will not be required to pay an additional Franchise Fee, provided that you comply with the requirements of your expiring Franchise Agreement.

Computer Software and Training Fees

When you execute the Franchise Agreement, we will make initial training available to your employees in our Pittsburgh, PA or Alpharetta, GA facilities. There is no tuition fee for initial training, but you will be required to pay the wages and travel and living expenses of your employees attending training. For additional training conducted online or at your Franchise Location, you will pay us a training fee equal to $800 per day of training. For training conducted at your Franchise Location, you will also pay the travel and living expenses of the instructor(s) during on-site training. The cost you will incur for initial computer software training, if you chose to use our ValueBuilder® computer software, is included in the ValueBuilder® Initial Fee. We estimate the ValueBuilder® Initial Fee, which includes your one-time computer software license fee, set up, and initial computer software training, to be $42,000. This estimate is based upon four (4) Office Users and sixteen (16) Field Users. The actual cost of your ValueBuilder® Initial Fee could be higher based upon your actual number of Office and Field Users. The cost you will incur for set up and initial training if you choose to use salesforce.com customer relationship management computer software is $1,000. We estimate that the total cost you will incur for initial computer software and training fees will be between $0 and $43,000. Detailed information on training and monthly user fees appears in Items 6, 7, and 11 of this Disclosure Document.

Computer software and training fees are uniform for all franchisees and non-refundable.

ITEM 6: OTHER FEES

Type of Fee	Amount	Date Due	Remarks
Royalty Fee	Between 2.5% and 4.5% of Gross Revenues based on your total Gross Revenues (see Schedule in Note 1), subject to Minimum Royalty Fees (see Note 2).	Payable monthly within 30 days following end of month	During each Agreement Year you will pay not less than the Minimum Royalty Fee stated in the schedule.
Satellite Branch Amendment Fee	$15,000	Upon execution of a Satellite Branch Amendment	Payable only if you sign a Satellite Branch Amendment.
Remote Branch Amendment Fee	$30,000	Upon execution of a Remote Branch Amendment	Payable only if you sign a Remote Branch Amendment.
Remote Branch Conversion Fee	$20,000	Upon conversion of a Remote Branch to a franchise	Payable as described in the Remote Branch Amendment.
Technical Training	$0–$3,100	On Demand	Charge per trainee for a user license. Payable to unaffiliated third party.
Other Non-standard Training Fees	$800 per instructor day, plus travel and living expenses of instructor for onsite training	Upon Completion	Payable if our personnel conduct additional training, plus travel and living expenses of instructor if conducted at your Franchise Location
Leadership training and other standard training classes conducted at your Franchise Location	$1,500 plus travel and living expenses of instructor	Upon Completion	Payable for Leadership training or other standard training classes conducted at your Franchise Location. No limit on number of attendees.

Type of Fee	Amount	Date Due	Remarks
Transfer Fee	$5,000	Upon execution of Transfer Agreement	Payable if you transfer the ownership of your franchise. Not applicable to transfer of ownership between officers, directors or their family members.
Audit Fee	Our actual audit costs and expenses	As Incurred	Payable if we find understatement of Linc Business of 2% or more.
Indemnity	Our actual losses and expenses	Within 30 days after invoice	You must indemnify us in certain situations as described in the Franchise Agreement.
Liquidated Damages	$65,000	Within 30 days after termination	Payable if the Franchise Agreement is terminated for any reason except for your right to terminate according to Sections 34(a), 34(b) and 34(c) of the Franchise Agreement. (see Note 3)
Interest	The lesser of 1.5% per month or the highest rate permissible by law.	On Demand	Payable on any amounts not paid when due.
Computer Software Initial Fee/Set Up/Initial Training (See Note 4)	$0 to $43,000	50% when signing Proposal and 50% in 45 days	If you choose to use our Proprietary Software, you must enter into a LincWare Software Agreement (Exhibit F).
Computer Software Maintenance Fees (See Note 4)	$0 to $15,600 per year, depending upon the number of Office and Field Users	Monthly	If you choose to use our Proprietary Software, you must enter into a LincWare Software Agreement (Exhibit F).
Renewal Waiver Fee	$2,500 per month until a Renewal Franchise Agreement has been signed	Monthly after expiration of Term	Payable if we agree to waive expiration of your Franchise Agreement after the Term expires and you continue to operate under the terms of your existing Franchise Agreement. You must also pay us Royalty Fees under our then current Royalty Fee Schedule.

Notes:

1. Monthly Royalty Fees will be assessed based on Gross Revenues according to the following schedule:

	Monthly Royalty
4.5% - On $	0 to $ 700,000 of Gross Revenues; plus
4.0% - On $	700,001 to $1,400,000 of Gross Revenues; plus
3.5% - On $	1,400,001 to $2,100,000 of Gross Revenues; plus
3.0% - On $	2,100,001 to $2,800,000 of Gross Revenues; plus
2.5% - On all Gross Revenues in excess of $2,800,000.	

"Gross Revenues" means the aggregate amount, determined on an accrual accounting basis, of all of your sales of services and products; provided, however, that "Gross Revenues" excludes sales taxes and/or other taxes you collect from customers and actually transmit to the appropriate taxing authorities. However, if you have established a separate division or entity for your Linc Business, then Gross Revenues excludes sales to your other divisions or entities, but will include amounts for sales and services from your other divisions or entities for any of the following:

(i.) work sold by any person regularly employed by your Linc division or entity of your Linc Business;

(ii.) all business under the supervision of the Linc division or entity's General Manager;

(iii.) maintenance, service, calibration, adjustment, repair and operation of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls, except where such work is performed as part of or concurrent with construction of a new structure;

(iv.) modification, additions and replacement of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls, except where such work has been (1) engineered and specified, using formal engineering drawings and formal specifications, by the owner or its consulting engineer or (2) engineered and specified (including all load calculations, system design and equipment selection) using formal engineering drawings and formal specifications by a professional engineer employed by you and currently licensed in the state where the work is performed;

(v.) sale of parts and supplies for the maintenance and operation of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls, except where such sale is part of and concurrent with the construction of a new structure; or

(vi.) design and installation of temperature control, energy management and building automation systems, except where such design and installation has been subcontracted to an unrelated controls and automation contractor.

2. Despite the monthly royalty schedule in Note 1 above, you must pay us, during each year of the Franchise Agreement, not less than the minimum Royalty Fee described in the schedule below:

Initial Term Agreement Year	Minimum Royalty Fee
1st Agreement Year	$18,000
2nd Agreement Year	$26,000
3rd Agreement Year	$34,000
4th Agreement Year	$42,000
5th Agreement Year	$50,000
6th Agreement Year	$58,000

Satellite Location(s) – We will combine the Gross Revenues generated at the Franchised Location and at all Satellite Location(s) to determine your Royalty Fees.

Remote Branch(es) – We will combine the Gross Revenues generated at the Franchised Location with the revenues generated at all Remote Branch Location(s) to determine your Royalty Fees, until such time as the Remote Branch(es) become Franchised Location(s) operating under separate Franchise Agreement(s).

Renewal Franchises – If you are signing a franchise agreement for the first renewal of your franchise, you must pay to us, during each year of the Franchise Agreement, our then current Royalty Fees, which may or may not contain a minimum or maximum amount. As of the date of this Disclosure Document, the Minimum Royalty Fee for your first renewal will be the sum of $4,000 plus the Minimum Royalty Fee during the last Agreement Year of the prior Term.

Subsequent renewals, if any, will be subject to the terms of our then current franchise agreement, but the Minimum Royalty Fee shall continue to increase by at least $4,000 per Agreement Year.

3. If you terminate your Franchise Agreement, except for your right to terminate according to Sections 34(a), 34(b) and 34(c) of the Franchise Agreement, you must pay us liquidated damages in the amount of $65,000 within 30 days after termination as a reasonable estimation of the actual damages we will sustain due to your termination.

4. If you choose to use our ValueBuilder® computer software, the cost of training is included in the ValueBuilder® Initial Fee. We estimate the ValueBuilder® Initial Fee, which includes your one time computer software license fee, set up and initial computer software training, to be $42,000 based on 4 Office Users and 16 Field Users. If you choose to have the ValueBuilder® software in a hosted environment, there is a monthly hosting fee of $90 per Office User. The Monthly Software Assurance fee is $85 per Office User and $60 per Field User. If you choose to use salesforce.com customer relationship management software, there is a one time initial fee of $1,000 for set up and training, and a monthly fee of $100 per User. There is a minimum 3 year Term to use salesforce.com customer relationship management software. If you choose to use ValueBuilder® and salesforce.com customer relationship management software, the monthly cost you will incur for computer software and maintenance fees, excluding the estimated initial fees of $43,000 for license, set up and initial training, based on 4 Office Users and 16 Field Users, is $1,300 per month for ValueBuilder® plus $100 per month for each salesforce.com User. If you choose to use our ProposalBuilder™ computer software, there is a one-time initial set up fee of $750 and a monthly fee of $63 per user. If you choose to use our SpotBuilder™ computer software, there is a one-time set up fee of $250 and a monthly fee of $20 per user. There is no initial fee or monthly fee for you to use our PriceBuilder® software.

All fees listed above are uniformly imposed on franchisees. Unless otherwise noted, all fees are payable to us and non-refundable.

ITEM 7: Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$65,000 –$75,000 (Note 1)	Lump Sum or installments (Note 1)	$65,000 lump sum upon execution of Franchise Agreement; or $75,000 payable $37,500 upon execution of Franchise Agreement and 11 consecutive monthly installments of $3,409.09 each.	Us
Pre-opening Training, Travel & Living Expenses	$1,500–$3,000 (Note 2)	As Arranged	As Incurred	Airline, Hotel & Restaurants
Insurance	$0 (Note 3)	As Arranged	As Incurred	Insurers
Vehicles	$0–$3,600 per vehicle (Note 4)	As Arranged	As Arranged	Supplier
Vehicle Markings	$30–$400 per vehicle (Note 5)	As Arranged	As Incurred	Supplier
Real Property	(Note 6)	(Note 6)	(Note 6)	(Note 6)
Equipment	$0–$8,000 per Service Rep (Note 7)	As Arranged	As Arranged	Suppliers
Computer Equipment	$0–$3,000 (Note 8)	As Arranged	As Arranged	Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer Software Initial Fee/Set Up/Initial Training	$0–$43,000 (Note 9)	As Arranged	As Arranged	Us
Additional Funds 6 Months	$0 (Note 10)	As Arranged	As Incurred	Suppliers
TOTAL	$66,530–$136,000 (Note 11)			

Notes:

(1) The Initial Franchise Fee for each franchise and certain other initial fees and expenses are discussed in Item 5. The Franchise Fee for each franchise is $75,000 if you choose the financing option, or $65,000 if you pay the Franchise Fee in full upon execution of the Franchise Agreement. The Franchise Fee for each Remote Branch is $30,000 at the time of purchase and $20,000 when the Remote Branch is converted to a franchise.

(2) Pre-opening training expenses are discussed in Item 5. There is no tuition fee for initial training, but you will be required to pay the travel and living expenses of your employees attending training at one of our facilities, which will vary depending on the distance traveled and number of your employees who attend initial training.

(3) We expect that you will already have insurance coverages in place for your existing business that will provide adequate coverages for the Franchised Business. You must purchase and maintain worker's compensation insurance, employer's liability insurance and comprehensive general liability insurance, including contractual liability coverage, and automobile liability insurance with a minimum limit of $2 million. The cost of obtaining and maintaining such insurance varies according to such factors as the size and location of your business, the number of employees and vehicles, and your claims experience. If you already have comparable insurance as part of your existing business, there may be no additional cost.

(4) We recommend that you make available a sedan or similar vehicle to your General Manager and each Field Sales Representative, and a van or pickup truck for each Field Service Representative. If you already have sufficient vehicles in your existing business, you may not need any additional vehicles. The cost of providing such vehicles is approximately $20,000 each. These vehicles can be leased from various sources. The cost of leasing a sedan or similar vehicle with a purchase price of $20,000 is approximately $400.00 per month for a four (4) year lease. The amount reflected in the schedule is the estimated cost of providing up to three (3) leased vehicles for the three (3) month initial phase of the Franchised Business. Instead of providing a vehicle to management or sales employees, you can pay them a fee per mile for use of their personal vehicle. If they are existing employees, you may already be providing them with the required vehicles or mileage reimbursement.

(5) We offer different formats by which you may incorporate the Linc identification with your own identification. The cost to incorporate these options ranges from $30 to $400 per vehicle. Typically, you will need at least one vehicle for your Linc Business.

(6) We expect that you will operate the Franchised Business from your existing facility. Therefore, we have not included in this estimate any expenses for real estate. If you do not have an existing facility, typical locations are in commercial or light industrial areas. Average space requirements are approximately 120 square feet of office space per office person and 100 square feet of warehouse space per $1 million of annual revenue of the Franchised Business.

(7) Equipment required to operate your Linc Business consists primarily of small tools and test equipment for use by your Field Service Representatives. If you do not own sufficient tools, you must purchase such tools at an approximate cost of $8,000 per Field Service Representative. Typically, you will have one to twenty Field Service Representatives.

(8) Within the first six months of the Effective Date of your Franchise Agreement, we highly recommend that you implement our computerized accounting and information system software known as ValueBuilder®, either on your own system or via our hosted applications infrastructure. We also highly recommend that you implement salesforce.com customer relationship management software (collectively referred to as "LincWare"). If you do not have sufficient computer capacity in your existing HVAC business, you must purchase computer equipment and third party software that meets our technical specifications. New computer equipment and third party software purchase costs are $0 to $3,000 per user. See Item 11 for detailed computer requirements

(9) If you choose to use our ValueBuilder® computer software, there will be an Initial Fee which covers a one-time license fee, set up fee and initial training. Based upon four (4) Office Users and sixteen (16) Field Users, the Initial Fee would be $42,000. If you choose to have the ValueBuilder® software in a hosted environment, there is a monthly hosting fee of $90.00 per Office User. The Monthly Software Assurance fee is $85.00 per Office User and $60.00 per Field User. If you choose to use salesforce.com customer relationship management software, there is a one-time initial fee of $1,000 for set up and training and a monthly fee of $100 per User. There is a minimum three (3) year Term.

(10) We expect that you will conduct your Linc Service Business from your existing facility in conjunction with your existing business. Therefore, we do not expect you to need additional funds to support ongoing expenses during the initial phase of the Franchised Business, which we estimate to be three (3) months. However, we cannot guarantee that you will not have additional expenses starting your Linc Service Business. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for the products and services; the prevailing wage rate; competition; and the sales level the business reaches during the first three months.

(11) These figures are estimates. Although we relied on our more than 40 years of experience in franchising and in the heating, ventilating and air conditioning service and maintenance industry when preparing these figures, we do not guarantee that you will not need additional funds. You should review these figures carefully with a business advisor before making any decision to purchase a Linc Franchise. Costs vary depending upon the number of Field Sales and Service Representatives for your Linc Business and the amount of technical equipment needed for each Field Service Representative. Historically, Linc Businesses have started with 1 to 20 Field Service Representatives.

We do not offer direct or indirect financing for your initial investment other than a portion of the Franchise Fee. All payments to us are nonrefundable; refundability of payments to others depends upon your arrangements with them.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except for equipment, uniforms, vehicle marking, computer software, software maintenance and support services, and certain advertising, as described below, we do not require you to purchase or lease any goods, services, supplies, equipment or inventory from us, our designee, an approved supplier or under our specifications.

All items bearing the Linc name or logo must conform to our specifications. Unless you purchase logo items from us or suppliers identified in the Confidential Operating Manual (COM), you must submit two samples of finished items bearing the Linc name or logo to us for approval prior to production. We grant approval usually within 90 days and will not unreasonably withhold approval. We revoke approvals of alternate suppliers if they ever fail to meet our specifications. Our criteria for approving suppliers is not available to franchisees.

We negotiate purchase arrangements with suppliers for the benefit of franchisees. As of the date of this Disclosure Document, we have purchasing arrangements with the following: 70E Solutions, 84 Lumber, Aggreko, Aireco, Armstrong Pumps, ARS Restoration, AtmosAir, Building Advice, Airgas Inc., Alps Controls, American Air Filter, Applied Energy Products and Sales, Inc., Avande, Avis, Baker Distributing Company, Bitzer, BWI Light, Carrier Enterprises, Casual Wear Unlimited, CDI Corporation, CDW, CED Lighting Solutions, Chem-Agua, Cintas, Cleaver Brooks, Clubcar, Conco Systems, Connect Air, Cushman, Daikin Applied, Dell, Eaton, Emerson, Enterprise Fleet Management, Envira North, Escalator Cleaning Co., Fastenal, FedEx Express Mail, FedEx Office/Kinko's, Ferguson, FieldCentrix, Ferguson Enterprises, Ford Fleet Management, Fujitsu, General Motors, GHA Products, Global Plamsa Solutions, Grainger/Acklands, Graybar, Hampton Inn, Herc Rentals, Hertz, Hilti, Hilton Garden Inn, Hitachi Information Management Group, Home Depot, iManifold, InterContinental Hotels Group, Iron Mountain, J.A. Sexauer, Jackson Systems, JT Packard, Kele Inc., KnowledgeCentrix, Konica Minolta, Ledvance LLC, LMR, Makita, Microsoft, Midway Ford Truck Center, Inc., Milwaukee, Mintie, Mitsubishi Electric, Mitsubishi HVAC, MobileTek, MSI Data, Munters, National Compressor Exchange, Nations Roof, Navtrak, nClarity LLC, Neopost-Hasler, Neudesic, Office Depot, Office Max, PHH Arval, Prosum, Protec Equipment Resources, Quilogy, Raiven GPO, Rapid Recovery, RFID Tec, RSD, SafeLite, Savvis, Schindler Elevator Corporation, Sears, Sherwin Williams, SimplexGrinnell, Spot Coolers, Sprint, SuccessFactors, Sunbelt Rentals, Inc., TEKsystems, Test, TLG Fleet Services, Tropic Supply, Twin City Fans, United Refrigeration, United Rentals,Vantage Group, Ventacity Systems, Viega, and WARE Boiler. These arrangements are subject to change at any time. Other than as described below, we do not require you to use these approved suppliers or derive any monetary payments from these approved suppliers. In some cases, we receive volume rebates or commissions on products and services you purchase from us or our designated suppliers.

Vehicles, Equipment, Stationery, Business Cards, Forms, Sales Aids

You may (but are not required to) purchase or lease vehicles, equipment, stationery, business cards, forms and sales aids from us or an approved third party vendor. In the fiscal year ending October 31, 2022, we received $804,813.39 in revenue from Linc franchisees' purchases of these items, or 4.5% of our total revenue of $17,792,904.00 for the fiscal year. This information is derived from our corporate financial records that our Division Controller maintains.

Uniforms and Vehicle Markings

You must provide each of your Field Service Representatives with uniforms and a vehicle that displays the Linc logo. Although we are not obligated by the Franchise Agreement or any other agreement, we identify suppliers of these items in our COM who have demonstrated to our continuing reasonable satisfaction their ability to meet our standards and specifications. We will also provide to you the benefits of any national or regional purchasing agreements that we may negotiate. We derive no monetary payments from your purchases from these suppliers and we do not charge you a fee for the benefits.

The cost of equipment, vehicle markings and uniforms purchased in establishing your Franchised Business will vary depending upon your current vehicle inventory and the number of Field Service Representatives you retain.

Computer Hardware, Software, Support and Maintenance

Within six (6) months after the Effective Date of your Franchise Agreement, you will either provide a computer system for the Franchised Business that complies with our specifications, or choose to access software via our hosted applications infrastructure. Both options require computer equipment that meets our specifications. See Item 11 for more details.

As noted in Item 1, we highly recommend that you use ValueBuilder®, our proprietary management and accounting software. To use our ValueBuilder® computer software, you must sign the LincWare Software Agreement in Exhibit F to this Disclosure Document and pay the ValueBuilder® Initial Fee as described in Item 7, which includes the cost of the license, set up and initial training. You will have the option of accessing ValueBuilder® computer software through our hosted environment or on your own server, but we highly recommend that you use our hosted environment. If you choose our hosted environment, the current monthly hosting fee is $90 per month per Office User. The current Monthly Software Assurance fee is $85 per Office User and $60 per Field User.

We also highly recommend that you use ProposalBuilder™ proposal generating software, PriceBuilder® maintenance pricing software, and SpotBuilder™ extra work quoting software that we provide you for your Linc Service Business, but it is not mandatory. If you choose to use ProposalBuilder™ there is an initial set up fee of $750 and a monthly fee of $63 per user. If you choose to use SpotBuilder™ there is an initial set up fee of $250 and a monthly fee of $20 per user. There is no initial fee or monthly fee for you to use PriceBuilder® software. We refer to ValueBuilder®, ProposalBuilder™, PriceBuilder®, and SpotBuilder™ collectively as "LincWare."

We also recommend that you use salesforce.com customer relations management software. We are not affiliated with salesforce.com. If you choose to use salesforce.com customer relationship management software, there is a one-time initial fee of $1,000 for set up and initial training and a monthly fee of $100 per user. There is a minimum three (3) year Term. The price varies based on the number of users.

In the fiscal year ending October 31, 2022, we received $1,461,689 in revenue from Linc Franchisees for computer software training, support and maintenance fees, or 8.2% of our total revenue of $17,792,904.00 for the fiscal year.

Advertising

All advertising, including internet websites, must conform to our requirements and standards as identified in the COM and is subject to our approval. We derive no revenue from your advertising purchases.

We estimate that the cost of items purchased according to our specifications will represent less than 1% of your total purchases and leases in connection with the establishment of your Linc Service business and less than 1% of your total purchases and leases in connection with the continued operation of your Franchised Business.

We do not have any purchasing or distribution cooperatives.

None of our officers owns an interest in any unaffiliated supplier. We do not provide any material benefits (e.g., permitting renewal or granting additional franchises) to franchisees solely because of their use of designated or approved suppliers.

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 2 – Franchise Agreement Section 2 – Satellite Branch Agreement Section 2 – Remote Branch Amendment	1, 7, 11, 12
b. Pre-opening purchases/leases	Section 8 – Franchise Agreement	5, 6, 7, 8
c. Site development and other pre-opening requirements	Section 3 – Franchise Agreement Section 2 – Satellite Branch Agreement Section 2 – Remote Branch Amendment	5, 7, 8, 11, 12
d. Initial and ongoing training	Sections 4, 5, 37 – Franchise Agreement Section 2 – Remote Branch Amendment	5, 6, 7, 11
e. Opening	Section 2 – Franchise Agreement Section 2 – Satellite Branch Agreement Section 2 – Remote Branch Amendment	11, 12

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
f. Fees	Sections 10, 11, 20, 21, 31, 36 – Franchise Agreement Sections 1, 3 – Satellite Branch Amendment Sections 1, 2 – Remote Branch Amendment	5, 6, 7, 12, 17
g. Compliance with standards and policies/operations manuals	Sections 1, 8, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 – Franchise Agreement	7, 8, 11, 16
h. Trademarks and proprietary information	Sections 7, 15, 17, 18 – Franchise Agreement	1, 8, 11, 13
i. Restrictions on products/services offered	Section 3 – Franchise Agreement	16
j. Warranty & customer service requirements	Sections 14, 20 – Franchise Agreement	16
k. Territorial development and sales quotas	Sections 3, 14 – Franchise Agreement Section 2 – Satellite Branch Amendment Section 2 – Remote Branch Amendment	1, 12, 16
l. Ongoing product/service purchases	Sections 8, 12, 20, 23 – Franchise Agreement	6, 7, 8, 11
m. Maintenance, appearance and remodeling requirements	Sections 15, 20 – Franchise Agreement	8, 11
n. Insurance	Section 23 – Franchise Agreement	7
o. Advertising	Section 13 – Franchise Agreement	7, 8, 11
p. Indemnification	Section 26 – Franchise Agreement	Not applicable
q. Owner's participation/ management/staffing	Sections 14, 16, 20, 22 – Franchise Agreement	7, 15
r. Records and reports	Sections 19, 21 – Franchise Agreement	Not applicable
s. Inspections and audits	Sections 6, 20, 21 – Franchise Agreement	11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
t. Transfer	Section 30 – Franchise Agreement	17
u. Renewal	Section 29 – Franchise Agreement	17
v. Post-termination obligations	Section 36 – Franchise Agreement Section 4 – Employee Confidentiality Agreement	17
w. Non-competition covenants	Section 22 – Franchise Agreement	1, 17
x. Dispute resolution	Sections 39, 40, 41 – Franchise Agreement	17
y. Owner/Shareholder Guarantee	Sections 17, 18, 22, 30 – Franchise Agreement	15
z. Franchisor's Right of First Offer	Section 33 – Franchise Agreement	17

ITEM 10: FINANCING

We do not offer any direct or indirect financing to franchisees, except the option to pay the Initial Franchise Fee in installments. We do not guarantee your note, lease or any other obligations.

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

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

Pre-Opening Obligations

When you execute your Franchise Agreement, we will provide to you, on loan, a copy of the COM and access to the COM on our website. (Franchise Agreement §7)

When you execute your Franchise Agreement, we will make available to you initial training of your personnel at our training facilities in Pittsburgh, PA, Alpharetta, GA, or such other location as we may determine, without a tuition fee. (Franchise Agreement §4)

Continuing Obligations

During the ongoing operation of the Franchised Business, we will provide the following assistance and services to you.

1. We will make available to your personnel training as generally described below. Although you may send any of your personnel to the initial training, we may reasonably limit the number of your personnel who attend the training programs. Your employees will have access to Linc University. Linc University offers blended learning solutions for our network utilizing a combination of instructor-led training, eLearning and self-directed learning paths. Courses are designed, developed, and delivered by experienced professionals in the Linc Service Network. Linc University offers course curriculums for all Linc University job titles.

We conduct classroom training sessions throughout the year on an "as needed basis" in Pittsburgh, PA, Alpharetta, GA, or such other location as we may determine, without a tuition fee. You must pay lab fees for classroom computer-related training and you will be responsible for all travel, lodging and other expenses of your employees (see Items 5 and 6). During the initial Term of your franchise, we provide a minimum of 20 days of classroom training to your General Manager. Training of all of your personnel must be completed to our satisfaction (Franchise Agreement §4).

2. We may conduct refresher training and such other training as we may determine to provide without a tuition fee. We may also provide training or assistance that you request that is beyond what we provide to other Franchisees. Such training will be provided at rates published in the COM. (Franchise Agreement §5)

3. We may provide evaluations of your Franchised Business, including sales performance and cost controls. (Franchise Agreement §6)

4. We provide you with access to updated and revised materials to the COM. (Franchise Agreement §§7, 17)

5. We will make available to you computer software, including software for a computerized accounting and management information system (collectively known as "LincWare"). (Franchise Agreement §§8, 19)

Training Programs

When you execute the Franchise Agreement, we will make training available to your personnel as described below. Although you may send any of your personnel to initial training, we may reasonably limit the number of your personnel who attend the training programs. We conduct classroom training sessions throughout the year on an as needed basis in Pittsburgh, PA, Alpharetta, GA, or such other location as we may determine, without a tuition fee. Franchisees may be charged lab fees for classroom computer-related training (see Items 5 and 6). During the initial Term of your franchise, we provide a minimum of 20 days of classroom training to your General Manager. (Franchise Agreement §4) Training of all of your personnel must be completed to our satisfaction.

If you choose to use our ValueBuilder® management information and accounting software, the cost of the initial training is included in the ValueBuilder® Initial Fee, except that you will be required to pay all travel, lodging and living costs of your personnel attending the training.

We will make available continuing training in computerized management information and accounting systems, refresher courses and such other training as we may determine to provide without a tuition fee. At your request, we may provide training or assistance beyond that normally provided to franchisees at your cost, on a mutually agreed upon date and location, at tuition rates published in the COM.

We conduct an annual Continuing Education Conference at a hotel or convention center for Linc franchise owners and employees. There is no tuition fee for this conference, but you will be required to pay the travel, lodging and living expenses of your employees attending the conference.

You are responsible for all travel and living expenses, and wages of your employees while attending all training sessions.

Our training programs are conducted by members of our staff who have responsibility and expertise in the subjects covered in the training program. The members of our staff responsible for training have an average of 20 years of experience in the subject matters taught. The instructional materials include audiovisuals, on-the-job activities, handbooks, laboratory and role-play situations.

The subjects covered in the training programs are described as follows:

TRAINING PROGRAM

Subject	Hours of Pretraining	Hours of Classroom Training	Hours of Virtual Training	Hours of On-the-Job Training	Location
General Management	21	32	34	0	Pittsburgh/Virtual
Sales Leadership	5.3	16	24	0	Pittsburgh/Atlanta/Virtual
Service Management/Supervision	10	36	34	0	Pittsburgh/Virtual
Project Management	2.5	16	16	0	Pittsburgh/Virtual
Business Systems	5	32	34	0	Pittsburgh/Virtual
Dispatcher	8	24	34	0	Pittsburgh/Virtual
Maintenance Sales	120	24	25	0	Pittsburgh/Alpharetta/Virtual
Project Sales	4.5	16	16	0	Pittsburgh/Virtual
Business Systems Installation	20	0	0	96	At your location, webinar and online
Operations Start-up	0	0	0	16	At your location
Sales Start-up	0	0	0	24	At your location
Accelerated Business Systems	3	24	0	0	Pittsburgh/Virtual
Leadership Training	0	16	0	0	Pittsburgh/Atlanta
TOTALS	189.3	236	217	136	

Instructors

Senior Area Vice President – Carlos Lozano

Mr. Lozano has served as our Senior Area Vice President since August 2021. Previously he served as an Area Vice President.

Area Vice President – Dave O'Brien

Mr. O'Brien has been working for ABM by way of The Linc Group since 1993. He began as a Project Sales Representative and earned four Diamond Awards. He was promoted to General Manager in 2002. As an AVP, Mr. O'Brien is responsible for supporting Linc Service franchises and advising them on how to create success for their businesses.

Director of Operations– Rick Yelley

Mr. Yelley has served as our Director of Operations since November 2021. Previously he served as an Application Specialist, Operations Coordinator and Operations Manager with us since June 2013. He is responsible for providing operations leadership and support for the franchise network.

Manager of Education and Training – Drew Fogle

Mr. Fogle joined ABM Franchising Group in January 2020. He oversees education for the Linc Service and TEGG Service networks, working closely with subject matter experts to design, develop, and deliver training programs that meet needs and drive achievement.

Sales Advocate and Coach – Fawn Allen

Ms. Allen has been with us since January 2017. She is responsible for supporting Linc Service Sales Representatives in their successful implementation of the Linc selling system.

Support Manager – Kevin Burke

Mr. Burke has served as our Support Manager since April 2005. He is responsible for making sure all issues that come into our Support Center are promptly dispatched and resolved in a timely manner.

Application Manager – Frank Koszak

Mr. Koszak has been with us since August 2013. Currently, he is an Application Manager and has previously served as an Application Specialist. He is responsible for the implementation, training and support of the Financial Management and Work Order Management Software.

Application Manager – Rob Mele

Mr. Mele has served as an Application Manager with us since June 2021. He has previous experience utilizing and managing various technology platforms and business applications. He is responsible for the managing all sales applications for the independent franchise network.

Application Specialist – Lisa Jech

Mrs. Jech has served as an Application Specialist with us since September 2020. She formerly worked at two franchise location for a total of 28 years. She is responsible for the implementation, training and support of the Financial Management and Work Order Management Software.

Application Specialist – Chelsea Bard

Ms. Bard has served as an application specialist since March 2022. Ms. Bard comes to ABM with experience in management, accounting, and technology. As Application Specialist, Ms. Bard's primary responsibility is to implement ValueBuilder for independent franchises in our network. She is responsible for the implementation, training and support of the Financial Management and Work Order Management Software.

During the Term of your Franchise Agreement, your employees will also be provided with access to online training through Linc University. Linc University offers blended learning solutions to our network utilizing a combination of instructor led training, eLearning, and self-directed learning paths. Courses are designed, developed, and delivered by experienced professionals in the Linc Service Network. Linc University offers course curriculums for all Linc Service job titles to help employees further develop, achieve, and succeed. License fees for training courses that are available through third parties may apply. Online training courses developed by our staff are available to the Linc franchise employees at no cost. Online courses with license fees are optional courses recommended for professional development. We also offer recognition of Linc franchise employees through a Linc University degree program. This program is optional and the earning of a Linc University degree in no way corresponds to pay or merit increases.

Online self-paced courses available through the Linc University and the training fees for each course are as follows:

Course	Fee	Estimated Length HH:MM
Linc ACCT1020: The Basics of Collections	$0.00	00:20
Linc ACCT1301: Accounting Basics LincLASER	$0.00	00:40
Linc ACCT1301: Accounting Basics ValueBuilder	$0.00	00:40
Linc ACCT1310: Audit Work Order Process	$0.00	00:35
Linc ACCT2105: ValueBuilder General Ledger	$0.00	00:30
Linc ACCT2110: ValueBuilder Headquarter	$0.00	00:10
Linc ACCT2115: ValueBuilder Cash Management Set-up	$0.00	00:08
Linc ACCT2116: ValueBuilder Cash Management Process	$0.00	00:20
Linc ACCT2120: ValueBuilder Purchase Order	$0.00	00:16
Linc ACCT2125: ValueBuilder Accounts Payable	$0.00	01:05
Linc ACCT2130: Accounts Receivable	$0.00	00:40
Linc ACCT2135: ValueBuilder Payroll Set-up	$0.00	00:10
Linc ACCT2140: ValueBuilder Payroll Process	$0.00	00:30
Linc ACCT2150: ValueBuilder SM Pre-Filled Files	$0.00	00:15
Linc ACCT2155: ValueBuilder SM File Set-up	$0.00	00:15
Linc ACCT2160: ValueBuilder SM Sales Files	$0.00	00:05
Linc ACCT2165: ValueBuilder SM Agreements and Projects	$0.00	00:40

Course	Fee	Estimated Length HH:MM
Linc ACCT2175: ValueBuilder SM Scope Sequence	$0.00	00:15
Linc ACCT2180: ValueBuilder SM Weekly Workflow	$0.00	00:18
Linc ACCT2302: Understanding Financial Reports	$0.00	00:25
Linc ACCT2305: Allocations	$0.00	00:10
Linc ACCT2310: Business Systems Best Practices	$0.00	00:40
Linc Gryphon Appointment Builder	$0.00	00:05
Linc LINC1001: What is Linc?	$0.00	00:10
Linc LINC1002: Innovation, Technology, Service	$0.00	00:05
Linc LINC1003 (SP): Linc Service Offerings (Spanish)	$0.00	00:22
Linc LINC1003: Linc Service Offerings	$0.00	00:15
Linc LINC1005 (SP): Tools (Spanish)	$0.00	00:15
Linc LINC1005: Tools	$0.00	00:10
Linc LINC1010: What to Expect - LINCLASER	$0.00	00:30
Linc LINC1010: What to Expect - ValueBuilder - New Franchise	$0.00	00:11
Linc LINC1010C: Tasking What to Expect - ValueBuilder - Internal	$0.00	01:00
Linc LINC1010C: What to Expect - ValueBuilder - Conversions	$0.00	01:00
Linc LINC2101: ValueBuilder Navigation	$0.00	00:15
Linc LINC2201(SP): Understanding the Service Report (Spanish)	$0.00	00:45
Linc LINC2201: Auditing the Service Report	$0.00	00:05
Linc LINC2201: Understanding the Service Report	$0.00	00:28
Linc LINC2204(SP): Maintenance Agreement Startup Form (Spanish)	$0.00	00:15
Linc LINC2204: Maintenance Agreement Startup Form	$0.00	00:12
Linc LINC2205: A Step-by-step Guide to Tasking - LINCLASER	$0.00	00:25
Linc LINC2205: A Step-by-step Guide to Tasking - ValueBuilder	$0.00	00:27
Linc LINC2209: Using Field Centrix	$0.00	00:34
Linc LINC2210: Project Startup Form	$0.00	00:10
Linc LINC2215: C.A.R.E.	$0.00	00:22
Linc LINC2300: LINCLASER Basics	$0.00	00:30
Linc LINC2302: LINCLASER File Building (AP)	$0.00	00:20
Linc LINC2302: LINCLASER File Building (AR)	$0.00	00:20
Linc LINC2302: LINCLASER File Building (SM)	$0.00	01:20
Linc LINC2306: Reports Analysis ValueBuilder	$0.00	
Linc LINC2310: Understanding Agreement Performance Report	$0.00	00:15
Linc LINC2312: Reading the Project Performance Report	$0.00	00:15
Linc LINC2320: Analyzing Field Labor Vehicle Report	$0.00	00:15
Linc LINC2325: Analyzing the Invoice Summary Gross Margin - LINCLASER	$0.00	00:10
Linc LM2010: Striving for Contractor Excellence	$0.00	00:13
Linc LM5030: How to Conduct and Effective Meeting	$0.00	00:25
Linc LM5031: Goal Setting	$0.00	00:25

Course	Fee	Estimated Length HH:MM
Linc LM5032: Conducting a Performance Appraisal	$0.00	00:15
Linc LM5034: Onboarding New Employees	$0.00	00:15
Linc LM5050: Leading During a Time of Transition	$0.00	00:35
Linc OPS1010: What to Expect - Tasking Conversion	$0.00	00:24
Linc OPS2101: Bloodborne Pathogens	$0.00	00:20
Linc OPS2105: Hearing Conservation	$0.00	00:20
Linc OPS2201: Safety	$0.00	00:10
Linc OPS2300 Field Centrix (FX) Mobile	$0.00	01:15
Linc OPS2302: ValueBuilder Dispatch Board Setup	$0.00	00:10
Linc OPS2303: Using the ValueBuilder Dispatch Board Setup	$0.00	00:30
Linc OPS2305: ValueBuilder Mobile	$0.00	01:45
Linc OPS2401: ProposalBuilder	$0.00	00:30
Linc OPS3320: Refrigerant Banking	$0.00	00:08
Linc SALE1015: Sales Marketing and Communication Tools	$0.00	00:10
Linc SALE1110: Proactive Sales Cycle Overview	$0.00	00:10
Linc SALE1113: Safety for Sales	$0.00	00:18
Linc SALE1115: Reactive Sales Cycle	$0.00	00:10
Linc SALE2100: Executive Meeting Role-play	$0.00	00:25
Linc SALE2101: Salesforce Overview	$0.00	00:03
Linc SALE2102: Verification Meeting Overview	$0.00	00:40
Linc SALE2103: Prep for a PAR Meeting with Salesforce	$0.00	00:25
Linc SALE2104: System Analysis	$0.00	01:00
Linc SALE2105M: Genesis Maintenance Proposals	$0.00	01:45
Linc SALE2105P: Genesis Project Proposals	$0.00	01:40
Linc SALE2107: PriceBuilder for Administrators	$0.00	01:25
Linc SALE2107: PriceBuilder for Managers	$0.00	01:00
Linc SALE2107: PriceBuilder for Sales Professionals	$0.00	01:00
Linc SALE2111: Survey Basics	$0.00	00:55
Linc SALE2150: Building Scorecard	$0.00	00:10
Linc SALE2302: Financial Selling	$0.00	00:28
Linc SALE2401: ProposalBuilder for MSR	$0.00	00:40
Linc SALE2402: ProposalBuilder for PSR	$0.00	00:40
Linc SALE3103M: Sales From a Diamond Perspective	$0.00	00:45
Linc SALE3103P: Sales From a Diamond Perspective - Projects	$0.00	00:50
Linc SALE3106: Platinum Champions Heroes Legends	$0.00	01:00
Linc SALE3305: Lunch and Learn Program	$0.00	00:10
Linc SALE4001: Running a PAR Using SFDC	$0.00	00:15
Linc SALE4005: Running an Effective Sales Meeting	$0.00	00:12
Linc SALE4103: Creating a Winning Sales Culture	$0.00	00:30
Linc SALE4105: SNAP Selling	$0.00	00:25

ThinkSafe™

These courses are designed to be presented using a combination of different materials to your field team, These courses include OSHA specific topics, HVAC specific topics and Electrical specific topics so that you can adjust your meeting to meet your scopes of work.

Technical Training:

Linc University offers online and virtual reality training for essential skilled trades. In partnership with Interplay Learning, the training delivers scalable, highly effective digital learning simulations for the HVAC, Plumbing, Electrical, Solar and Facilities Maintenance workforce. Using a digital experiential learning platform, the company allows its customers to practice hands-on learning. Learning Paths are expertly curated roadmaps that are created to help your team learn the right skills in the right order. All course content is broken up into small, digestible pieces, allowing technicians the flexibility of learning a little at a time. With the flexibility and mobility of this platform, there is no need to block out hours to engage with training. Whether they are in between service calls, waiting for their lunch to be delivered, or at home, workers can continue to expand their knowledge and skills. The current annual fee per seat is $240.

Advertising and Promotion

We may, in our discretion, but are not obligated to, market and advertise Linc Businesses and Linc Services on such terms and conditions as we deem appropriate. You must abide by any requirements and restrictions we impose from time to time. All advertising must conform to our requirements and standards identified in the COM and must be approved by us. We may require you to participate in any such endeavors, including participation with pages on any of our websites, and to execute such agreements as we deem reasonably appropriate in connection therewith. (Franchise Agreement § 13)

We do not require you to participate in an advertisting fund. We do not have any local or regional advertisting cooperatives.

Site Selection/Start-Up

We expect you to operate your Franchised Business from your existing facility. If you purchase a franchise for a yet-to-be determined location, the site must be within your Primary Marketing Area or Shared Marketing Area, as applicable, and is subject to our approval. If you do not find an acceptable location within one (1) year, or a longer time as we in our discretion may allow, we may terminate your Franchise Agreement. The factors that we consider in accepting locations include the size of the Primary Marketing Area or Shared Marketing Area, as applicable, physical characteristics of the location and your evaluation of your needs. Franchised Locations are typically located in commercial or light industrial areas. Average space requirements are approximately 120 square feet of office space per office person and 100 square feet of warehouse space per $1 million of annual revenue of the Franchised Business. You will determine the size of your base facility, as well as the size of any Satellite Branch offices and Remote Branch offices.

Franchisees typically open their Franchised Business one or two months after signing their Franchise Agreement. The factors that affect this time are the availability of a General Manager and other personnel for the Franchised Business, the availability of computer equipment and our training schedules.

Computer Hardware and Software

You must maintain computer hardware, software, components and accessories as we specify in the COM or otherwise in writing from time to time for the Linc Business. Currently, the minimum hardware and software requirements you must provide and maintain to run the required and recommended applications include a standard desktop computer with monitor, processor, modem and other hardware and software as more fully provided in the COM. Alternatively, the ValueBuilder® accounting and information system software and salesforce.com customer relationship management software can be accessed via the internet in our hosted environment. Should you choose to use our hosted applications infrastructure, you may not need to purchase additional hardware, but you will still need to purchase software licenses for LincWare. You will also need an internet connection, personal computer and firewall hardware to operate under this option, as more fully described in the COM. The ValueBuilder® software contains the financial and service management information, including general ledger balances and transactions, customers, vendors, agreements, etc. We will not have independent access to your information or data.

We estimate that you will spend between $0 and $43,000 initially on computer hardware, software, components and accessories, and related set up fees (see Item 7). You may purchase your computer hardware equipment from any supplier so long as the equipment meets our specifications.

We do not maintain or provide any upgrades to your computer hardware. You may select a vendor of your choice to maintain your computer hardware, and you may need to upgrade your computer hardware from time to time to remain compatible with our proprietary systems.

As of the date of this disclosure document, the sales and customer relations management software used in the Linc System is salesforce.com. The cost you will incur for set up and initial training if you choose to use salesforce.com customer relationship management computer software is $1,000. The current monthly User Fee is $100 per user. There is a minimum term of 3 years. The annual cost varies based on the number of users.

We also highly recommend that you use ProposalBuilder™ proposal generating software and PriceBuilder® maintenance pricing software that we provide you for your Linc Service Business, but it is not mandatory.

There is no initial fee or monthly cost for you to use PriceBuilder® software. We refer to ValueBuilder®, ProposalBuilder™, PriceBuilder® and SpotBuilder™ collectively as "LincWare."

We also provide various software tools used by Linc Franchisees for training and sales. You will need a personal computer with a compatible operating system to use these tools. Provided that you are in full compliance with your obligations under the Franchise Agreement upon your voluntary termination of the Franchise Agreement, or upon expiration of the Franchise Agreement, we may permit you to continue with limited use of our proprietary software for a period of up to ninety (90) days after termination or expiration of your Franchise Agreement to effect a transfer of your accounting and record keeping activities to replacement computer systems.

Confidential Operating Manual ("COM")

You must operate the Franchised Business under the mandatory standards, methods, policies and procedures specified in the COM, a copy of which is available to you on our website for the term of the Franchise Agreement and any renewals. We may revise the contents of the COM in our sole discretion, and you must comply with each mandatory new or changed standard. If a dispute occurs as to the contents of the COM, the terms of the master copy maintained by us at our home office and on our website will be controlling. The COM consists of the following seven (7) Volumes.

1. General
2. Sales & Marketing
3. Operations
4. Business Systems
5. Personnel
6. Professional Development
7. Energy

A copy of the COM Table of Contents is included in this disclosure document as Exhibit M. The COM currently has 4,416 total pages.

ITEM 12: TERRITORY

You must operate your Franchised Business from a specific location in your Primary Marketing Area or Shared Marketing Area, as applicable, approved in advance by us. This is typically your existing facility. You must purchase a Satellite Branch Amendment to operate your Franchised Business from additional locations within your Primary Marketing Area or Shared Marketing Area, as applicable. You may not relocate your Franchised Business from this location without providing us with prior written notification and obtaining our consent. We will typically approve relocation as long as the new location is within your Primary Marketing Area or Shared Marketing Area, as applicable. Except as otherwise provided below, you may not establish or engage in a Linc Business at or operating from any additional location.

When establishing Primary Marketing Areas and Shared Marketing Areas, we take into consideration standard statistical information published by local, state and federal governments regarding metropolitan areas, city and county populations (actual and projected) and economic impact areas, as well as terrain conditions. You will know prior to execution of your Franchise Agreement whether or not your Territory will be a Primary Marketing Area or Shared Marketing Area. Primary Marketing Areas and Shared Marketing Areas are typically delineated by county boundaries and/or boundary streets or highways. We will provide a map and/or

written description of your Primary Marketing Area or Shared Marketing Area before you sign your Franchise Agreement.

While you will receive limited territorial protections as described in this Item, you will not receive an exclusive territory. You may face competition from other Linc Service franchisees, from franchisees that are owned by our affiliates, or from other channels of distribution or competitive brands that we control. In addition, our affiliates that we do not control may perform Bundled Energy Solutions projects, Facilities Services and/or Lighting and Electrical Services within your Primary Marketing Area or Shared Marketing Area, as applicable. Neither we nor our affiliates will have any obligation to compensate you in connection with any such activities.

If you have a Primary Marketing Area, we will neither perform, nor authorize another Linc franchisee to perform, any of the services of a Linc Business using the Proprietary Marks and the Linc System on any building or mechanical system located within your Primary Marketing Area, except or unless: (i) with your written consent; (ii) another Linc franchisee is performing services outside its Primary Marketing Area or Shared Marketing Area under the conditions described below in this Item 12; (iii) when we and/or another Linc franchisee have given you the opportunity to perform services within the Primary Marketing Area and you decline to do so; and (iv) for services performed on residential properties (defined as properties or buildings containing four or fewer residential dwelling units). If you have a Shared Marketing Area you may face competition from other Linc Service franchisees in your Territory. For both Primary Marketing Areas and Shared Marketing Areas, we reserve the right to develop opportunities with customers that operate in two or more territories ("National Accounts"). If we develop a National Account program for a customer, unless a customer does not want you to perform the services, you will have the option to participate in your Primary Marketing Area or Shared Marketing Area on the same terms and conditions we negotiate with the National Account customer. If you do not elect to service such customer on the same terms and conditions, we or our designee may do so within your Primary Marketing Area or Shared Marketing Area. We will have no obligation to compensate you in connection with any such activities.

You may not solicit customers or perform Linc Service outside your Primary Marketing Area, or, if applicable, your Shared Marketing Area, unless or except: (i) with the permission of another Linc franchisee (except if the other franchisee is in the same Shared Marketing Area, in which case you may perform the Franchised Business in your Shared Marketing Area) if the building or mechanical system is located in the Primary Marketing Area or Shared Marketing Area, as applicable, of such franchisee; or with our permission if the building or mechanical system is not located in another Linc Service franchisee's Primary Marketing Area; (ii) if you have been providing such services within 12 months prior to entering into the Franchise Agreement and so long as you continuously do so; (iii) if you respond to an existing customer's written request for a bid or proposal and the scope of work is specified by the customer; or (iv) if you provide services to a mechanical system that is or has been installed within one year of entering into the Franchise Agreement and such system is or was installed by you or one of your affiliated divisions or companies.

Except as described above with respect to the operation of the Franchised Business in a Primary or Shared Marketing Area, we reserve all other rights with respect to the Proprietary Marks and the Linc System, and we reserve the right to: (i) operate, and grant to others the right to operate, any of the other Linc Businesses at such locations and on such terms and conditions as we deem appropriate; (ii) sell any products or services under the Proprietary Marks or under any other trademarks, service marks or trade dress, through other channels of distribution, inside or outside the Primary Marketing Area or Shared Marketing Area, as applicable; and (iii) operate, and grant to others the right to operate, businesses identified by trademarks, service marks or trade dress, other than the Proprietary Marks, inside or outside the Primary Marketing Area

or Shared Marketing Area, as applicable, under such terms and conditions as we deem appropriate. More specifically, we and all of our affiliates retain all rights to engage in, or license others to engage in Linc Businesses such as: (a) business facility management services ("Facility Services"), including integrated facility services, technical operations and maintenance, administrative and office support, performance and energy savings projects (Bundled Energy Solutions"), and (b) lighting and electrical services ("Lighting and Electrical Services") including design, engineering, installation, operation, testing, inspection, maintenance, cleaning, repair, replacement and reconditioning of lighting and electrical systems, each under names, trademarks and service marks which may include some or all of our Proprietary Marks. Facility Services and Bundled Energy Solutions projects may include providing Linc Services which are ancillary to providing Facility Services or Bundled Energy Solutions. We will have no obligation to compensate you in connection with any such activities.

Your Primary Marketing Area does not depend upon the achievement of any certain sales volume, market penetration or other contingency. However, upon renewal of your Franchise Agreement at the end of any Term, we will require you to execute a new Franchise Agreement which, at our discretion, may contain different terms and conditions, including a reduced, increased or shared Primary Marketing Area, and no further renewal rights.

You may at any time, subject to our approval, during the Term of the Franchise Agreement acquire the right to conduct your Franchised Business from additional locations within your Primary Marketing Area or Shared Marketing Area by executing a Satellite Branch Amendment and paying a fee in the amount of $15,000 for each Satellite Location. The Franchised Business you conduct at a Satellite Branch is subject to all of the terms and conditions of the Franchise Agreement, including the requirement to pay Royalty Fees. You may determine the size of the premises and staff at each Satellite Branch. A copy of the current form of Satellite Branch Amendment appears in Exhibit B of this disclosure document.

You may at any time during the Term of the Franchise Agreement, also acquire the right to conduct your Franchised Business outside of and contiguous to your Primary Marketing Area or Shared Marketing Area by executing a Remote Branch Amendment and paying $30,000 for each Remote Branch Location. So long as you maintain the Remote Branch business in a fixed location and employ at least one service technician, we will not establish or franchise another to establish a fixed place of business under the Proprietary Marks or the Linc System within your Remote Branch Area.

The Franchised Business you conduct at the Remote Branch Location is subject to the same terms and conditions of the Franchise Agreement, including territorial rights and limitations. You will, however, not be required to have a General Manager for the Remote Branch Locations as required under the terms of the Franchise Agreement. Gross Revenues generated at Remote Branch Locations are combined with Gross Revenues generated at the Franchised Location for determining your Royalty Fees, until such time as the Remote Branch is converted to a separate franchise. You may determine the size of the premises and staff at each Remote Branch Location. At the earlier of either (i) two-year anniversary from the date you signed the Remote Branch Amendment, or (ii) the date upon which annual Gross Revenues generated at a Remote Branch Location exceed $500,000, your Remote Branch must be converted to a separate franchise under the terms and conditions of the Remote Branch Amendment. You will be required to pay a fee of $20,000 at the time your Remote Branch is converted to a separate franchise and you will be required to sign the then-current franchise agreement. A copy of the current form of Remote Branch Amendment appears in Exhibit C. of this disclosure document.

Except as described above, you do not have any options, rights or first refusal or other similar rights to acquire additional Linc franchises within the Primary Marketing Area, Shared Marketing Area or contiguous areas.

If you believe in good faith that another Linc franchisee has breached any of your territorial rights, you must notify us immediately in writing and include detailed facts supporting the claim for the alleged breach. Upon receipt of your written notice, we will, within a reasonable time, review and investigate your complaint and take appropriate action, or if necessary, we will appoint a three-member review committee consisting of two representatives of Linc franchisees (members of the Linc Service Advisory Council, if it is active) and one of our executives to investigate the alleged breach and report to our President or Board of Directors whether they believe the other Linc franchisee has violated its Franchise Agreement, as well as a recommendation of a remedy, if any, including possible termination of the Linc franchisee's Franchise Agreement. We reserve the right to make the final decision in our sole business judgment. No Linc franchisee's representative may serve on a review committee if the Primary or Shared Marketing Area under the franchisee representative's Franchise Agreement is contiguous to the Primary or Shared Marketing Area that is in dispute.

ITEM 13: TRADEMARKS

The principal trademarks that we will license to you are the Linc Service name and the Linc Service logo. The term "principal trademarks" means primary trademarks, service marks, names, logos, and commercial symbols used to identify the franchise. You will operate your franchise under these names and any other name or mark that we designate. You also may use our other current or future marks to identify your Franchised Business, as we designate.

Our parent company, ABM, is the owner of the following marks registered on the Principal Register of the United States Patent and Trademark Office (USPTO):

Mark	Registration Date	Registration No.
Linc	06/01/82	1196997
Linc Service	09/14/82	1208994
	4/22/03	2709196
	6/19/07	3252707
PriceBuilder®	07/12/16	4997493
Empower® Training Services	11/22/16	5087813

Mark	Registration Date	Registration No.
ValueBuilder®	10/03/17	5302124

All required affidavits and renewals have been filed for the registered trademarks.

ABM also uses the following marks and claims common law rights in them, but has not applied for federal registration:

Mark	Application Date	Serial No.
ProposalBuilder™	TBD	TBD
SpotBuilder™	TBD	TBD

We do not have federal registrations for the "ProposalBuilder" and "SpotBuilder" marks. Therefore, these trademarks do not have the same legal benefits and rights as federally registered trademarks. If our right to use one of these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations by the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor is there any pending infringement, opposition or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks that may be relevant to their use in any state. ABM has authorized us to license the principal marks to our Linc Service franchisees. Other than the license from our parent company, no agreements are currently in effect that limit our right to use or license others to use the Proprietary Marks.

You receive a license under the Franchise Agreement to use our Proprietary Marks, which you must use in full compliance with our rules. You must not use any of our Proprietary Marks as part of your entity or business name. You may not use any Proprietary Mark in connection with any operation that is not part of your Franchised Business or in any other manner we do not expressly authorize in writing.

In the event of any infringement of, or challenge to, your use of the Proprietary Marks, you must notify us promptly and cooperate fully with us in defending or settling such claims as we, in our sole discretion, shall determine. We will have sole discretion to take such action as we deem appropriate and will have the right to control exclusively any litigation or Trademark Office proceeding arising out of any infringement, challenge or claim or otherwise relating to the Proprietary Marks. You must sign any and all documents, render such assistance and do such things as may be advisable in our (or our counsel's) opinion to protect our interests in any litigation or Trademark Office proceeding or other administrative proceeding or otherwise to protect our interest in the Proprietary Marks.

If you have notified us in a timely manner of any infringement, challenge, claim or otherwise relating to the Proprietary Marks, and provided that you are in compliance with the Franchise Agreement and all other agreements with us, we will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding arising out of your authorized use of any Proprietary Mark under the Franchise Agreement. We, at our sole discretion, are entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Proprietary Mark under the Franchise Agreement, and, if we undertake to prosecute, defend and/or settle any such matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you.

We can modify or discontinue use of any of the Proprietary Marks and/or use one or more additional or substitute marks. You must implement any changes at your own expense.

You may not contest, directly or indirectly, the validity or our ownership of the Propriety Marks.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any right in or to any patents that are material to the franchise.

We have a copyright registration for our Confidential Operating Manual ("COM") under Registration TX659-953. We may claim copyright protection for certain other materials, such as our Proprietary Software, advertisements, promotional materials, posters, signs, websites, and mobile applications used in the operation of the Linc Business, but neither we nor our affiliates have registered the copyrights in any materials other than the COM.

No agreements currently in effect limit our rights to use or sublicense the use of the copyrighted material to you. We are not aware of any infringement that could materially affect your use of the copyrighted materials. In the event of any infringement or challenge to your use of any copyrighted material, you must notify us promptly and cooperate fully with us in defending or settling any claim as we may determine.

We also claim proprietary rights in the ValueBuilder®, PriceBuilder®, ProposalBuilder™, and SpotBuilder™ software, although no patent or copyright has been registered with respect to the software. As previously indicated, we grant franchisees a non-exclusive, non-transferable right, subject to the terms of the LincWare Software Agreement, to permit named users to access and use our software for the purpose of operating your Linc Business while the Franchise Agreement is in effect. We and/or our affiliates retain all right, title and interest in and to the software, its documentation, and any corrections, updates, adaptations, enhancements, or copies.

You must treat the information contained in the COM, in operational directives issued by us and in other materials concerning the Linc System and its operation, as confidential and proprietary. You must use this information only for the operation of the Franchised Business and refrain from copying or reproducing any portion of such information without our prior written consent. You may divulge this confidential information only to your employees or agents who must have access to it in order to operate the Franchised Business. You must require each of those employees and agents to sign a confidentiality agreement when you enter into the Franchise Agreement or when they are hired, whichever is later. A copy of the Employee Confidentiality Agreement is included in this Disclosure Document as Exhibit E.

You must not, during the term of the Franchise Agreement or after termination of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information or trade secrets concerning the methods of operation of the Franchised Business that may be communicated to you or of which you may learn during your operation of the Franchised Business under the terms of the Franchise Agreement.

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

We recommend but do not require that the principal owner(s) of the Franchised Business personally participate in the direct operation of the Franchised Business. If the principal owner does not personally manage the Franchised Business, it must be managed by a General Manager who must devote his or her full time to the management and operation of the Franchised Business. The General Manager is appointed by you, but is subject to our consent. Our consent to your General Manager will not be deemed unreasonably withheld if our decision is based upon unsatisfactory results of a background check, inaccurate employment verification, or insufficient skill set or experience level. The General Manager must complete the initial training courses to our satisfaction.

The General Manager does not need to have an ownership interest in the Franchised Business. The General Manager must sign an agreement in the form attached hereto as Exhibit E to maintain confidentiality of proprietary information as described in Item 14 and to conform with the covenants not to compete described in Item 17 of this Disclosure Document.

Each individual who owns a 5% or greater interest in the Franchisee or the Franchised Business must agree to be individually bound by the terms of Sections 17, 18, 22 and 31 of the Franchise Agreement (use of the COM, confidential information, involvement in other business, and transfers). We may require each individual owner of the Franchisee or the Franchised Business to sign a Guarantee in the form attached as Exhibit B to the Franchise Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer to your customers all of the services we prescribe. We do not otherwise limit the goods or services you may offer for sale, the customers to whom you may sell goods or services, or the prices you may charge. You may not solicit or perform Linc Service outside your Primary Marketing Area or Shared Marketing Area, except as provided in Section 3(b) of your Franchise Agreement and under the terms of a Remote Branch Amendment(s).

We may supplement, improve or modify the Linc System periodically, and there are no contractual limits on our right to make changes. You must comply with all of our requirements in that regard, including offering new or different products or services we specify.

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 OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Section 28	6 years
b. Renewal or extension	Section 29, Section 4 and the LincWare Software Agreement	If you are in good standing you can renew for an additional six (6) year term. LincWare Software Agreement terminates and renews automatically with Franchise Agreement.
c. Requirements for Franchisee to renew or extend	Section 29 Recital in General Release	Not in default under your expiring Franchise Agreement; sign new then-current Franchise Agreement; sign General Release; comply with then-current training programs. The renewal Franchise Agreement may contain terms that are materially different from your expiring Franchise Agreement. If you delay in signing a new Franchise Agreement and we agree to waive expiration of your Franchise Agreement, you must pay us a monthly waiver fee until you have signed a renewal Franchise Agreement.
d. Termination by Franchisee	Section 34	Without cause, on the third anniversary with 90 days' advance written notice or upon payment of liquidated damages; breach of Franchise Agreement by us and failure to remedy breach within cure period.
e. Termination by Franchisor without cause	Not applicable	
f. Termination by Franchisor with cause	Section 35	See g. and h. below

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
g. "Cause" defined – curable defaults	Section 35	Except as described in h. below, you have the right to cure a failure to perform your obligations under the Franchise Agreement, such as nonpayment of fees and failure to maintain the standards and procedures prescribed in the COM.
h. "Cause" defined – non-curable defaults	Section 35	Non-curable defaults include abandonment, felony conviction, unapproved transfers, misuse of trademarks or proprietary information, and more than one default within a 12-month period, even if cured.
i. Franchisee's obligations on termination/non-renewal	Section 36	De-identification; payment of amounts due; return of COM, computer programs, forms and proprietary materials
j. Assignment of contract by Franchisor	Section 30	No restriction on our right to transfer.
k. "Transfer" by Franchisee – defined	Section 31	Includes transfer of contract or ownership interest.
l. Franchisor's approval of transfer by franchisee	Section 31	We have the right to approve transfers.
m. Conditions for Franchisor approval of transfer	Section 31	Includes payment of money owed, not in default, execution of General Release, transferee qualifications, execution of Transfer Agreement and payment of transfer fee in the amount of $5,000.
n. Franchisor's right of first offer to acquire Franchisee's business	Section 33	If you intend to sell, assign, or transfer any interest in your Franchise Agreement, you must notify us in writing prior to executing an agreement. If you receive an offer to purchase an interest in your Franchise Agreement or ownership interest in your business, you must notify us in writing within 30 days of receiving the offer.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
o. Franchisor's option to purchase Franchisee's business	Not applicable	
p. Death or disability of Franchisee	Section 31	Assignment to heirs permitted without transfer fee; heirs must accept conditions imposed on otherwise permitted assignees.
q. Non-competition covenants during the term of the franchise	Section 22	Includes prohibition on engaging in business which sells similar services; no diversion of business.
r. Non-competition covenants after the franchise is terminated or expires	Confidentiality Agreement	For 1 year after termination of employment, individuals who have signed an Employee Confidentiality Agreement cannot contact or solicit any business or individual who has been a customer or prospect of your Linc Service Business during the preceding year.
s. Modification of Agreement	Section 46	Must be in writing, signed by both parties.
t. Integration/merger clause	Section 46	Only terms of the Franchise Agreement are binding (subject to state law). Any other promises are not enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document that Linc furnished to you.
u. Dispute resolution by arbitration or mediation	Section 40; Section 3 in Employee Confidentiality Agreement	Except for certain claims, all disputes must be mediated or arbitrated in Pittsburgh, Pennsylvania.
v. Choice of forum	Sections 39 and 40	Pittsburgh, Pennsylvania for mediation or arbitration; subject to state law, any court of competent jurisdiction for injunctive relief
w. Choice of law	Section 39	Subject to state law, Pennsylvania law applies

Please refer to state-specific addenda in Exhibit N for any changes or additional provisions that apply in your state. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

ITEM 18: PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

Below we present certain historical financial information for Linc Service businesses. The explanatory notes following the table are an important part of the information presented.

Statement of Average Gross Profit by Activity Type and by Revenue Tier

Table 1 provides Average Revenue and Average Cost of Sales information for Fiscal Year 2021 (i.e., the period from November 1, 2020 through October 31, 2021) for 95 Linc Service franchises which were in operation in the U.S. and certain foreign countries for the entire 12-month period. FY 2021 was the most current financial data available to us as of the time we prepared this Disclosure Document. FY 2022 financial data for our Linc franchisees was not yet available at that time. Some franchisees use a fiscal year based on the calendar year, and we do not receive their financial data until sometime in the following calendar year. For franchisees using a calendar fiscal year, we draw data from portions of two consecutive fiscal years corresponding to the period of our fiscal year, which ends on October 31. Based on the FY 2022 data available to us at the time we prepared this Disclosure Document and on the historical financial performance of the Linc franchise system, we have no reason to believe that the Fiscal Year 2021 data in Table 1 does not fairly represent recent performance of Linc franchises.

Table 1 excludes the results of the following 15 domestic Linc Service franchises that were in operation during FY 2021:

- 2 franchises that terminated in FY 2021; and
- 13 franchises that did not provide us with their financial statements or equivalent data for FY 2021.

Based on the data available to us at the time we prepared this Disclosure Document, the results of the excluded Linc Service franchises would not have a material effect on the data included in Table 1.

The 110 total Linc Service franchises indicated above (95 reported plus 15 excluded) is less than the 120 reflected for FY 2021 in Item 20, Table 1 (88 independent franchises plus 32 affiliated franchises) because some franchises with multiple business locations report their data in the aggregate for all of their locations.

Table 1 divides the 95 Linc Service franchises into four categories based on ranges of revenue for FY 2021. The categories are: Linc Service franchises with revenue of $0.0 million to $3.0 million (27 businesses); Linc Service franchises with revenue of $3.0 million to $5.0 million (19 businesses); Linc Service franchises with revenue of $5.0 million to $7.0 million (16 businesses); and Linc Service franchises with revenue over $7.0 million (33 businesses). The Table also includes a column combining the data for all 95 Linc Service franchises included.

For each group of Linc Service franchises, the Table breaks out Average Revenue and Average Cost of Sales for four specific types of services: Guaranteed Professional Maintenance Agreements (GPM), Customized Professional Maintenance Agreements (CPM), Service Projects (PROJECT), and Repairs and Emergency Service on Time and Materials Basis (SPOT). The Table also includes a row combining the data for all four types of services.

Table 1

Gross Profit Statement - Linc Business Fiscal Year 2021

	Locations Included	95		27		19		16		33	
		All LSC Avg.	% of Revenue	$0.0-$3.0 Avg.	% of Revenue	$3.0-$5.0 Avg.	% of Revenue	$5.0-$7.0 Avg.	% of Revenue	>$7.0 Avg	% of Revenue
GPM	REVENUE	1,758,966		296,249		778,763		1,544,552		3,624,051	
	Equipment	227,984	13.0%	43,683	14.7%	89,185	11.5%	206,104	13.3%	469,299	12.9%
	Labor&Fringe	380,519	21.6%	70,486	23.8%	191,778	24.6%	300,908	19.5%	781,450	21.6%
	Living Expense	3,895	0.2%	555	0.2%	423	0.1%	96	0.0%	10,468	0.3%
	Vehicle Expenses	72,179	4.1%	12,320	4.2%	32,239	4.1%	72,955	4.7%	143,773	4.0%
	Subcontract	80,084	4.6%	5,366	1.8%	23,812	3.1%	17,122	1.1%	204,144	5.6%
	Use Tax	942	0.1%	215	0.1%	25	0.0%	0	0.0%	2522	0.1%
	Burden	282,136	16.0%	48,982	16.5%	129,642	16.7%	241,696	15.6%	580,191	16.0%
	TOTAL COST OF SALES	1,047,739	59.6%	181,606	61.3%	467,304	60.0%	838,881	54.3%	2,191,848	60.5%
	GROSS PROFIT	711,227	40.4%	114,643	38.7%	311,459	40.0%	705,671	45.7%	1,432,203	39.5%
CPM	REVENUE	1,123,695		290,212		527,592		729,581		2,339,933	
	Equipment	64,303	5.7%	19,659	6.8%	39,457	7.5%	54,965	7.5%	119,663	5.1%
	Labor&Fringe	259,420	23.1%	71,092	24.5%	118,066	22.4%	159,417	21.9%	543,379	23.2%
	Living Expense	3,486	0.3%	5,693	2.0%	29	0.0%	29	0.0%	5,348	0.2%
	Vehicle Expenses	37,332	3.3%	12,051	4.2%	21,100	4.0%	29,661	4.1%	71,082	3.0%
	Subcontract	129,725	11.5%	4,571	1.6%	31,622	6.0%	24,589	3.4%	339,582	14.5%
	Use Tax	736	0.1%	1522	0.5%	59	0.0%	0	0.0%	838	0.0%
	Burden	178,610	15.9%	55,122	19.0%	82,166	15.6%	129,090	17.7%	359,182	15.4%
	TOTAL COST OF SALES	673,612	59.9%	169,711	58.5%	292,499	55.4%	397,752	54.5%	1,439,075	61.5%
	GROSS PROFIT	450,083	40.1%	120,502	41.5%	235,093	44.6%	331,829	45.5%	900,858	38.5%
PROJECT	REVENUE	3,931,813		634,093		1,213,203		1,875,992		9,191,969	
	Equipment	788,043	20.0%	206,416	32.6%	377,389	31.1%	606,239	32.3%	1,588,501	17.3%
	Labor&Fringe	244,308	6.2%	57,268	9.0%	132,984	11.0%	148,920	7.9%	507,686	5.5%
	Living Expense	41,633	1.1%	2,139	0.3%	11,395	0.9%	3,923	0.2%	109,640	1.2%
	Vehicle Expenses	35,554	0.9%	8,391	1.3%	27,082	2.2%	24,608	1.3%	67,963	0.7%
	Subcontract	1,370,439	34.9%	95,357	15.0%	161,311	13.3%	283,087	15.1%	3,637,055	39.6%
	Use Tax	73,521	1.9%	529	0.1%	42	0.0%	5,487	0.3%	208,533	2.3%
	Burden	155,926	4.0%	34,959	5.5%	90,476	7.5%	125,800	6.7%	307,190	3.3%
	TOTAL COST OF SALES	2,709,425	68.9%	405,062	63.9%	800,680	66.0%	1,198,063	63.9%	6,426,568	69.9%
	GROSS PROFIT	1,222,388	31.1%	229,032	36.1%	412,524	34.0%	677,929	36.1%	2,765,401	30.1%
SPOT	REVENUE	1,125,957		370,926		765,217		1,065,067		1,980,929	
	Equipment	224,292	19.9%	71,647	19.3%	148,258	19.4%	211,916	19.9%	398,962	20.1%
	Labor&Fringe	245,412	21.8%	79,909	21.5%	174,491	22.8%	212,202	19.9%	437,760	22.1%
	Living Expense	4,347	0.4%	2,597	0.7%	330	0.0%	19	0.0%	10,189	0.5%
	Vehicle Expenses	45,230	4.0%	14,863	4.0%	34,073	4.5%	51,479	4.8%	73,470	3.7%
	Subcontract	57,997	5.2%	10,670	2.9%	22,060	2.9%	25,881	2.4%	132,981	6.7%
	Use Tax	867	0.1%	1056	0.3%	8	0.0%	0	0.0%	1627	0.1%
	Burden	153,372	13.6%	50,042	13.5%	103,530	13.5%	149,036	14.0%	268,715	13.6%
	TOTAL COST OF SALES	731,518	65.0%	230,786	62.2%	482,752	63.1%	650,532	61.1%	1,323,704	66.8%
	GROSS PROFIT	394,438	35.0%	140,140	37.8%	282,465	36.9%	414,535	38.9%	657,226	33.2%
TOTAL	REVENUE	7,940,431		1,591,481		3,284,775		5,215,192		17,136,883	
	Equipment	1,304,622	16.4%	341,407	21.5%	654,289	19.9%	1,079,223	20.7%	2,576,425	15.0%
	Labor&Fringe	1,129,660	14.2%	278,755	17.5%	617,319	18.8%	821,446	15.8%	2,270,276	13.2%
	Living Expense	53,361	0.7%	10,984	0.7%	12,178	0.4%	4,067	0.1%	135,646	0.8%
	Vehicle Expenses	190,295	2.4%	47,625	3.0%	114,494	3.5%	178,703	3.4%	356,287	2.1%
	Subcontract	1,638,246	20.6%	115,964	7.3%	238,806	7.3%	350,678	6.7%	4,313,762	25.2%
	Use Tax	76,066	1.0%	3,324	0.2%	135	0.0%	5,487	0.1%	213,520	1.2%
	Burden	770,045	9.7%	189,105	11.9%	406,013	12.4%	645,622	12.4%	1,515,278	8.8%
	TOTAL COST OF SALES	5,162,294	65.0%	987,164	62.0%	2,043,234	62.2%	3,085,227	59.2%	11,381,194	66.4%
	GROSS PROFIT	2,778,137	35.0%	604,317	38.0%	1,241,541	37.8%	2,129,964	40.8%	5,755,688	33.6%

Notes to Table:

1. "Gross Profit" is defined as Revenue minus Total Cost of Sales. "Total Cost of Sales" is defined as Cost of Sales (i.e., all costs directly related to completing the job), plus Burden. "Burden" is a cost

allocation per labor hour derived by calculating the total annual costs for all cost categories that are not directly related to completing the job and dividing by the total annual labor hours worked.

2. "Equipment" includes materials used in completing the job.

3. "Vehicle Expense" is defined as total annual vehicle costs, derived by multiplying an allocation per mile by total annual miles driven by vehicle fleet.

4. Of the 95 Linc Service businesses in Table 1, 50, or 52.6%, surpassed the Average Gross Profit for GPM services; 61, or 64.2%, surpassed the Average Gross Profit for CPM services; 50, or 52.6%, surpassed the Average Gross Profit for PROJECT services; 50, or 52.6%, surpassed the Average Gross Profit for SPOT services; and 49, or 51.6%, surpassed the Average Gross Profit for all services.

5. Of the 27 Linc Service businesses in the $0-3M million revenue range, 13, or 48.1%, surpassed the Average Gross Profit for GPM services for that group; 17, or 63.0%, surpassed the Average Gross Profit for CPM services for that group; 15, or 55.6%, surpassed the Average Gross Profit for PROJECT services for that group; 14, or 51.9%, surpassed the Average Gross Profit for SPOT services for that group; and 13, or 48.1%, surpassed the Average Gross Profit for all services for that group.

6. Of the 19 Linc Service businesses in the $3-5M million revenue range, 12, or 63.2%, surpassed the Average Gross Profit for GPM services for that group; 11, or 57.9%, surpassed the Average Gross Profit for CPM services for that group; 9, or 47.4%, surpassed the Average Gross Profit for PROJECT services for that group; 9, or 47.4%, surpassed the Average Gross Profit for SPOT services for that group; and 12, or 63.2%, surpassed the Average Gross Profit for all services for that group.

7. Of the 16 Linc Service businesses in the $5-7M million revenue range, 8, or 50%, surpassed the Average Gross Profit for GPM services for that group; 9, or 56.3%, surpassed the Average Gross Profit for CPM services for that group; 9, or 56.3%, surpassed the Average Gross Profit for PROJECT services for that group; 9, or 56.3%, surpassed the Average Gross Profit for SPOT services for that group; and 7, or 43.8%, surpassed the Average Gross Profit for all services for that group.

8. Of the 33 Linc Service businesses in the > $7M million revenue range, 18, or 54.5%, surpassed the Average Gross Profit for GPM services for that group; 18, or 54.5%, surpassed the Average Gross Profit for CPM services for that group; 17, or 51.5%, surpassed the Average Gross Profit for PROJECT services for that group; 18, or 54.5%, surpassed the Average Gross Profit for SPOT services for that group; and 16, or 48.5%, surpassed the Average Gross Profit for all services for that group.

* * *

The 95 Linc Service franchises included in Table 1 are located in 37 states (87 franchises), 4 provinces of Canada (4 franchises), Mexico (2 franchises), Grand Cayman (1 franchise), and Bermuda (1 franchise). They include 71 franchises held by independent third parties and 24 franchises held by affiliates of the franchisor. The 95 Linc Service businesses in Table 1 had been in operation for an average of 22 years as of the end of FY 2021.

The information in Table 1 represents Gross Profit and does not reflect any costs or expenses other than the Total Cost of Sales, as defined. You will have other overhead and operating expenses that must be deducted from Gross Profit in order to determine net income or profit of the Franchised Business.

The financial performance representations in Table 1 are historical representations. We obtained the data for Table 1 directly from our franchisees. Neither the raw data nor the figures in Table 1 have been audited. Some adjustments were necessary to eliminate minor discrepancies related to different financial reporting calendars used by our franchisees.

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. We strongly encourage you to consult a financial advisor or an accountant to help you determine how to interpret the information contained in this Item. Except as specifically set forth herein, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting ABM Franchising Group, LLC, at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317 Attention: Martin Keyser, Senior Vice President, Franchise Operations, and (724) 873-2940, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2020 to 2022*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	106	101	-5
	2021	101	101	0
	2022	101	101	0
Company-Owned**	2020	33	33	0
	2021	33	32	-1
	2022	32	32	0
Total Outlets	**2020**	**139**	**134**	**-5**
	2021	**134**	**133**	**-1**
	2022	**133**	**133**	**0**

* Based on fiscal year beginning November 1 and ending October 31.

** "Company-Owned" refers to the outlets operated by affiliates of ABM Franchising Group, LLC.

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2020 to 2022

State	Year	Number of Transfers
Michigan	2020	0
	2021	0
	2022	1
All Other States	2020	0
	2021	0
	2022	0
Total	**2020**	**0**
	2021	**0**
	2022	**1**

Table No. 3
Status of Franchised Outlets
For Years 2020 to 2022*

State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Alaska	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arizona	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arkansas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Colorado	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Delaware	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
Georgia	2020	3	0	0	1	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Illinois	2020	3	0	0	0	0	0	3
	2021	3	0	1	0	0	0	2
	2022	2	1	0	1	0	0	2
Indiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Iowa	2020	2	0	0	0	0	0	2
	2021	2	0	2	0	0	0	0
	2022	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Kansas	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Kentucky	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Louisiana	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	1	0	0	0	4
Maine	2020	1	0	0	1	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Massachusetts	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
Michigan	2020	5	0	0	2	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Minnesota	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Nebraska	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Hampshire	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Jersey	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
New Mexico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
New York	2020	7	0	1	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
North Carolina	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	0	5
North Dakota	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Ohio	2020	4	0	0	0	0	0	4
	2021	4	2	0	1	0	0	5
	2022	5	0	0	0	0	0	5
Oklahoma	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Oregon	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Pennsylvania	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Puerto Rico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
South Carolina	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
South Dakota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Tennessee	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Texas	2020	11	0	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	0	2	0	0	0	9
Vermont	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Washington	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
West Virginia	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Wisconsin	2020	3	0	0	0	0	0	3
	2021	3	0	3	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	**2020**	**106**	**0**	**1**	**4**	**0**	**0**	**101**
	2021	**101**	**9**	**8**	**1**	**0**	**0**	**101**
	2022	**101**	**5**	**4**	**1**	**0**	**0**	**101**

***** If multiple events occurred affecting an outlet, this table shows the event that occurred last in time. Based on fiscal year beginning November 1 and ending October 31.

Table No. 4
Status of Company-Owned Outlets
For Years 2020 to 2022*

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arizona	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
California	2020	8	0	0	0	0	8
	2021	8	0	0	1	0	7
	2022	7	0	0	0	0	7
Florida	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
Georgia	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Maryland	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Massachusetts	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Michigan	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Nevada	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
New Jersey	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
North Carolina	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Ohio	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Pennsylvania	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Texas	2020	5	0	0	0	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
Virginia	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
Total	**2020**	**33**	**0**	**0**	**0**	**0**	**33**
	2021	**33**	**0**	**0**	**1**	**0**	**32**
	2022	**32**	**0**	**0**	**0**	**0**	**32**

* “Company-Owned” refers to the outlets operated by affiliates of ABM Franchising Group, LLC. Based on fiscal year beginning November 1 and ending October 31.

Table No. 5
Projected Openings as of October 31, 2022

State	Franchise Agreements Signed But Outlet Not Open as of 10/31/2022	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Florida	0	2	0
Michigan	0	1	0
Wisconsin	0	2	0
Total	**0**	**5**	**0**

Exhibit J lists the name, address, and telephone number of all current franchisees for each of their outlets as of October 31, 2022.

Exhibit K lists the name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a Linc franchise terminated, transferred, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year 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.

We have not signed any agreements with current or former franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experiences as a franchisee in our franchise system.

We have not created or sponsored any trademark-specific franchisee organizations associated with the Linc franchise system. No independent franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

The audited consolidated balance sheets of ABM Industries Incorporated as of October 31, 2022 and October 31, 2021, the related consolidated statements of comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2022, and the related notes and financial statement Schedule II (collectively, the "consolidated financial statements"), and management's report on internal control over financial reporting as of October 31, 2022, are included in this Disclosure Document as Exhibit L.

Our fiscal year end is October 31. Our separate financial statements are not included in this Disclosure Document. Should we fail to fulfill our duties and obligations to our Linc franchisees under their franchise agreements, however, ABM Industries Incorporated absolutely and unconditionally guarantees to assume those duties and obligations. A copy of the Guarantee of Performance is included in Exhibit L.

ITEM 22: CONTRACTS

The following contracts are attached to this Disclosure Document in the following order:

Exhibit A.	Franchise Agreement
Exhibit B.	Satellite Branch Amendment
Exhibit C.	Remote Branch Amendment
Exhibit D.	Guarantee
Exhibit E.	Confidentiality Agreement
Exhibit F.	LincWare Software Agreement
Exhibit G.	General Release

If you are a business entity, we may require your individual business owners to execute, simultaneously with you signing the Franchise Agreement, a Guarantee (Exhibit D.) whereby your individual business owners guarantee to pay us in accordance with the terms of the Franchise Agreement and be personally liable for the breach of any provisions in the Franchise Agreement.

Please refer to State specific amendment to the Franchise Agreement in Exhibit O. for any additional agreements that apply in your state.

ITEM 23: RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document are located at the end of this Disclosure Document. Please return one signed copy to us and retain the other copy for your records.

EXHIBIT A.

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

LINC® FRANCHISE AGREEMENT
TABLE OF CONTENTS

Section		Title	Page
I.		APPOINTMENT	1
	1.	Grant	1
	2.	Location	2
	3.	Territory	2
II.		OBLIGATIONS OF FRANCHISOR	6
	4.	Initial Training	6
	5.	Other Training	6
	6.	Monitoring and Recommendations	6
	7.	Confidential Operating Manual	6
III.		OBLIGATIONS OF FRANCHISOR AND FRANCHISEE	7
	8.	Computer System and Proprietary Software	7
	9.	Confidential Use of FRANCHISEE Information	9
IV.		OBLIGATIONS OF FRANCHISEE	9
	10.	Franchise Fee	9
	11.	Royalty Fee	10
	12.	Additional Products and Services	12
	13.	Advertising By FRANCHISEE	12
	14.	Pursuit of Linc Business	13
	15.	Use of Name and Mark	13
	16.	General Manager	14
	17.	Use of Confidential Operating Manual	15
	18.	Confidential Information	15
	19.	Management Information and Accounting System	16
	20.	Quality of Performance of Services	16
	21.	Maintenance and Auditing of Records	16
	22.	Involvement in Other Business	17
	23.	Insurance	17
	24.	Taxes, Indebtedness and Compliance with Laws	18
	25.	Independent Contractor	18
	26.	Indemnification	19

27. Guarantee 20
V. TERM, RENEWAL, TRANSFER AND TERMINATION 20
28. Term of Agreement 20
29. Renewal 20
30. Transfer by FRANCHISOR 21
31. Transfer by FRANCHISEE 21
32. Non-Waiver of Claims Following Transfer 22
33. FRANCHISOR'S Right of First Offer 22
34. Termination by FRANCHISEE 23
35. Termination by FRANCHISOR 24
36. Obligations of FRANCHISEE Upon Termination or Expiration 25
VI. MISCELLANEOUS 26
37. Personnel Development 26
38. Pricing Practice 27
39. Governing Law 27
40. Dispute Resolution 27
41. Injunctive Relief 28
42. Costs and Attorneys' Fees 28
43. Severability and Substitution of Provisions 28
44. Waiver of Obligations 29
45. Exercise of Rights 29
46. Construction 29
47. Approvals and Consents 30
48. Notices and Payments 30
49. Independent Investigation 31
50. Effective Date and Agreement Year 31

Exhibit A: LincWare Software Agreement
Exhibit B: Guarantee

LINC® FRANCHISE AGREEMENT

THIS AGREEMENT is entered into by and between ABM Franchising Group, LLC, a Delaware limited liability company, with its principal place of business for franchising at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317, (hereinafter "**FRANCHISOR**"), and

_____

(Company Name)
a _____ organized under the laws of _____, with its principal
(Corporation, Partnership, limited liability company) (State)
place of business at

_____

(hereinafter "FRANCHISEE"), as of the ___ day of _____, 20__ (the "Effective Date").

WHEREAS, FRANCHISOR, as a result of the expenditure of time, effort and money has developed and owns a distinctive system for the operation, improvement and development of businesses, engaging in the maintenance, repair and replacement of heating, ventilating, and air conditioning systems, equipment and controls, and related services, primarily for commercial, industrial, institutional and multi-family residential buildings. This system includes methods and techniques for management, marketing, sales, operation, recruiting and training of employees, accounting, and data processing, advertising and promotion, and quality control, among others (hereinafter the "**Linc System**"); and

WHEREAS, FRANCHISOR is the exclusive licensee of the entire right, title and interest in the trademark and service mark "Linc," and such other service marks and trademarks as are now designated, or may hereafter be designated by FRANCHISOR, as part of this Linc System (hereinafter "**Proprietary Marks**"); and FRANCHISOR continues to develop, use and control such Proprietary Marks; and

WHEREAS, FRANCHISEE desires to operate a business performing maintenance, repair and replacement of heating, ventilating and air conditioning systems, equipment and controls, and related activities under FRANCHISOR'S Linc System and under FRANCHISOR'S Proprietary Marks, and wishes to obtain a franchise from FRANCHISOR for that purpose, as well as to receive the training and other assistance provided by FRANCHISOR in connection therewith; and

WHEREAS, FRANCHISEE understands and acknowledges the importance of FRANCHISOR'S high standards of quality and service and the necessity of operating the business franchised hereunder in conformity with FRANCHISOR'S standards and specifications.

NOW, THEREFORE, the parties in consideration of the mutual promises contained herein and intending to be legally bound agree as follows:

I. APPOINTMENT

1. Grant

FRANCHISOR grants to FRANCHISEE during the term of this Agreement and in accordance with the terms and conditions contained herein the right to operate a Linc Business (as defined below), and FRANCHISEE undertakes the obligation to operate a Linc Business under the

Proprietary Marks, and in conformity with FRANCHISOR'S standards and the Linc System, as they may be changed from time to time. The "**Linc Business**" shall consist of:

(a) Maintenance, service, calibration, adjustment and repair, and operation of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls;

(b) Modifications, additions and replacement of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls;

(c) Sale of parts and supplies for the maintenance and operation of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls;

(d) Design and installation of temperature control, energy management and building automation systems; and

(e) Such related products and services as FRANCHISOR may require or authorize in writing from time to time.

2. Location

This franchise is granted at the following specific location:

_____

_____

(hereinafter "**Location**"). FRANCHISEE shall not relocate its Linc Business from the Location without giving FRANCHISOR prior written notice and obtaining the approval of FRANCHISOR, and shall not establish or engage in a Linc Business at or operating from any additional location.

3. Territory

(a) FRANCHISEE'S Territorial Rights: [check one]

[ ] (i) Subject to Section 3(c)(ii) below, FRANCHISOR shall not perform, nor authorize another Linc Franchisee to perform, any of the services of a Linc Business (hereinafter "**Linc Service**") using the Proprietary Marks and the Linc System on any building or mechanical system located within the following geographical area (hereinafter "**Primary Marketing Area**"):

_____

_____

_____

[ ] (i) Subject to Section 3(c)(ii) below, FRANCHISOR shall not authorize more than ___ other Linc Franchisees to perform any Linc Service using the Proprietary

Marks and the Linc System on any building or mechanical system located within the following geographical area (hereinafter "**Shared Marketing Area**"):

_____

_____

_____

(ii) except as follows:

(1) with the written consent of FRANCHISEE; or

(2) by another Linc Franchisee under the limitations set forth in Sections 3(b)(i) through 3(b)(v) hereinafter; or

(3) when FRANCHISOR, its parent or affiliate and/or another Linc Franchisee has given FRANCHISEE the opportunity to perform Linc Service on any building or mechanical system located within their Primary Marketing Area or Shared Marketing Area, as applicable, on terms acceptable to the customer, and FRANCHISEE declines to perform Linc Service on such building or mechanical system;

(4) for services performed on residential properties. For the purposes of this Section 3(a), the term "residential properties" shall mean properties or buildings containing four (4) or less residential dwelling units; or

(5) for services rendered to customers based upon opportunities provided by FRANCHISOR, or its parent or affiliates, with customers that operate in two or more territories ("National Accounts"), FRANCHISOR reserves the right to negotiate a National Account program with a customer on such terms and conditions as it deems appropriate. FRANCHISOR will give FRANCHISEE the option to service the opportunity located in its Territory granted hereunder, on the same terms and conditions negotiated by FRANCHISOR, but if FRANCHISEE does not elect to exercise such option, FRANCHISOR (or its designee, which may be another Linc franchisee) may do so; provided, however, if a customer requires FRANCHISOR to utilize an existing contractor or another contractor of their choice to perform the services, then FRANCHISOR will not provide FRANCHISEE the option to perform.

(b) FRANCHISEE'S Territorial Limitations:

FRANCHISEE may not solicit nor perform Linc Service on any building or mechanical system located outside FRANCHISEE'S Primary Marketing Area or Shared Marketing Area, as applicable, except:

(i) if the building or mechanical system is located within the Primary Marketing Area or Shared Marketing Area, as applicable, of another Linc Franchisee (except if the other Linc Franchisee is in the same Shared Marketing Area as FRANCHISEE, in which case FRANCHISEE may solicit or perform such Linc Service), FRANCHISEE shall have obtained the prior written consent of such Franchisee, or if the mechanical system is not in the Primary Marketing Area or Shared Marketing Area, as applicable, of another Linc Franchisee, FRANCHISEE shall have obtained the prior written consent of FRANCHISOR; or

(ii) if FRANCHISEE has been providing the particular services on such building or mechanical system within twelve (12) months prior to entering into this Agreement and continues to perform such services uninterrupted; or

(iii) if FRANCHISEE, without solicitation or other prompting, is requested in writing by an existing customer to respond to a bid or proposal, and the scope of work is specified in writing by the customer; or

(iv) if such mechanical system is being installed or has been installed within one (1) year by an affiliated division or company of FRANCHISEE (e.g., FRANCHISEE'S construction affiliate or division); or

(v) if FRANCHISOR or FRANCHISEE has given another Linc Franchisee a referral of a customer interested in Linc Service at a facility located within the primary marketing area of such other Linc Franchisee on terms acceptable to the customer and such other Linc Franchisee either; (a) declines to perform such service; or (b) fails to accept the project on the proposed terms within a reasonable time period after being notified of the opportunity.

(c) FRANCHISOR'S Reservation of Rights:

(i) Except as specifically provided in Section 3(a), FRANCHISOR and all of its affiliates (and respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all rights and discretion with respect to the Proprietary Marks and the Linc System anywhere in the world, and the right to engage in any business, including the right to: (i) operate, and grant to others the right to operate, Linc Businesses at such locations and on such terms and conditions as FRANCHISOR deems appropriate; (ii) sell any products or services under the Proprietary Marks or under any other trademarks, service marks or trade dress, through other channels of distribution; and (iii) operate, and grant to others the right to operate businesses identified by trademarks, service marks or trade dress other than the Proprietary Marks, pursuant to such terms and conditions as FRANCHISOR deems appropriate.

(ii) Notwithstanding Section 3(a), FRANCHISOR and all of its affiliates (and respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all rights and discretion to engage in, or license others to engage in: (i) business facility management services ("Facility Services"), including, without limitation, integrated facility services, including technical

operations and maintenance, administrative and office support, and project management, (ii) lighting and electrical services ("Lighting and Electrical Services") including, without limitation, design, engineering, installation, operation, testing, inspection, maintenance, cleaning, repair, replacement and reconditioning of lighting and electrical systems, and (iii) bundled energy solutions ("BES"), including energy engineering, lighting retrofits, electrical equipment replacement, HVAC equipment replacement, and maintenance of electrical and mechanical equipment and systems, each under names, trademarks and services marks which may include some or all of the Proprietary Marks. Facility Services, Lighting and Electrical Services and BES may include the provision of Linc Services that are ancillary to the provision of Facility Services, Lighting and Electrical Services and BES.

(d) Resolution of Territorial Disputes:

If FRANCHISEE believes in good faith that another Linc Franchisee has breached any of the FRANCHISEE'S territorial rights under Section 3(a) hereof, FRANCHISEE shall notify FRANCHISOR in writing and include detailed facts supporting the claim for an alleged breach. Upon receipt of such written notice from FRANCHISEE, FRANCHISOR will within a reasonable period of time, appoint a three (3) member "Review Committee" consisting of two (2) representatives of Linc Franchisees (members of the Linc Service Advisory Council, if it is active) and one (1) executive of FRANCHISOR to investigate the alleged breach and report to the Board of Directors of FRANCHISOR whether it believes the other Linc Franchisee has violated its Franchise Agreement, and a recommendation of a remedy, if any, including possible termination of the Linc Franchise Agreement. No Linc Franchise representative may serve on a Review Committee if the Primary Marketing Area or Shared Marketing Area, as applicable under the Franchise representative's Franchise Agreement, is contiguous to a Primary Marketing Area or Shared Marketing Area, as applicable that is in dispute.

The proceeding before the Review Committee will be governed by such rules as FRANCHISOR may from time to time establish. FRANCHISOR shall consider such recommendation, but reserves the right in its sole business judgment to resolve such matter as it deems appropriate. All costs of the investigation and resolution of the dispute shall be paid by the Franchisees involved in the dispute as allocated by the Board of Directors of FRANCHISOR, in its sole discretion. FRANCHISEE agrees that neither FRANCHISEE nor any officer, director, owner, employee or agent of FRANCHISEE, shall bring any legal action or claim whatsoever (including any claim for slander, libel, or tortuous interference), whether by a statement of claim, complaint, counterclaim, cross-claim or otherwise, against FRANCHISOR, any member of the Review Committee, or any other person in connection with the proceedings referenced in this Section 3(d), including, by way of example and not limitation, for statements made in the proceedings or in any recommendations to the Board of Directors. Further, FRANCHISEE hereby waives any right of action against any member(s) of the Review Committee and/or FRANCHISOR for any negligence, improper or wrongful conduct while acting in the course of the dispute resolution function(s) set forth in this Section 3(d).

II. OBLIGATIONS OF FRANCHISOR

4. Initial Training

During the initial Term of this franchise, FRANCHISOR shall provide tuition-free to FRANCHISEE'S personnel initial training and instruction in the operation of the Linc Business at such time(s) and place(s) as FRANCHISOR may designate. FRANCHISOR may reasonably limit the number of personnel attending such initial training. FRANCHISOR shall provide during the initial Term of this franchise, a minimum of twenty (20) instructor days of classroom training to FRANCHISEE'S General Manager. Additional classroom training may also be provided to other personnel of FRANCHISEE based upon their positions, and where applicable, FRANCHISEE will pay the standard daily instructor rates as published in the Confidential Operating Manual, plus travel and living costs. FRANCHISEE will be charged lab fee of $100.00 for classroom computer related training. FRANCHISEE shall pay all wages, travel, living and other expenses of its personnel during all training. A cancellation fee of $250 may apply if an enrolled trainee cancels within three (3) weeks of the scheduled training.

If you choose to use FRANCHISOR'S computerized management information and accounting system ("ValueBuilder®"), FRANCHISOR shall also provide computerized management information and accounting system training and instruction to FRANCHISEE'S personnel on a mutually agreed upon schedule. If you choose to use FRANCHISOR'S computerized management information and accounting software, the cost of initial training is included in the ValueBuilder® Initial Fee.

5. Other Training

FRANCHISOR may conduct, in its sole discretion, at FRANCHISEE'S Location or at a location chosen by FRANCHISOR, refresher training and such other training as FRANCHISOR may determine to provide from time to time, without a tuition fee. FRANCHISEE will pay the standard daily instructor rates as published in the Confidential Operating Manual, plus travel and living costs, for training conducted at FRANCHISEE'S Location. FRANCHISEE will be charged lab fees for classroom computer-related training and access fees for distance learning. FRANCHISEE shall pay all wages, travel, living and other expenses for its employees in connection with all such training.

If FRANCHISEE requests additional training, FRANCHISOR, may provide such additional training on a mutually agreed upon date and location and at the rates published in the Confidential Operating Manual. FRANCHISEE shall pay all wages, travel, living and other expenses for its employees during such training or assistance.

6. Monitoring and Recommendations

FRANCHISOR may, but shall not be obligated to, periodically provide performance evaluations of the FRANCHISEE'S Linc Business, including its sales performance and costs of operation, and make recommendations for use by FRANCHISEE in improving such business.

7. Confidential Operating Manual

FRANCHISOR shall permit FRANCHISEE to borrow and use, during the term of this Agreement, the Linc System Confidential Operating Manual (hereinafter "**Confidential Operating Manual**").

The Confidential Operating Manual, which may be made available, at FRANCHISOR'S discretion, in hard copy or electronic media, shall set standards of operation for the Linc Business, including, without limitation, suggested practices concerning organization, personnel, customer proposals and contracts, insurance, marketing, operations, accounting, and quality control, as FRANCHISOR shall from time to time deem appropriate. FRANCHISOR may at its discretion, from time to time, revise, add to or delete from the Confidential Operating Manual. Revisions to the Confidential Operating Manual will be furnished to FRANCHISEE without additional cost to FRANCHISEE.

III. OBLIGATIONS OF FRANCHISOR AND FRANCHISEE

8. Computer System and Proprietary Software

FRANCHISEE shall have the opportunity to utilize certain proprietary computer software programs and upgrades that FRANCHISOR may specify for the operation of the Linc Business, including without limitation, programs for the operation of FRANCHISEE'S accounting and management information systems, proposal generating software, agreement pricing software and customer relationship management software (the "Proprietary Software" or "LincWare"). FRANCHISEE shall be entitled to choose Proprietary Software that is either (i) licensed by FRANCHISEE from FRANCHISOR or its designee and is installed and maintained on a Computer System (as defined below) (the "Server-Based Proprietary Software"), including, computer servers purchased by FRANCHISEE in accordance with FRANCHISOR'S specifications; or (ii) licensed by FRANCHISEE from FRANCHISOR or its designee and is accessed via an internet connection and world wide web application ("Hosted Proprietary Software").

FRANCHISEE shall purchase and maintain such computer hardware, software, components, and accessories as FRANCHISOR may specify in the Confidential Operating Manual or otherwise in writing, as necessary, to operate the applicable Proprietary Software, as well as to operate the Linc Business under the Linc System (the "Computer System").

If FRANCHISEE chooses to utilize the Server-Based Proprietary Software, FRANCHISOR and/or its designee shall install the Server-Based Proprietary Software onto the Computer System within six (6) months after the Effective Date, on a mutually agreed upon schedule with FRANCHISEE. FRANCHISEE may purchase or acquire the Computer System from any supplier; provided, however, if FRANCHISEE does not purchase the Computer System from FRANCHISOR'S designee and chooses to utilize the Server-Based Proprietary Software, FRANCHISEE may be required to pay a setup fee to FRANCHISOR and/or its designee.

If FRANCHISEE chooses to utilize all or any portion of the LincWare, FRANCHISOR and FRANCHISEE shall enter into the then current form of LincWare Software Agreement, whereby FRANCHISOR shall license the rights to use such LincWare according to the terms and provisions therein. Upon termination of this Agreement, the LincWare Software Agreement shall simultaneously terminate, and FRANCHISEE shall have no rights to operate or use FRANCHISOR'S Proprietary Software, except as follows: **FRANCHISEE shall be entitled to a period not to exceed three (3) months after termination of the Franchise Agreement, to the limited use of that portion of the LincWare Proprietary Software necessary to effect a timely and complete transfer of FRANCHISEE'S accounting and other record keeping activities to replacement computer systems and software selected by FRANCHISEE.** Except for this limited access to the then-current version of LincWare and reasonable assistance in the orderly

transfer of data by FRANCHISEE, FRANCHISOR shall have no obligation to FRANCHISEE whatsoever with respect to the LincWare Proprietary Software and FRANCHISEE shall have no right to use the LincWare Proprietary Software.

FRANCHISOR and/or its designee may charge fees for any additional modules, upgrades or updates to the Proprietary Software. FRANCHISEE may be required to enter into a separate software maintenance and support agreement with FRANCHISOR and/or its designee, pursuant to which FRANCHISOR and/or its designee will provide ongoing maintenance, upgrades and updates to the Proprietary Software. FRANCHISOR and/or its designee may charge fees to FRANCHISEE for the maintenance and support of the Proprietary Software as set forth in the COM, as amended from time to time. If at any time FRANCHISOR decides to discontinue use of the Proprietary Software, FRANCHISOR reserves the right to license to FRANCHISEE a different but comparable accounting and information management system and other computer software that performs the same or similar functions as the Proprietary Software. FRANCHISEE shall, at its expense, pay for all necessary computer software support and maintenance, and obtain, maintain and upgrade the Computer System to properly run the Proprietary Software, and any additional modules, upgrades or updates thereto.

FRANCHISEE hereby acknowledges that the Proprietary Software and other computer programs provided by FRANCHISOR in connection therewith are confidential and proprietary in nature and that the entire right, title and interest therein and in all enhancements, modifications and derivatives thereof, regardless of source, shall remain with and become the property of FRANCHISOR and/or its designee. FRANCHISEE agrees not to remove any notices from the Proprietary Software indicating that it is patented, copyrighted, trademarked or otherwise proprietary to FRANCHISOR or others, and FRANCHISEE agrees to reproduce and affix such notice to all copies of the Proprietary Software made by it. Except as specifically permitted by this Agreement, FRANCHISEE agrees not to disclose, transfer, sell, publish, sublicense, display, or otherwise make available the Proprietary Software, or information relating thereto, in any way to any person other than employees of FRANCHISEE required to have such knowledge for use of the Proprietary Software or the Computer System. FRANCHISEE agrees to secure and protect the Proprietary Software in a manner consistent with the maintenance of FRANCHISOR'S rights therein and to take appropriate actions by instruction or agreement with its employees, agents or consultants who are permitted access to the Proprietary Software to satisfy FRANCHISEE'S obligations hereunder. FRANCHISEE shall comply with and implement all security and password protocols implemented by FRANCHISOR for use with the Proprietary Software. FRANCHISEE shall not copy or reproduce, in whole or in part, any portion of the Proprietary Software which is provided in printed form under this Agreement. Additional copies of printed materials may be acquired from the FRANCHISOR. Portions of the Proprietary Software which are provided in electronic form may only be copied, reproduced or printed to the extent required for use by the FRANCHISEE with the Computer System or for archive purposes. FRANCHISEE agrees to maintain appropriate records of the number and location of all such copies of the Proprietary Software. The original and any copies of the Proprietary Software, in whole or in part, which are made by the FRANCHISEE, shall be the property of FRANCHISOR.

FRANCHISOR WARRANTS TO FRANCHISEE THAT IT HAS FULL RIGHT, POWER AND AUTHORITY TO GRANT TO FRANCHISEE THE LICENSE PROVIDED FOR HEREIN. FRANCHISOR AND ITS DESIGNATED SOFTWARE SUPPLIERS MAKE AND FRANCHISEE RECEIVES NO OTHER WARRANTY WHATSOEVER REGARDING THE PROPRIETARY SOFTWARE PROVIDED TO FRANCHISEE, WHETHER EXPRESS OR

IMPLIED. THE ABOVE WARRANTY SHALL BE THE SOLE OBLIGATION OF FRANCHISOR AND/OR ITS DESIGNEE(S) WITH RESPECT TO THE PROPRIETARY SOFTWARE AND FRANCHISOR AND ITS DESIGNEES DISCLAIM ANY AND ALL LIABILITY, INCLUDING LIABILITY FOR INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE DELIVERY, USE OR OPERATION OF THE PROPRIETARY SOFTWARE. ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING ANY REGARDING THE CORRECTNESS OR APPLICABILITY OF DATA OR ALGORITHMS CONTAINED IN THE PROPRIETARY SOFTWARE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF OR IN CONNECTION WITH THE PROPRIETARY SOFTWARE (OR THE DELIVERY, USE OR PERFORMANCE THEREOF) ARE HEREBY EXCLUDED. NO REPRESENTATIONS REGARDING THE PERFORMANCE OF THE PROPRIETARY SOFTWARE SHALL BE BINDING ON FRANCHISOR AND/OR ITS DESIGNEE(S).

FRANCHISEE AGREES TO INDEMNIFY AND HOLD FRANCHISOR AND/OR ITS DESIGNEE(S) HARMLESS FOR ANY AND ALL CLAIMS, LOSSES, OR DAMAGES ARISING OUT OF OR CONNECTED WITH FRANCHISEE'S USE OF THE PROPRIETARY SOFTWARE, INCLUDING WITHOUT LIMITATION THIRD PARTY CLAIMS, LOSSES, OR DAMAGES. FRANCHISEE FURTHER AGREES THAT NEITHER FRANCHISOR NOR ITS DESIGNEE(S) WILL BE LIABLE FOR ANY LOST PROFIT OR REVENUE OF FRANCHISEE OR FOR ANY CLAIM OR DEMAND AGAINST FRANCHISEE BY ANY OTHER PARTY, INCLUDING WITHOUT LIMITATION, ANY CLAIM OR DEMAND AGAINST FRANCHISEE BY A CUSTOMER, CLIENT OR EMPLOYEE OF FRANCHISEE.

9. Confidential Use of FRANCHISEE Information

FRANCHISOR shall, during the term of this Agreement and after its termination, hold in confidence financial information relating to FRANCHISEE, although it may use such information, without identification of FRANCHISEE, in statistical analyses of franchise performance or other similar purposes. FRANCHISOR may, in addition, disclose any information required by law or Court Order. FRANCHISOR shall not be liable for any damages to FRANCHISEE which results from the disclosure of such information unless such disclosure occurs as the result of willful misconduct on the part of FRANCHISOR. Any disclosure by FRANCHISOR shall not constitute cause for termination of this Agreement by FRANCHISEE pursuant to Section 34(c) hereof or otherwise.

IV. OBLIGATIONS OF FRANCHISEE

10. Franchise Fee

FRANCHISEE shall pay to FRANCHISOR an initial Franchise Fee of SEVENTY FIVE THOUSAND DOLLARS ($75,000). FRANCHISEE may, at its option, pay: (a) THIRTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS ($37,500) upon execution of this Agreement and the remaining THIRTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS ($37,500) of the initial Franchise Fee in eleven (11) consecutive monthly installments of THREE THOUSAND FOUR HUNDRED NINE and 09/100 DOLLARS ($3,409.09) each beginning the first month following the Effective Date and continuing each month thereafter until paid in full; or (b) a discounted lump sum initial Franchise Fee of SIXTY FIVE THOUSAND DOLLARS ($65,000) upon execution of

this Agreement. The Franchise Fee shall be deemed fully earned, nonrefundable, and payable upon execution of this Agreement.

FRANCHISEE may renew this Agreement, without payment of an additional Franchise Fee, provided that at the end of the Term of the Agreement, FRANCHISEE complies with the requirements of Section 29 hereof.

11. Royalty Fee

(a) FRANCHISEE shall pay to FRANCHISOR Royalty Fees on a monthly basis during each Agreement Year, as follows:

4.5% - On the first	$	0 to	$	700,000 of Gross Revenues
Plus 4.0% - On	$	700,001 to	$	1,400,000 of Gross Revenues
Plus 3.5% - On	$	1,400,001 to	$	2,100,000 of Gross Revenues
Plus 3.0% - On	$	2,100,001 to	$	2,800,000 of Gross Revenues

Plus 2.5% - On all Gross Revenues in excess of $2,800,000

Royalty Fees are payable within thirty (30) days following the end of each calendar month during each Agreement Year based on the foregoing schedule of Gross Revenues.

(b) Notwithstanding Section 11(a), FRANCHISEE shall pay, on a monthly basis during each Agreement Year, not less than the annual Minimum Royalty Fee set forth in the following schedule:

(i) Initial Franchise Agreement:

	Minimum
First Agreement Year	$18,000
Second Agreement Year	$26,000
Third Agreement Year	$34,000
Fourth Agreement Year	$42,000
Fifth Agreement Year	$50,000
Sixth Agreement Year	$58,000

If by the eleventh (11th) month of an Agreement Year the aggregate amount of Royalty Fees payable under Section 11(a) is less than the Minimum Royalty Fee for that Agreement Year, then the payment of Royalty Fees for the twelfth (12th) month of such Agreement Year shall be the greater of the amount payable under Section 11(a) or the amount necessary for the aggregate Royalty Fees paid for such Agreement Year to equal the Minimum Royalty Fee.

(ii) Renewal Franchise Agreements:

Minimum Royalty Fees for renewal terms shall be the greater of: (X) the amounts set forth above in Section 11(b)(i); or (Y) the amounts equal to the sum of $4,000 plus the Minimum Royalty Fee during the last year of the prior term;

or (Z) the amounts equal to the Minimum Royalty Fee during the last year of the then-current version of the Franchise Agreement.

(c) "**Gross Revenues**" shall be defined as the aggregate amount, determined on an accrual accounting basis, of all sales of services and products of FRANCHISEE; provided, however, that "Gross Revenues" excludes sales taxes and/or other taxes collected from customers by FRANCHISEE and actually transmitted to the appropriate taxing authorities. However, if FRANCHISEE has established a separate division or other segregated profit center ("**Linc Division**") for its Linc Business pursuant to Section 14 hereof, then Gross Revenue shall exclude sales to other divisions of FRANCHISEE, but will include amounts for sales and services by other divisions of FRANCHISEE and/or affiliated companies for any of the following:

(i) Work sold by any person regularly employed by FRANCHISEE'S Linc Division; or

(ii) All business under the supervision of the Linc Division General Manager beginning in the Franchise Anniversary Year that Linc Business exceeds $3,500,000; or

(iii) Maintenance, service, calibration, adjustment, repair and operation of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls, except where such work is performed as part of or concurrent with construction of a new building structure; or

(iv) Modification, additions and replacement of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls, except where such work has been (1) engineered and specified, using formal engineering drawings and formal specifications, by the owner or its consulting engineer or (2) engineered and specified (including all load calculations, system design and equipment selection) using formal engineering drawings and formal specifications by a professional engineer employed by FRANCHISEE and currently licensed in the state where the work is performed;

(v) Sale of parts and supplies for the maintenance and operation of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls, except where such sale is part of and concurrent with the construction of a new structure; or

(vi) Design and installation of temperature control, energy management and building automation systems, except where such design and installation has been subcontracted to an unrelated controls and automation contractor.

(d) All amounts which FRANCHISEE owes FRANCHISOR or any of its Affiliates shall bear interest after their due date at the highest contract rate of interest permitted by law, not to exceed 1.5% per month. However, FRANCHISEE'S failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 35.

(e) FRANCHISOR may request that all fees and any other payments be affected, at FRANCHISEE'S cost, through electronic debit/credit transfer of funds programs that FRANCHISOR specifies from time to time, and FRANCHISEE agrees to sign such documents (including independent transfer authorizations), pay such fees and costs and do such things as FRANCHISOR deems necessary to facilitate electronic transfers of funds. FRANCHISEE agrees to maintain sufficient funds in the appropriate accounts for such transfers and withdrawals.

(f) FRANCHISOR may in its sole discretion apply payments by FRANCHISEE to any of its past due indebtedness for fees, purchases of products or supplies or any other past due indebtedness to FRANCHISOR or any of its Affiliates, notwithstanding any contrary designation by FRANCHISEE. All payments hereunder shall be made as and when due without any setoff, deduction or prior demand therefore, and that no restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind FRANCHISOR, and its acceptance of any such payment shall not constitute an accord and satisfaction or waiver of any of FRANCHISOR'S rights hereunder.

12. Additional Products and Services

During the term of this Agreement, FRANCHISOR may develop additional services and products which may be made available at FRANCHISEE'S option at an additional cost to FRANCHISEE. If any such additional services and products are designated by FRANCHISOR in the Confidential Operating Manual as mandatory, FRANCHISEE shall make them available to its customers and pay all additional costs related thereto.

13. Advertising By FRANCHISEE

FRANCHISEE shall, at its expense, place advertisements promoting FRANCHISOR'S Proprietary Marks. All advertising and promotion, including the use of internet sites and electronic and social media by FRANCHISEE, except as to prices to be advertised, shall conform to the requirements and standards set forth in the Confidential Operating Manual and shall be subject to the approval of FRANCHISOR in the manner set forth in the Confidential Operating Manual.

FRANCHISOR may, at its discretion, market and advertise Linc Businesses and Linc Services through the internet and other electronic and social media on such terms and conditions as it deems appropriate. In connection therewith, FRANCHISEE agrees to abide by such reasonable requirements and restrictions as FRANCHISOR may impose from time to time. FRANCHISOR may require FRANCHISEE to participate in any such endeavors, including participation with pages on any of FRANCHISOR'S websites, and to execute such agreements as FRANCHISOR deems reasonably appropriate in connection therewith.

14. Pursuit of Linc Business

FRANCHISEE shall engage in and actively pursue Linc Business and devote its best efforts to the management, operation and promotion of such business. If FRANCHISEE engages materially in businesses in addition to the Linc Business, FRANCHISEE shall establish a separate Linc Division which shall pursue the Linc Business as its principal and predominant activity. FRANCHISEE shall take such further steps as FRANCHISOR may from time to time deem necessary to ensure the separation of the Linc Division from any other business pursued or performed by FRANCHISEE.

FRANCHISEE at all times must proactively promote the sale of Linc Business in accordance with FRANCHISOR'S standards by hiring a sufficient number of sales representatives and assigning Linc Business sales quotas to them within the Primary Marketing Area or Shared Marketing Area, as applicable, in order to fully develop the commercial potential of the Linc Business throughout the Primary Marketing Area or Shared Marketing Area, as applicable.

15. Use of Name and Mark

FRANCHISEE shall use and promote the Proprietary Marks of the FRANCHISOR, at FRANCHISEE'S sole cost and expense, utilizing such Proprietary Marks on stationery, uniforms, service vehicles and other identity media of FRANCHISEE or FRANCHISEE'S Linc Division. All uses of FRANCHISOR'S Proprietary Marks by FRANCHISEE shall be subject to FRANCHISOR'S written approval. FRANCHISEE may, during the initial term of this franchise, continue to utilize its existing service vehicle identification program, provided FRANCHISEE integrates FRANCHISOR'S Proprietary Marks with such existing identification program in a manner approved by FRANCHISOR. FRANCHISOR reserves the right to change or alter any Proprietary Marks at any time and in its sole discretion without incurring any liability to FRANCHISOR. In the event of such change or alteration, FRANCHISEE shall change the marks on its stationery, uniforms, service vehicles and other identity media to match FRANCHISOR'S new proprietary marks at FRANCHISEE'S sole cost.

FRANCHISEE shall not use the Proprietary Marks for any purpose, other than the conduct of its Linc Business, or in any manner not approved in writing by FRANCHISOR. FRANCHISEE shall not use or include any of FRANCHISOR'S Proprietary Marks in or as part of its corporate or other formal business name. FRANCHISEE shall file and maintain any required assumed name or fictitious name registrations and shall execute any documents deemed necessary by FRANCHISOR to obtain protection for FRANCHISOR'S Proprietary Marks or to maintain their continued validity and enforceability.

FRANCHISEE agrees and acknowledges that FRANCHISOR is the owner of all right, title and interest in and to FRANCHISOR'S Proprietary Marks and the goodwill associated with and symbolized by them and that FRANCHISEE'S use of such Proprietary Marks pursuant to this Agreement does not give FRANCHISEE any ownership or other interest in or to FRANCHISOR'S Proprietary Marks, except the nonexclusive license granted herein. FRANCHISEE further agrees and acknowledges that its right to use FRANCHISOR'S Proprietary Marks is limited to such uses as are authorized under this Agreement and that any unauthorized uses thereof shall constitute an infringement of FRANCHISOR'S rights. Any and all goodwill arising from FRANCHISEE'S use of the Proprietary Marks in its operation under the Linc System shall inure solely and exclusively to FRANCHISOR'S benefit and, upon expiration or termination of this Agreement and the

franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with FRANCHISEE'S use of the Linc System or FRANCHISOR'S Proprietary Marks. FRANCHISEE agrees and acknowledges that FRANCHISOR may itself use and grant licenses to others to use the Linc System and FRANCHISOR'S Proprietary Marks and that FRANCHISOR may establish, develop and license other systems, different from the Linc System licensed herein, without offering or providing FRANCHISEE with any rights in, to or under such other systems.

FRANCHISEE agrees and acknowledges that FRANCHISOR'S Proprietary Marks are valid and serve to identify the Linc System and those who are franchised under the Linc System and FRANCHISEE shall not, during the term of this Agreement or after its expiration or termination, directly or indirectly contest the validity or ownership of FRANCHISOR'S Proprietary Marks.

FRANCHISEE must notify FRANCHISOR immediately of any apparent infringement of or challenge to FRANCHISEE'S use of any Proprietary Mark, or any claim by another person of any rights to any Proprietary Mark. FRANCHISEE may not communicate with any person, other than its legal counsel, FRANCHISOR and its legal counsel, in connection with any such infringement, challenge or claim. FRANCHISOR will have sole discretion to take such action as it deems appropriate and will have the right to control exclusively any litigation or U.S. Patent and Trademark Office proceeding arising out of any infringement, challenge or claim or otherwise relating to any Proprietary Mark. FRANCHISEE must sign any and all documents, render such assistance and do such things as may be advisable in the opinion of FRANCHISOR'S counsel to protect its interests in any litigation or U.S. Patent and Trademark Office proceeding or other administrative proceeding or otherwise to protect its interests in the Proprietary Marks.

FRANCHISOR agrees to indemnify FRANCHISEE against, and to reimburse FRANCHISEE for, all damages for which FRANCHISEE is held liable in any proceeding arising out of its authorized use of any Proprietary Mark pursuant to and in compliance with this Agreement and, except as provided herein, for all costs FRANCHISEE reasonably incurs in defending any such claim brought against it, provided FRANCHISEE has timely notified FRANCHISOR of such claim and provided further that FRANCHISEE is in compliance with this Agreement and all other agreements entered into with FRANCHISOR or any of its Affiliates. FRANCHISOR, at its sole discretion, is entitled to prosecute, defend and/or settle any proceeding arising out of FRANCHISEE'S use of any Proprietary Mark pursuant to this Agreement, and, if FRANCHISOR undertakes at any time to prosecute, defend and/or settle any such matter, FRANCHISOR has no obligation to indemnify or reimburse FRANCHISEE for any fees or disbursements of any legal counsel retained at any time by FRANCHISEE.

16. General Manager

FRANCHISEE, or FRANCHISEE'S Linc Division, shall be managed by a General Manager who shall devote his/her full time to such management. FRANCHISEE'S appointment of the General Manager shall be subject to FRANCHISOR'S consent. The General Manager shall complete all required training courses provided by FRANCHISOR to the satisfaction of FRANCHISOR.

In the event the designated General Manager shall no longer serve as General Manager for any reason, or in the event the General Manager shall be unable to perform his/her functions for a period of ninety (90) days as a result of illness, disability or other incapacity, FRANCHISEE shall appoint a successor. The appointment of such successor shall be the exclusive responsibility of

FRANCHISEE, but shall be subject to the approval of FRANCHISOR. The successor General Manager shall complete all required training to the satisfaction of FRANCHISOR.

17. Use of Confidential Operating Manual

In order to protect the reputation and goodwill of FRANCHISOR and to maintain uniform standards of operation under FRANCHISOR'S Proprietary Marks, FRANCHISEE agrees to conduct the Linc Business strictly in accordance with the mandatory provisions of the Confidential Operating Manual, which FRANCHISEE acknowledges having received on loan from FRANCHISOR for the term of this Agreement. The term "Confidential Operating Manual" includes all tangible and electronic means of communicating information concerning FRANCHISOR'S standards, specifications and operating procedures relating to the development and operation of a Linc Business to FRANCHISEE that references that the information is part of the Confidential Operating Manual, including without limitation, emails, bulletins, memoranda, correspondence, CDs, DVDs and FRANCHISOR'S website. The Confidential Operating Manual shall at all times remain the sole and exclusive property of FRANCHISOR. FRANCHISOR may from time to time revise the contents of the Confidential Operating Manual, and FRANCHISEE expressly agrees to comply promptly with each new or changed standard that FRANCHISOR designates as mandatory. FRANCHISEE shall at all times ensure that it complies with the current updates of the Confidential Operating Manual. In the event of any disputes as to the contents thereof, the terms of the master copy maintained by FRANCHISOR at FRANCHISOR'S home office or on FRANCHISOR'S website shall be controlling.

18. Confidential Information

FRANCHISEE acknowledges that the information contained in the Confidential Operating Manual, as well as operational directives issued by FRANCHISOR and in other materials concerning the Linc System and its operation, whether or not they are marked "Confidential", shall be deemed confidential and proprietary ("Confidential Information"), and FRANCHISEE agrees to treat and maintain such Confidential Information as FRANCHISOR'S property, to use such information only for operation of the Linc Division and the Linc Business franchised under this Agreement, and to refrain from copying, reproducing or sharing any portion of such information without FRANCHISOR'S prior written consent. FRANCHISEE agrees not to disclose such Confidential Information to others, including its Shareholders or owners, during the term of this Agreement, except to FRANCHISEE'S employees or agents whose job duties require knowledge thereof. FRANCHISEE agrees not to disclose or use Confidential Information that constitutes Trade Secrets following the expiration or termination of this Agreement and not to disclose or use Confidential Information that does not constitute Trade Secrets (as defined by applicable law) for a period of five (5) years following the expiration or termination of this Agreement. FRANCHISEE shall require each of its employees having access to the Confidential Operating Manual or other Confidential Information or Trade Secrets to execute a Confidentiality Agreement in the form prescribed from time to time in the Confidential Operating Manual, or in a form sufficiently modified by FRANCHISEE and approved by FRANCHISOR, to be enforceable in the Primary or Shared Marketing Area as the case may be, requiring them to hold such information in strictest confidence, upon FRANCHISEE'S execution of this Agreement, or their date of hire, whichever is later.

19. Management Information and Accounting System

FRANCHISEE shall, manually or by computer system, keep books and records for FRANCHISEE'S Linc Business or Linc Division, in such manner as to provide the minimum reporting and internal control requirements for management control and accounting of its Linc Business as set forth in the Confidential Operating Manual. FRANCHISEE shall provide FRANCHISOR true and accurate reports concerning FRANCHISEE or its Linc Division on a timely basis as set forth in the Confidential Operating Manual.

FRANCHISEE may utilize the computer programs provided by FRANCHISOR. FRANCHISEE shall obtain at its cost computer hardware and software conforming to technical specifications set forth in the Confidential Operating Manual, which specifications shall be subject to change by FRANCHISOR at any time and without notice. FRANCHISEE shall provide physical space at its Location for the computer hardware, and shall bear the cost of data conversion, data input, power, computer hardware maintenance and repairs, computer software maintenance and local supplies.

FRANCHISEE shall, upon utilization of FRANCHISOR'S Proprietary Software, in a timely manner enter into the system all information concerning FRANCHISEE'S Linc Business. FRANCHISEE shall use the Proprietary Software in the manner prescribed in the Confidential Operating Manual.

20. Quality of Performance of Services

In order to protect the reputation and goodwill of FRANCHISOR, the Proprietary Marks and the Linc System, FRANCHISEE shall provide the highest quality of performance, professionalism and service to the customers of its Linc Business, shall perform all of its contractual obligations to its customers, shall be staffed with a sufficient number of Linc Service Representatives to perform all service and maintenance work, shall perform all work in accordance with all maintenance schedule requirements, shall perform all work in compliance with appropriate safety standards, shall assure the professional appearance of all its employees and uniformed Linc Service Representatives, and shall operate its Linc Business in conformity with such uniform standards, techniques and procedures as FRANCHISOR may from time to time set forth in the Confidential Operating Manual or otherwise in writing. To insure such quality, FRANCHISOR shall have the right to review the appearance and qualifications of FRANCHISEE'S Linc personnel, examine the schedule of FRANCHISEE'S work, audit the quality of FRANCHISEE'S work at its customers' premises, and contact or survey FRANCHISEE'S customers in connection with the quality of the work performed. If any work performed by FRANCHISEE does not meet FRANCHISOR'S quality standards, FRANCHISEE shall take immediate steps to correct such situation. Failure by FRANCHISEE to conform to any of the requirements of this Section will be deemed a default under this Agreement.

21. Maintenance and Auditing of Records

FRANCHISEE shall maintain books and records in accordance with generally accepted accounting principles consistently applied, and books and records of FRANCHISEE'S Linc Business or Linc Division in the form and manner set forth in the Confidential Operating Manual, and shall preserve such books and records for at least five (5) years from the date of their preparation. FRANCHISEE shall submit to FRANCHISOR, no later than the 31st calendar day following the end of each calendar month, such financial reports and statements, in the form

prescribed in the Confidential Operating Manual and signed by FRANCHISEE, accurately reflecting all Gross Revenues as defined in Section 11(c) of this Agreement during the preceding month. FRANCHISEE shall also submit to FRANCHISOR, in a timely manner, such other reports, records, information and data as FRANCHISOR may designate in the Confidential Operating Manual.

FRANCHISOR, or its authorized agents, shall have the right to examine FRANCHISEE's use of the Linc System, at reasonable times and at its expense, including but not limited to, all books, records, filings, reports, tax and informational returns and computer data of FRANCHISEE or affiliated companies performing HVAC work of any type. FRANCHISOR shall also have the right, at its expense, to have an independent audit made of all books of FRANCHISEE or affiliated companies performing HVAC work of any type. If an inspection should reveal that payments required to be made to FRANCHISOR have been understated in any report to FRANCHISOR; FRANCHISEE shall immediately pay to FRANCHISOR on demand the amount understated, together with interest from the date such amount was due at the rate set forth in Section 11(d). If an inspection discloses an understatement of Linc Business activity in any report of two percent (2%) or more, FRANCHISEE shall, in addition, reimburse FRANCHISOR for any and all costs and expenses connected with the inspection and collection of monies due (including, without limitation, all accounting and attorneys' fees). FRANCHISOR'S right to audit will exist during the term of this Franchise Agreement and any renewals thereafter, as well as for a six-month period following any termination or expiration. The foregoing shall be in addition to any other remedies FRANCHISOR shall have.

22. Involvement in Other Business

FRANCHISEE, its General Manager, Directors, Officers and all Partners, Proprietor, or any persons and entities that directly or indirectly owns a five percent (5%) or more legal or beneficial interest in FRANCHISEE shall not, during the Term of this Agreement, engage directly or indirectly in any other business performing activities included within the definition of the Linc Business in Section 1 without the prior written consent of FRANCHISOR, which consent may be withheld for any reason or no reason at all. Nor shall any of them divert or attempt to divert any business or customer of the Linc Business to any other business which is not authorized to be operated under the Linc System, or to any competitor, by direct or indirect inducement or otherwise. Nor shall any of them permit any person or business to use or have access to all or any part of the Linc System which is not authorized to utilize the Linc System, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with FRANCHISOR'S Proprietary Marks and the Linc System. FRANCHISEE shall require its employees performing managerial or supervisory functions and its employees receiving special training from FRANCHISOR to execute similar covenants in the form set forth in the Confidential Operating Manual, as may be modified to be enforceable with the Primary or Shared Marketing Areas.

23. Insurance

FRANCHISEE shall purchase and maintain during the entire Term of this Agreement from an insurance carrier acceptable to FRANCHISOR, workmen's compensation insurance, employer's liability insurance and such other insurance as may be required and in the statutory amounts required by each state in which it conducts business and Commercial General Liability Insurance, including contractual liability coverage, and automobile liability insurance in a minimum amount

of $2,000,000. If FRANCHISEE insures multiple locations on a single insurance policy, FRANCHISEE must also carry comprehensive umbrella liability coverage approved by FRANCHISOR on all such locations. FRANCHISEE shall name FRANCHISOR, its officers, directors, employees, affiliates and parent companies as additional insureds under such policy. In addition, FRANCHISEE shall maintain such other insurance as is applicable to special risks created by FRANCHISEE'S business. FRANCHISEE shall supply to FRANCHISOR Certificates of Insurance evidencing compliance with these requirements. The Certificates of Insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least thirty (30) days' prior written notice to FRANCHISOR.

24. Taxes, Indebtedness and Compliance with Laws

FRANCHISEE shall promptly pay when due all taxes and all accounts and other indebtedness of every kind incurred by FRANCHISEE. FRANCHISEE shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the conduct of the business of the FRANCHISEE. FRANCHISEE shall notify FRANCHISOR in writing within five (5) days of the commencement of any action, suit or proceeding and the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the FRANCHISEE.

25. Independent Contractor

It is understood and agreed that this Agreement does not create a fiduciary relationship between FRANCHISOR and FRANCHISEE, that FRANCHISEE is, and shall remain an independent contractor, and nothing contained in this Agreement or otherwise shall constitute either party as an agent, partner, subsidiary, employee, servant or legal representative of the other for any purpose whatsoever.

FRANCHISEE shall not have authority to incur any obligations or responsibilities on behalf of FRANCHISOR or bind FRANCHISOR by any representation, and agrees not to hold itself out as having such authority. FRANCHISEE shall not enter into any contracts or incur any obligations in the name of FRANCHISOR or under the name "Linc" but shall enter into all contracts in its own corporate or company name and at its own risk and expense. FRANCHISEE shall be solely responsible for the direction, control and management of FRANCHISEE'S business and FRANCHISEE'S agents and employees, including compliance with all applicable employment laws.

FRANCHISEE understands and agrees that FRANCHISOR may operate and change the Linc System and its business in any manner that is not expressly prohibited by this Agreement. Whenever FRANCHISOR has expressly reserved in this Agreement, or is deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant FRANCHISEE a right to take or withhold an action, except as otherwise expressly provided in this Agreement, FRANCHISOR may make its decision or exercise its right and/or discretion on the basis of its judgment of what is in its best interests, including without limitation its judgment of what is in the best interests of its franchise network, at the time its decision is made or its right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions could have been made by FRANCHISOR; (2) FRANCHISOR'S decision or the action it takes promotes its financial or other individual interest; (3) FRANCHISOR'S decision or the action it takes applies

differently to FRANCHISEE and one or more other franchisees or FRANCHISOR'S company-owned operations; or (4) FRANCHISOR'S decision or the exercise of its right or discretion is adverse to FRANCHISEE'S interests. In the absence of an applicable statute, FRANCHISOR will have no liability to FRANCHISEE for any such decision or action. FRANCHISOR and FRANCHISEE intend that the exercise of their rights or discretions will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, FRANCHISOR and FRANCHISEE agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants FRANCHISOR the right to make decisions, take actions and/or refrain from taking actions not inconsistent with FRANCHISEE'S rights and obligations hereunder.

26. <u>Indemnification</u>

FRANCHISEE agrees to indemnify FRANCHISOR, its Affiliates and their respective directors, officers, employees, shareholders, agents, successors and assigns (collectively "indemnitees"), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any acts or omissions or breaches of this Agreement by FRANCHISEE or any litigation claim, or demand (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim in connection with the development, ownership, operation or closing of FRANCHISEE'S Linc Business, or Linc Division (collectively "event"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees, provided; however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to FRANCHISEE). The term "losses and expenses" includes compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; accountants' or consultants' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; and all other costs associated with any of the foregoing losses and expenses. FRANCHISOR agrees to give FRANCHISEE reasonable notice of any event of which FRANCHISOR becomes aware for which indemnification may be required, and FRANCHISOR may elect (but is not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to FRANCHISEE'S consent, which consent shall not be unreasonably withheld or delayed. FRANCHISOR may, in its reasonable discretion, take such actions as FRANCHISOR deems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or the Linc franchise network, provided however, that any settlement shall be subject to FRANCHISEE'S consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained by FRANCHISEE in compliance with this Agreement agrees to undertake the defense of an event (an "Insured Event"), FRANCHISOR agrees not to exercise its right to select counsel to defend the event if such would cause FRANCHISEE'S insurer to deny coverage. FRANCHISOR reserves the right to retain counsel to represent it with respect to an Insured Event at its sole cost and expense. This Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

27. Guarantee

In the event FRANCHISEE is a business entity, and at FRANCHISOR'S sole discretion, FRANCHISOR may require each individual owner of FRANCHISEE to execute a Guarantee, in the form attached hereto as Exhibit B, whereby the individual owners of FRANCHISEE guarantee to pay FRANCHISOR in accordance with the terms of this Agreement and agree to be personally liable for the breach by FRANCHISEE of any provisions in this Agreement.

V. TERM, RENEWAL, TRANSFER AND TERMINATION

28. Term of Agreement

The term of this Agreement shall start on the Effective Date and shall expire at the end of the Sixth (6th) Agreement Year ("Term").

29. Renewal

FRANCHISEE may renew this franchise, without payment of an additional initial Franchise Fee, for one six (6) year renewal term, provided that at the end of the Term of this Agreement:

(a) FRANCHISEE and its Affiliates are not in default, or have not been in default at any time during the Term hereof, of any provision of this Agreement, any amendment hereto or any other agreement with FRANCHISOR or any of its Affiliates, and have substantially complied with all the terms and conditions of such agreements during the term thereof.

(b) FRANCHISEE executes, before the expiration date, FRANCHISOR'S then-current form of franchise agreement, which agreement shall supersede in all respects this Agreement, upon its expiration, and the terms of which may differ from the terms of this Agreement including, without limitation, a lower or higher percentage royalty fee, a lower or higher minimum royalty fee, a shorter or longer or no renewal period, and a reduced, increased or shared Primary Marketing Area or Shared Marketing Area, as applicable, if any.

(c) FRANCHISEE executes a General Release, in a form prescribed by FRANCHISOR, releasing FRANCHISOR, its parent companies, subsidiaries and affiliates, and their respective officers, directors, agents and employees, from any and all claims relating to this Agreement.

(d) FRANCHISEE complies with FRANCHISOR'S then-current qualification and training requirements.

(e) FRANCHISOR continues to operate as a franchisor, offering franchise agreements and renewals for the Linc Business.

If this franchise is not renewed in accordance with the provisions set forth above, this Agreement shall expire at the end of its Term and FRANCHISEE shall comply with all obligations of FRANCHISEE upon expiration set forth in Section 36 hereof.

FRANCHISOR, in its sole discretion, may elect to waive the expiration of the Term of this Agreement and allow FRANCHISEE to continue to operate under the terms and conditions hereunder until FRANCHISEE and FRANCHISOR agree to renew the Agreement after its expiration. In such event, FRANCHISOR's waiver shall be on a month-to-month basis only, and FRANCHISEE shall pay: (i) the actual Royalty Fees calculated under FRANCHISOR's then-current Royalty Fee schedule; plus (ii) a waiver fee of $2,500 per month; and (iii) any other charges payable hereunder as invoiced by FRANCHISOR. FRANCHISOR may elect to retract its waiver at any time in its sole discretion.

30. Transfer by FRANCHISOR

FRANCHISOR shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity at any time.

31. Transfer by FRANCHISEE

The rights and duties set forth in this Agreement are personal to FRANCHISEE and neither FRANCHISEE nor any person, partnership, corporation, or other entity holding a twenty-five percent (25%) or greater direct or indirect legal or equitable interest in FRANCHISEE shall directly or indirectly sell, assign, transfer, mortgage or otherwise encumber or dispose of all or any part of its interest in the Linc Business, the Franchise Agreement or in the FRANCHISEE without the prior written consent of FRANCHISOR. Any purported assignment or transfer, by operation of law or otherwise, requiring the consent of FRANCHISOR and not having such consent shall be null and void and shall constitute a material breach of this Agreement. FRANCHISOR shall not unreasonably withhold its consent and shall grant such consent upon: (a) FRANCHISEE and such transferor executing a general release, in a form prescribed by FRANCHISOR, of any and all claims against FRANCHISOR and its Affiliates, and their respective officers, directors, agents and employees; (b) FRANCHISEE and its Affiliates being in compliance with the provisions of this Agreement and all other agreements with FRANCHISOR or any of its Affiliates; (c) the transferee (or its owners) meets FRANCHISOR'S then-applicable standards for Linc Businesses, and if the transferee is an existing Linc franchisee, such transferee must be in compliance with its agreements with FRANCHISOR and its Affiliates for at least six (6) months prior to the proposed date of transfer; (d) FRANCHISOR receiving adequate assurances that all financial and other obligations of FRANCHISEE relating to the Linc Business will be met and that all other obligations undertaken under this Agreement will be met, and (e) that the proposed transfer will not adversely affect the Linc Business franchised hereunder, FRANCHISOR'S Proprietary Marks, the Linc System, or FRANCHISOR. FRANCHISOR may require that FRANCHISEE and the transferee execute such agreements or other documents as will provide FRANCHISOR with such assurances, including, but not limited to, FRANCHISOR'S then-current franchise agreement. A transfer fee in the amount of $5,000.00 shall be paid to FRANCHISOR at the time of the transfer. Consent shall not be required and the transfer fee shall not apply to any transfer or sale of stock or other ownership interest in FRANCHISEE between any of the present owners, officers, directors or employees of FRANCHISEE or transfer to any members of their immediate family.

If FRANCHISEE, or an individual owning twenty-five (25%) or greater interest, directly or indirectly, in a FRANCHISEE that is an entity dies, and if under controlling local law the deceased person's interest in the FRANCHISEE and this Agreement is distributable to heirs or legatees who are members of the deceased person's immediate family, then such assignment shall be permitted

without the necessity of any transfer fee, provided such heirs or legatees accept the conditions imposed on otherwise permitted assignees.

32. Non-Waiver of Claims Following Transfer

FRANCHISOR'S consent to a transfer of any interest in the Linc Franchise granted herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of FRANCHISOR'S right to demand exact compliance with all of the terms of this Agreement by the transferee.

33. FRANCHISOR'S Right of First Offer

If FRANCHISEE or any of FRANCHISEE'S owners at any time intend or decide to sell, assign or transfer for consideration any interest in this Agreement or an ownership interest in FRANCHISEE, FRANCHISEE or such owner agrees to notify FRANCHISOR in writing before executing any agreement expressing an intention or commitment to sell any interest in this Agreement or an ownership interest in FRANCHISEE to any third party other than FRANCHISOR. Further, if FRANCHISEE or any of FRANCHISEE'S owners receives an unsolicited offer to purchase an interest in this Agreement or an ownership interest in FRANCHISEE from any third party other than FRANCHISOR, FRANCHISEE or such owner(s) agrees to notify FRANCHISOR in writing within thirty (30) days of receiving the offer and to submit to FRANCHISOR a true and complete copy of such offer, which shall include details of the price and payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. However, if the offeror proposes to buy any other property or rights from FRANCHISEE or FRANCHISEE'S owners, under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to FRANCHISOR, and the price and terms of the purchase offered to FRANCHISEE, or FRANCHISEE'S owners for the interest in FRANCHISEE or in this Agreement must reflect the bona fide price offered and not reflect any value for any other property or rights.

FRANCHISOR has the right, exercisable by written notice delivered to FRANCHISEE or FRANCHISEE'S selling owner(s) within 30 days from the date of delivery to FRANCHISOR of (1) written notice of FRANCHISEE'S selling owner(s) intent or desire to sell any interest in this Agreement or an ownership interest in FRANCHISEE, or (2) an exact copy of any unsolicited offer received by FRANCHISEE and all other information reasonably requested by FRANCHISOR, to submit an offer to purchase such interest for the price and on the terms and conditions acceptable to FRANCHISOR. Upon receipt of FRANCHISOR'S offer, FRANCHISEE'S selling owner(s) shall have the right to accept or reject FRANCHISOR'S offer or to negotiate a different price and terms of purchase with FRANCHISOR.

FRANCHISOR will have not less than ninety (90) days after submitting an offer to FRANCHISEE'S selling owner(s) to reach an agreement to purchase the interest or interests of any or all of FRANCHISEE'S selling owners. In the event that FRANCHISOR reaches an agreement to purchase the interest(s) of all or any of FRANCHISEE'S selling owner(s), FRANCHISOR will be entitled to receive, and FRANCHISEE and FRANCHISEE'S owners each agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business or other forms of ownership interest, as applicable, including, without limitation to, representations and warranties as to:

(i) ownership and condition of and title to stock or other forms of ownership interest and/or assets;

(ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and

(iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock or ownership interest is being purchased.

If FRANCHISOR does not submit an offer within thirty (30) days after receiving written notice from FRANCHISEE, or if FRANCHISOR submits an offer but FRANCHISOR and FRANCHISEE and/or FRANCHISEE'S owners are unable to reach a mutually acceptable agreement to purchase the Linc Business or the interests of FRANCHISEE'S selling owners within ninety (90) days, FRANCHISEE and/or FRANCHISEE'S owners may complete a sale to a third party purchaser(s) pursuant to and on terms acceptable to FRANCHISEE'S selling owner(s), subject to FRANCHISOR'S approval of the transfer and satisfaction of all other conditions in Section 33 of this Agreement. Closing of the sale to the third party must occur within one hundred eighty (180) days after FRANCHISEE'S original notice to FRANCHISOR of intent to sell or receipt of an unsolicited offer under this Section 33. If closing does not occur within the one hundred eighty (180) day period, the third party's offer will be treated as a new unsolicited offer subject to FRANCHISOR'S right of first offer under this Section.

34. <u>Termination by FRANCHISEE</u>

(a) FRANCHISEE shall have the right to terminate this Agreement without any reason at all on the third (3rd) anniversary of the Effective Date so long as FRANCHISEE provides written notice to FRANCHISOR of its intent to terminate this Agreement at least ninety (90) days prior to the third (3rd) anniversary of the Effective Date. If FRANCHISEE terminates this Agreement at any other time prior to expiration of the Term, for any reason or in any manner other than as provided in Sections 34(b) and 34(c) below, or fails to provide the required ninety (90) days' advance written notice to FRANCHISOR, then FRANCHISEE shall be required to pay liquidated damages to FRANCHISOR as set forth in Section 36(f) of this Agreement at the time of termination.

(b) FRANCHISEE shall have the right to terminate this Agreement prior to the expiration hereof and without notice, in the event that FRANCHISOR becomes insolvent, makes a general assignment for the benefit of its creditors, is adjudged bankrupt, or if a receiver of its assets is appointed.

(c) In the event that FRANCHISOR shall fail to perform any of its material obligations undertaken in this Agreement, FRANCHISEE may give written notice to FRANCHISOR of its intent to terminate this Agreement, promptly after FRANCHISEE first learns of the alleged breach, and which specifies in detail the facts constituting the alleged breach. If FRANCHISOR has not, within thirty (30) days of the receipt by FRANCHISOR of such notice, taken appropriate measures to cure the default in its performance, FRANCHISEE may, upon seven (7) days' additional written notice to FRANCHISOR, terminate this Agreement. Without limiting any other material provision herein, the parties specifically agree this provision is a material provision of this Agreement.

35. Termination by FRANCHISOR

(a) FRANCHISOR may terminate this Agreement, prior to its expiration and immediately upon written notice to FRANCHISEE, in the event FRANCHISEE becomes insolvent, makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or consents to the filing of such a petition against it, is adjudged bankrupt, if a receiver of its assets is appointed, or if its assets, property or interests are 'blocked' under any law, ordinance or regulation relating to terrorist activities or if it is otherwise in violation of any such law, ordinance or regulation.

(b) FRANCHISEE shall be deemed to be in default and FRANCHISOR may, at its option, terminate this Agreement, without affording FRANCHISEE any opportunity to cure the default, effective immediately upon giving of notice to FRANCHISEE, upon the occurrence of any of the following events:

(i) if FRANCHISEE ceases to operate, actively pursue or otherwise abandons the Franchised Business;

(ii) if FRANCHISEE, its General Manager, or a principal officer or person holding a twenty-five percent (25%) or greater interest, directly or indirectly, in FRANCHISEE, is convicted of a felony, or any other crime or offense in connection with the Linc Business that is reasonably likely, in the sole opinion of FRANCHISOR, to adversely affect the Linc System, FRANCHISOR'S Proprietary Marks, the goodwill associated therewith, or FRANCHISOR'S interest therein;

(iii) if FRANCHISEE, or any of its owners, or employees purports to transfer any rights or obligations under this Agreement to any third party without FRANCHISOR'S prior written consent contrary to the terms of Section 31 of this Agreement;

(iv) if FRANCHISEE, or any of its owners, fails to comply with the provisions of Section 22 hereof;

(v) if FRANCHISEE, or any of its owners, discloses or divulges any Trade Secrets or Confidential Information contained in the Confidential Operating Manual or other materials provided to FRANCHISEE by FRANCHISOR contrary to Section 18 hereof; and

(vi) if FRANCHISEE is in default as provided in Section 35(c) of this Agreement and has received two (2) or more notices of termination pursuant to that Section for the same, similar or different defaults during any preceding twelve (12) month period.

(c) Unless otherwise specifically provided for elsewhere in this Section 35, in the event that FRANCHISEE fails to pay or perform any obligation undertaken in this Agreement or any other written agreement with FRANCHISOR or fails to maintain any of the mandatory standards or procedures prescribed herein or in the Confidential Operating Manual, FRANCHISOR may give FRANCHISEE notice of default under this Agreement, and termination will become effective thirty (30) days after the giving

of such notice, or at the end of any longer period required by applicable law, unless FRANCHISEE shall, during such period, cure the default(s) to FRANCHISOR'S reasonable satisfaction, then this Agreement shall not terminate; provided, however, that if FRANCHISOR sends FRANCHISEE two (2) such notices in any twelve (12) month period, then FRANCHISEE shall have no right to cure the default(s) for any subsequent notice of termination provided pursuant to this Section 35(c).

36. <u>Obligations of FRANCHISEE Upon Termination or Expiration</u>

(a) For purposes of applying the terms of this Section, termination shall mean any termination of this Agreement whether by FRANCHISOR or FRANCHISEE for any reason, including default by FRANCHISOR or FRANCHISEE; and shall also mean any expiration of this Agreement for any reason, whether by its terms, by failure of FRANCHISEE to renew, or by refusal of FRANCHISOR to renew.

(b) Upon any termination of this Agreement, FRANCHISEE shall immediately pay all Royalty Fees and other charges due FRANCHISOR, shall immediately cease use of FRANCHISOR'S Proprietary Marks and the Linc System, and shall immediately cease holding itself out as a current or former Linc Franchisee, and shall notify in writing each of its customers then party to a maintenance agreement that it is no longer a Linc Franchisee or using the Linc System. FRANCHISEE shall take such action as may be necessary to cancel any assumed name, fictitious name or equivalent registration which contains any of FRANCHISOR'S Proprietary Marks.

(c) Upon any termination of this Agreement, FRANCHISEE shall immediately cease use of the Linc System, of all confidential methods, procedures, techniques and computer programs associated with the Linc System, and of all forms, stationery, signs, advertising and other materials associated with the Linc System, including removal of all Proprietary Marks from all vehicles and signage. FRANCHISEE shall immediately return to FRANCHISOR all copies of the Confidential Operating Manual in hard copy or electronic media, all computer programs and all Linc forms and materials and all copies in its possession and that it provided or made available to its officers, employees or other persons.

(d) Upon any termination of this Agreement, FRANCHISEE shall return the computer programs to FRANCHISOR; together with all copies made by FRANCHISEE. FRANCHISOR shall not be liable for any loss of data or business interruption under any legal or equitable theory resulting from the discontinuance of (1) the computer programs, (2) access to any Linc web site, or (3) support, and/or maintenance. Further, an affidavit shall be executed by the Principals, General Manager, Sales Manager, Service Manager, Office Manager, and Controller stating they have conducted a thorough investigation and have taken all necessary steps to assure that all Linc Confidential Information and Trade Secrets and other property of FRANCHISOR have been accumulated and returned to FRANCHISOR, and the use of all Linc forms, FRANCHISOR'S Proprietary Marks and Linc Confidential Information and Trade Secrets has been discontinued. FRANCHISEE further agrees that the provisions set forth in Sections 8 and 18 hereof shall survive expiration or termination of this Agreement. As set forth in Section 8 hereof, FRANCHISEE shall be entitled to use the accounting and information management portion of the LincWare Proprietary

Software for a period not to exceed three (3) months after termination of the Franchise Agreement, and solely to effect a timely and complete transfer of FRANCHISEE's accounting and other record keeping activities to replacement computer systems and software selected by FRANCHISEE. Except for this access to the then-current version of such software and reasonable assistance in the orderly transfer by FRANCHISEE, FRANCHISOR shall have no obligation to FRANCHISEE whatsoever.

(e) In the event that FRANCHISEE fails or refuses to comply with the requirements of this Section within ten (10) days following the termination of this Agreement, then it is agreed that FRANCHISOR shall be appointed FRANCHISEE'S attorney-in-fact to enable FRANCHISOR to take the actions required hereunder, and it is further agreed that FRANCHISOR or its agents shall have the right to enter the premises where FRANCHISEE conducted the Linc Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required hereunder, at the expense of FRANCHISEE, which expense FRANCHISEE agrees to pay upon demand.

(f) FRANCHISEE acknowledges and agrees that: (1) by granting FRANCHISEE the rights hereunder, FRANCHISOR has foregone the opportunity to grant a Linc franchise to another party or for FRANCHISOR or its Affiliates to own and operate a Linc Business in this Primary Marketing Area or Shared Marketing Area, as applicable; and (2) if this Agreement is terminated for any reason, other than a failure to renew under Section 29, FRANCHISOR will suffer substantial damages because of the termination, including lost Royalty Fees, lost market penetration, and lost goodwill in the Primary Marketing Area or Shared Marketing Area, as applicable, lost opportunity costs, and the expense of developing another Linc Business in the Primary Marketing Area or Shared Marketing Area, as applicable, which damages are extremely difficult to calculate. Accordingly, if this Agreement is terminated for any reason, except in accordance with Section 34 or a failure to renew under Section 29, then, in addition to FRANCHISOR'S other remedies, FRANCHISEE agrees to pay FRANCHISOR, within thirty (30) days after termination, as liquidated damages and not as a penalty, the amount of SIXTY-FIVE THOUSAND DOLLARS ($65,000.00), which is a reasonable estimation of the actual damages sustained by FRANCHISOR due to the termination.

(g) All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect until they are satisfied in full or by their nature expire.

VI. MISCELLANEOUS

37. Personnel Development

FRANCHISEE acknowledges the value of trained and competent employees and the necessity of having career paths in order to attract such personnel and to provide present employees of Linc Franchisees opportunities to advance. Therefore, FRANCHISOR may, but is not required to, provide consultation and assistance to FRANCHISEE in personnel planning, recruiting, personnel development, assessments, training, performance appraisals and compensation administration in order to develop and maintain a pool of qualified and upwardly mobile employees to meet the

expanding personnel requirements of Linc Franchisees. The consultations, referrals recruiting advice or services, and other assistance provided by FRANCHISOR shall not be considered an interference with the business or contractual relations of FRANCHISEE. Notwithstanding any advice or services that FRANCHISOR may provide on personnel matters, FRANCHISEE shall be solely responsible for all employment decisions with respect to their employees, including hiring, firing, compensation, training, advancement, demotions, supervision, discipline and all other terms and conditions of employment, and for compliance with all applicable employment laws.

38. Pricing Practice

FRANCHISOR may offer guidance to FRANCHISEE relating to the pricing of Linc Services that in FRANCHISOR'S judgment constitute good business practice. No such guidance shall be deemed to impose on FRANCHISEE any obligation to charge any fixed or minimum price, except as allowable under applicable law. FRANCHISEE will have the sole right to determine the prices to be charged by its Linc Business. FRANCHISEE agrees not to enter into any agreement or arrangement or to engage in any concerted practice with other Linc Businesses or its competitors relating to the prices at which Linc Services (or any other products or services) will be sold.

39. Governing Law

Except to the extent governed by the United States Arbitration Act, this Agreement shall be construed under the laws of the Commonwealth of Pennsylvania, provided the foregoing shall not constitute a waiver of any of FRANCHISEE'S rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, Pennsylvania law will prevail, without regard to any conflict of law principles. However, if any provision of this Agreement would not be enforceable under Pennsylvania law, and if the Primary Marketing Area or Shared Marketing Area, as applicable, is located outside of Pennsylvania and such provision would be enforceable under the laws of the state in which the Primary Marketing Area or Shared Marketing Area, as applicable, is predominantly located, then such provision shall be construed under the laws of that state. Nothing in this Section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the Commonwealth of Pennsylvania to which it otherwise would not be subject.

40. Dispute Resolution

Except as provided below, the parties agree that, should any dispute arise between them under, relating to or in connection with this Agreement, either party may, upon ten (10) days' notice to the other party, designate one or more representatives with authority to resolve the dispute to meet face-to-face (or communicate in such other manner as they may agree) in a good faith effort to amicably resolve the dispute. Each party covenants to devote a minimum of three (3) hours to such discussions. In the event that they remain unable to resolve the dispute(s) through such discussions, or if either party refuses to participate in such discussions, then upon ten (10) days' notice either party may submit the dispute(s) to non-binding mediation in Pittsburgh, Pennsylvania where they will continue their attempts in good faith to amicably resolve the dispute under the then-prevailing commercial mediation rules of a recognized dispute resolution service, or proceed with the dispute resolution process provided below.

Subject to Section 41, all controversies, disputes, or claims between FRANCHISOR, any of its Affiliates, or any of their respective officers, directors, agents, employees and attorneys and FRANCHISEE, any of its Affiliates or any of their respective officers, directors, agents, employees

and attorneys, arising from or relating to this Agreement that have not been resolved through good faith discussions or mediation shall on demand of either party be submitted for arbitration to the American Arbitration Association ("AAA") or other arbitration administrative tribunal acceptable to FRANCHISOR. The arbitration hearing(s) and all other proceedings shall be held in Pittsburgh, Pennsylvania, unless otherwise required by law. The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each party shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedures) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitration proceedings shall be conducted in accordance with the then-current commercial arbitration rules of the AAA or other arbitration administrative tribunal acceptable to FRANCHISOR, except as modified by this Agreement. The parties shall be entitled to limited discovery at the discretion of the arbitrator(s) who may, but are not required to, allow depositions. The parties acknowledge that the arbitrators' subpoena power is not subject to geographic limitations. The arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated or class-wide basis. The arbitrator(s) shall have the right to award the relief which he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, legal fees and costs; provided, however, in no event may the arbitrator(s) modify or change any material provisions of this Agreement. The award and decision of the arbitrator(s) shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act. The provisions of this Section 40 shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

41. Injunctive Relief

Either party may seek to obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause such party immediate and irreparable harm. FRANCHISEE acknowledges that any violation of Section 22 or 36 would result in irreparable injury to FRANCHISOR for which no adequate remedy at law may be available. Accordingly, FRANCHISEE consents to the issuance of an injunction prohibiting any conduct in violation of Section 22 or 36.

42. Costs and Attorneys' Fees

The party who prevails in any judicial or arbitral proceeding will be awarded its costs and expenses incurred in connection therewith, including reasonable attorneys' fees incurred in connection with the proceeding.

43. Severability and Substitution of Provisions

If any applicable law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of "good cause," or the taking of some other action not required hereunder, the prior notice, "good cause" standard and/or other action required by such law shall be substituted for the comparable provisions hereof. If any

provision of this Agreement or any specification, standard or operating procedure prescribed by FRANCHISOR is invalid or unenforceable under applicable law, FRANCHISOR has the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable, including the right to delete the provision in its entirety. It is hereby declared the intention of the parties that they would have executed this Agreement as so modified; provided; however, that if FRANCHISOR, in its sole discretion, determines that such modification substantially impairs the value of this Agreement to FRANCHISOR, then FRANCHISOR may terminate this Agreement by written notice to FRANCHISEE.

44. Waiver of Obligations

FRANCHISOR and FRANCHISEE may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by FRANCHISOR shall be without prejudice to any other rights FRANCHISOR may have, will be subject to continuing review by FRANCHISOR and may be revoked, in its sole discretion, at any time and for any reason, effective upon delivery to FRANCHISEE, of ten (10) days' prior notice. FRANCHISEE and FRANCHISOR shall not be deemed to have waived any right reserved by this Agreement by virtue of any custom or practice of the parties at variance with it; any failure, refusal or neglect by FRANCHISEE or FRANCHISOR to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by FRANCHISOR to exercise any right, whether of the same, similar or different nature, with respect to other Linc Businesses; or the acceptance by FRANCHISOR of any payments due from FRANCHISEE after any breach of this Agreement.

45. Exercise of Rights

Except as otherwise expressly provided, the rights of FRANCHISOR and FRANCHISEE hereunder are cumulative and no exercise or enforcement by FRANCHISOR or FRANCHISEE of any right or remedy hereunder shall preclude the exercise or enforcement by FRANCHISOR or FRANCHISEE of any other right or remedy hereunder which FRANCHISOR or FRANCHISEE is entitled to enforce by law.

46. Construction

The language of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any party. The introduction, exhibits and riders (if any) to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement; other than the franchise disclosure document, that either party may or does rely on or that will have any force or effect. Notwithstanding the foregoing, nothing contained herein or in any related agreement is intended to disclaim FRANCHISOR'S representations made to FRANCHISEE in the franchise disclosure document. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. Except as otherwise expressly provided herein, this Agreement may be modified only by a written agreement signed by both parties.

The headings of articles and sections are for convenience only and do not limit or construe their contents. Capitalized words shall have the meanings defined where such terms occur in quotation marks in this Agreement. All words used in any number or gender shall extend to include any other numbers or gender as the context may require. If any provision of this Agreement is capable of more than one construction, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. The word "including" shall be construed to include the words "without limitation." The term "FRANCHISEE" is applicable to one or more persons, corporation, limited liability company or a partnership and its owners, as the case may be. If two or more persons are at any time FRANCHISEE hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to FRANCHISOR shall be joint and several. References to a controlling interest in an entity shall mean the direct or indirect ownership of more than fifty percent (50%) of the equity and voting control of such entity**,** or the direct or indirect right to control the operation of the Linc Business.

This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

47. Approvals and Consents

In all cases where FRANCHISOR'S prior consent or acceptance is required and no other method or timing for obtaining such consent or acceptance is prescribed, FRANCHISEE must request such consent or acceptance in writing, and FRANCHISOR will notify FRANCHISEE of FRANCHISOR'S decision within thirty (30) days after receiving FRANCHISEE'S written request and all supporting documentation. Whenever FRANCHISOR'S consent or acceptance is required hereunder, such consent or acceptance must be in writing. If FRANCHISOR does not respond in writing to FRANCHISEE'S request within such thirty (30) day period, the request shall be deemed denied. FRANCHISOR'S consent to or acceptance of any request by FRANCHISEE shall be effective only to the extent specifically stated and shall not be deemed to waive or render unnecessary FRANCHISOR'S consent or acceptance of any subsequent similar request. Except where this Agreement expressly obligates FRANCHISOR to reasonably accept or consent to (or not to unreasonably withhold our acceptance of or consent to) any action or request by FRANCHISEE, FRANCHISOR has the absolute right for any reason or no reason to withhold FRANCHISOR'S acceptance of or consent to any action by FRANCHISEE.

48. Notices and Payments

All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered: (a) at the time delivered by hand to the recipient party (or to an officer, General Manager, director or partner of the recipient party); (b) on the same day of the transmission by facsimile or other reasonably reliable electronic communication system; (c) one (1) business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All payments and reports required by this Agreement shall be sent to FRANCHISOR at the address identified in this Agreement unless and until a different address has been designated by written notice.

49. Independent Investigation

FRANCHISEE acknowledges that it has conducted an independent investigation of the Linc System and the business to be operated hereunder and recognizes that the business venture contemplated by this Agreement involves business risks and its success will be largely dependent upon the ability of FRANCHISEE as an independent businessman. FRANCHISOR expressly disclaims the making of, and FRANCHISEE acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

FRANCHISEE acknowledges that it has received, read and understood this Agreement and that FRANCHISOR has accorded FRANCHISEE ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. .

50. Effective Date and Agreement Year

All obligations of either party according to the terms and conditions as set forth in this Agreement, shall become effective on the Effective Date and continue thereafter until this Agreement is terminated in accordance with the terms hereof. The term "**Agreement Year**" shall mean each twelve (12) month period starting with the Effective Date, or an anniversary thereof, and expiring the day before the next anniversary of the Effective Date.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement this _____ day of _____, _____.

ATTEST:

_____
Witness

ABM Franchising Group, LLC

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL (if any)]

ATTEST:

_____
Witness

Franchisee

By:_____
(Title)

[CORPORATE SEAL (if any)]

Each of the undersigned owns a five percent (5%) or greater legal or beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

EXHIBIT A TO FRANCHISE AGREEMENT

LINCWARE SOFTWARE AGREEMENT

(Please see separate Exhibit to Franchise Disclosure Document)

EXHIBIT B TO FRANCHISE AGREEMENT

GUARANTEE

(Please see separate Exhibit to Franchise Disclosure Document)

EXHIBIT B.

SATELLITE BRANCH AMENDMENT

LINC® SATELLITE BRANCH AMENDMENT

This Satellite Branch Amendment ("Amendment"), is executed this _____ day of _____ _____, _____, by and between ABM Franchising Group, LLC, a Delaware limited liability company with its principal place of business at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317 (hereinafter "FRANCHISOR"), and _____ _____, a _____ organized under the laws of _____ _____ with its principal place of business at _____ _____ (hereinafter "FRANCHISEE").

WHEREAS, FRANCHISOR and FRANCHISEE have entered into a Linc Franchise Agreement, Effective Date _____, _____ (hereinafter "Franchise Agreement"), granting to FRANCHISEE a franchise to operate a Linc Business from a Location within the Primary Marketing Area or Shared Marketing Area, as applicable, under the Franchise Agreement; and

WHEREAS, FRANCHISEE desires to obtain, and FRANCHISOR desires to extend to FRANCHISEE, the right to operate a Linc Business at or from an additional location within the Primary Marketing Area or Shared Marketing Area, as applicable, as set forth herein.

NOW, THEREFORE, the parties, in consideration of the mutual promises contained herein and intending to be legally bound, agree as follows:

FRANCHISEE shall pay to FRANCHISOR the amount of FIFTEEN THOUSAND DOLLARS ($15,000.00) payable in full upon execution of this Amendment, which sum shall be deemed fully earned and nonrefundable.

1. Section 2 of the Franchise Agreement is deleted and the following is substituted in its place:

> "2. Location. This franchise is granted at the following specific locations, within the Primary Marketing Area or Shared Marketing Area, as applicable, as defined in Section 3 hereof:
>
> _____
>
> _____("Primary Location") and
>
> _____
>
> _____ ("Satellite Branch Location").
>
> The Primary Location and Satellite Branch Location are collectively referenced to in this Agreement as the "Location". FRANCHISEE shall not relocate its Linc Business from the Location without the prior written approval of FRANCHISOR and shall not establish or engage in a Linc Business at or operating from any additional location."

2. During the Term of the Franchise Agreement, all Gross Revenues generated from the sale and performance of Linc Service® from the Satellite Location will be aggregated with the Gross Revenues generated from the sale and performance of Linc Service® from the Primary Location for purposes of calculating Royalty Fees,

3. All capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of this Amendment, the terms of this Amendment shall control. Except as expressly amended by this Amendment, all other rights and obligations of the parties contained in the Franchise Agreement shall remain in effect in accordance with the terms of the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Amendment the day and year first above written.

WITNESS/ATTEST: **ABM FRANCHISING GROUP, LLC**

_____ By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

WITNESS/ATTEST: **FRANCHISEE**

_____ By:_____
(Title)

EXHIBIT C.

REMOTE BRANCH AMENDMENT

LINC® REMOTE BRANCH AMENDMENT

This Remote Branch Amendment ("Amendment"), is executed this _____ day of _____ _____, _____ by and between ABM Franchising Group, LLC, a Delaware limited liability company with its principal place of business at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317, (hereinafter "FRANCHISOR"), and _____ _____, a _____ organized under the laws of _ _____ with its principal place of business at _____ _____ (hereinafter "FRANCHISEE").

WHEREAS, FRANCHISOR and FRANCHISEE have entered into a Linc Franchise Agreement, Effective Date _____, _____ (hereinafter "Franchise Agreement"), granting to FRANCHISEE a franchise to operate a Linc Business within the Primary Marketing Area or Shared Marketing Area set forth in the Franchise Agreement; and

WHEREAS, FRANCHISEE desires to obtain, and FRANCHISOR desires to extend to FRANCHISEE, the right to operate a Linc Business at or from another location outside the Primary Marketing Area or Shared Marketing Area, as applicable (a "Remote Branch"), as set forth herein.

NOW, THEREFORE, the parties, in consideration of the mutual promises contained herein and intending to be legally bound, agree as follows:

1. FRANCHISEE shall pay to FRANCHISOR the sum of THIRTY THOUSAND DOLLARS ($30,000), payable in full upon execution of this Amendment, which sum shall be deemed fully earned and nonrefundable.

2. The following shall be added to Section 2 of the Franchise Agreement:

> FRANCHISEE shall have the right to establish and engage in a Linc Business at or operating from the following additional location: _____ _____(hereinafter "Remote Branch Location")

3. The following shall be added to Section 3 of the Franchise Agreement:

> FRANCHISEE shall have the non-exclusive right to perform any of the services of a Linc Business using the Proprietary Marks and the Linc System on any building or mechanical system located within the following geographical area (the "Remote Branch Area"):
>
> _____
> _____
>
> FRANCHISEE may, but is not obligated to, employ a full-time General Manager to manage the Remote Branch. FRANCHISOR shall have no obligation to provide initial training for personnel of FRANCHISEE at the Remote Branch or to recruit personnel for the Remote Branch, except upon payment by FRANCHISEE of separate fees established by FRANCHISOR in the Confidential Operating Manual or otherwise in writing.
>
> So long as this Amendment remains in effect, and provided FRANCHISEE maintains the Remote Branch at a fixed place of business, a mailing address and local telephone service, and employs at and from the Remote Branch not less than one Service Technician, the Remote Branch Area shall be included in, and considered part of, the Primary Marketing

Area or Shared Marketing Area, as applicable, and FRANCHISOR shall not itself provide or grant to another third party the right to provide Linc Services in such Remote Branch Area except as provided in the Franchise Agreement.

4. The following shall be added to Section 10 of the Franchise Agreement:

FRANCHISEE will be obligated to execute a separate Franchise Agreement for the Remote Branch, pay a Remote Branch Conversion Fee of TWENTY THOUSAND DOLLARS ($20,0000) and this Amendment will automatically and without any further action or notice terminate at the earlier of the following to occur (i) the two-year anniversary of the date of executing this Amendment, or (ii) the date upon which the Gross Revenues of the Remote Branch reach $500,000. The Franchise Agreement for the Remote Branch Location will be on the terms of the then-current Linc franchise agreement offered by FRANCHISOR, provided that FRANCHISOR shall not be obligated to provide any of its customary pre-opening services.

5. The following shall be added to Section 11 of the Franchise Agreement:

From the date of executing this Amendment through the date of termination of this Amendment, all Gross Revenues generated from the sale and performance of Linc Service® in the Remote Branch Area will be aggregated with the Gross Revenues generated from the sale and performance of Linc Service® in the Territory covered by the Franchise Agreement for purposes of calculating Royalty Fees.

6. All initially capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of this Amendment, the terms of this Amendment shall control. Except as expressly amended by this Amendment, all other rights and obligations of the parties contained in the Franchise Agreement shall remain in effect in accordance with the terms of the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Amendment the day and year first above written.

WITNESS/ATTEST:

ABM FRANCHISING GROUP, LLC

_____

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

WITNESS/ATTEST:

FRANCHISEE

_____

By:_____
(Title)

EXHIBIT D.

GUARANTEE

GUARANTEE

In consideration of, and as an inducement to, the execution of the Linc Franchise Agreement dated as of _____, 20__ (the "Agreement") by and between ABM Franchising Group, LLC ("FRANCHISOR"), and _____ ("FRANCHISEE"), each of the undersigned owners of an interest in FRANCHISEE hereby personally and unconditionally: (1) guarantees to FRANCHISOR and its successors and assigns that FRANCHISEE shall, punctually pay and perform each and every undertaking and agreement set forth in the Agreement, and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by FRANCHISOR of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he/she may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that: (i) his/her direct and immediate liability under this guarantee shall be joint and several; (ii) he/she shall render any payment or performance required under the Agreement upon demand if FRANCHISEE fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by FRANCHISOR of any remedies against FRANCHISEE or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the FRANCHISOR may from time to time grant to FRANCHISEE onto any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of the Agreement.

[SIGNATURE PAGE FOLLOWS]

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

PERCENTAGE OF OWNERSHIP INTEREST IN FRANCHISEE	**GUARANTOR(S)**
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)

DATE: _____, 20___

Subscribed and sworn to before me this _____ day of _____, 20___.

_____
Notary Public

My Commission expires:_____

EXHIBIT E.

CONFIDENTIALITY AGREEMENT

EMPLOYEE CONFIDENTIALITY AGREEMENT

This Employee Confidentiality Agreement is executed by _____

(herein the “Employee”) for the benefit of_____

(herein the "Company") and ABM Franchising Group, LLC (herein the “Franchisor”)

PRELIMINARY STATEMENT

Company is a Franchisee of ABM Franchising Group, LLC. Under the Linc Franchise, the Company performs maintenance, service, calibration, adjustment, repair and operation of heating, ventilating, air conditioning, energy management and building automation systems, equipment and controls; modifications, additions and changes to such systems; the sale of parts and supplies for the maintenance and operation of such systems; and the design and installation of temperature control, energy management and building automation systems (herein the "Company's Linc Business"). Pursuant to the Linc Franchise, ABM Franchising Group, LLC, has and will provide the Company with trade secrets, forms, manuals, procedures, pricing information, maintenance scheduling, training materials, customer agreements, computer programs and a Confidential Operating Manual (herein, collectively, the "Linc Confidential Materials"), all of which is considered to be of a confidential and proprietary nature. In addition, Company will generate customer and prospect lists and customer information (herein the "Company Confidential Information"), which are also considered to be of a confidential and proprietary nature. The Linc Confidential Materials and Company Confidential Information are herein collectively referred to as the "Confidential Materials and Information." The Company desires to assure that Employee will not use or disclose the Confidential Materials and Information, other than as is reasonably required in connection with his/her duties for the Company. For this reason, the Company requires execution of this Employee Confidentiality Agreement as a condition of the employment and/or continued employment of the Employee by the Company.

WHEREFORE, in consideration of the employment and/or continued employment of the Employee by the Company, the Employee agrees as follows:

1. The Employee will not use or disclose any Confidential Materials and Information during the course of the Employee's employment by the Company, or thereafter, except as specifically authorized by the Company for the benefit of the Company.

2. Except as necessary in connection with the Company's Linc Business, the Employee will not remove from the business premises of the Company any Confidential Materials and Information. The Employee will hold the Confidential Materials and Information in the strictest confidence, and not utilize or disclose such information, directly or indirectly, to any person or persons without express authorization from the Company, unless such information has otherwise been generally made available to the public and is in the public domain.

3. The Employee agrees that any unauthorized disclosure or utilization of the Confidential Materials and Information will result in immediate and irreparable harm to ABM Franchising Group, LLC, and/or the Company, and that they, independently or jointly, shall be entitled to obtain injunctive relief against the Employee, and to recover all direct, indirect and consequential damages, including attorneys’ fees, court costs and expenses, resulting from any unauthorized use or disclosure of the Confidential Materials and Information.

4. The Employee agrees that for a period of one (1) year following his/her termination of employment by the Company for any reason whatsoever, the Employee will not, independently or as an employer, employee, partner, consultant, agent or proprietor of any business, contact or solicit any business or individual who has been a customer or prospect of the Company's Linc Business during the preceding year, for the purpose of offering

or providing services in competition with the Company's Linc Business, provided that this restriction shall apply only to customers or prospects of the Company's Linc Business, or representative of customers or prospects of the Company's Linc Business, with which Employee had contact during such one (1) year period preceding his/her termination of employment by the Company. During his/her employment, and for a period of one (1) year following his/her termination of employment with the company for any reason the Employee will not either directly or indirectly, call on, solicit, or induce any other employee or officer of the Company's Linc Business of its affiliates which Employee had contact with, knowledge of, or association with in the course of his/her employment with the Company's Linc Business to terminate his or her employment, and will not assist any other person or entity in such a solicitation, without the express written consent of the Company.

IN WITNESS WHEREOF, the Employee has executed this Employee Confidentiality Agreement.

_____
Date

_____ _____
Witness Employee

E-046
© 1994 ABM Franchising Group, LLC Copy 1 - ABM Franchising Group, LLC Copy 2 - Franchisee's Personnel File Copy 3 - Employee

EXHIBIT F.

LINCWARE SOFTWARE AGREEMENT

LINCWARE SOFTWARE AGREEMENT

This LincWare Software Agreement (the "Agreement") effective as of the _____ day of _____ _____, 20__, by and between **ABM Franchising Group, LLC**, having its principal place of business for franchising at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317 ("LICENSOR"), and _____ ("LICENSEE"), having its principal place of business at _____, concerns the licensing of certain proprietary computer software, information and documentation for the operation of LICENSEE'S Linc® Business, including its accounting and management information systems (collectively referred to herein as "LincWare"). Terms used but not defined herein shall have the same meaning as set forth in the franchise agreement between LICENSOR and LICENSEE effective as of _____, 20__ (the "Franchise Agreement").

1. GRANT OF LICENSE

Subject to the terms of this Agreement, LICENSOR hereby grants to LICENSEE, the non-exclusive, non-assignable, revocable, limited right to use LincWare for its internal business purposes and as set forth in the respective Franchise Agreement between LICENSOR and LICENSEE. The right granted to LICENSEE hereunder is personal in nature and may not be used by any other third party or entity, other than the LICENSEE as stated herein. LincWare may not be used for any purpose other than as intended by LICENSOR. LICENSEE shall not otherwise copy LincWare or permit any employee, agent, customer or any other person to do the same. This LincWare Software Agreement is collateral to Franchise Agreement between LICENSOR and LICENSEE. LICENSEE acknowledges and agrees that LincWare is proprietary to LICENSOR and its vendors and licensors and that this Agreement grants LICENSEE no title or right of ownership in LincWare. LICENSEE agrees that it shall treat LincWare with the same degree of care it treats like information of its own, which it does not wish to disclose to the public.

LICENSEE shall not directly or indirectly through or with one or more other persons (i) decompile, disassemble, or reverse engineer LincWare to (a) build a competitive product or service, (b) build a product or service using similar ideas, features, functions, or graphics of LincWare, or (c) copy any ideas, features, functions, or graphics of LincWare, (ii) use LincWare or any LICENSEE Confidential Information to develop a competing service, (iii) provide, lease, lend, use for timesharing or service bureau purposes, or otherwise use or allow others to use LincWare for the benefit of any third party, or (iv) remove any copyright, trademark, proprietary rights, disclaimer, or warning notice included on or embedded in any part of LincWare (including any screen displays, etc.). If LICENSEE is or becomes a competitor of LICENSOR, LICENSEE shall not access or use LincWare, or monitor its availability, performance, or functionality.

LICENSOR and its vendors and licensors provide services and use software and technology that may be subject to U.S. export controls administered by U.S. agencies. LICENSEE shall not access or use LincWare or otherwise transfer or export or re-export to countries that the United States maintains an embargo (collectively, "Embargoed Countries"), or to or by a national or resident thereof, or any person or entity on the U.S. Department of Treasury's List of Specially Designated Nationals or the U.S. Department of Commerce's Table of Denial Orders (collectively, "Designated Nationals"), each of which may change from time to time. By using LincWare, LICENSEE represents and warrants that LICENSEE is not located in, under the control of, or a national or resident of, an Embargoed Country or Designated National.

Except for the limited rights granted in this Section 1, LICENSOR and its vendors and licensors reserve all right, title and interest in and to LincWare, and their respective systems, web applications, tools, and other software, and their respective logos, marks, data, information and other content.

2. SERVICES RENDERED BY LICENSOR

LICENSEE hereby engages the LICENSOR and LICENSOR (or its affiliate or designee) hereby agrees, upon payment of the sum of money required by the Confidential Operating Manual (as defined in the Franchise Agreement), to provide software support services with respect to LincWare. Under this Agreement, LICENSOR shall provide LICENSEE with software updates, modifications, and enhancements which may be developed and made generally available by LICENSOR; and software support in the form of guidance, assistance and advice as reasonably required by LICENSEE to enable LICENSEE to effectively use LincWare. LICENSOR shall provide LICENSEE such assistance as is necessary to correct any material nonconformance discovered by LICENSEE.

Software support shall be provided only for matters directly involving the use and operation of LincWare. Support shall not be provided for other matters as, for example, problems arising out of failure to implement updates as provided herein, failure to follow backup procedures prescribed by LICENSOR, operator negligence or error or causes external to LincWare.

3. RESPONSIBILITY OF LICENSEE

It is understood and agreed that as software updates, modifications and enhancements become available to the LICENSEE that LICENSEE will update its software to the latest revision level distributed by LICENSOR and apply the update to its current version within one (1) month of LICENSEE'S receipt of same. All updates, modifications and enhancements provided hereunder shall be subject to the terms and conditions of this LincWare Software Agreement. LICENSEE shall remain current on all payments to LICENSOR, including but not limited to payments under this Agreement, or any other agreement, either written or oral, for services, products or reimbursements between LICENSOR and LICENSEE.

LICENSEE shall indemnify, defend, and hold harmless LICENSOR and its vendors, licensors, affiliates, and subsidiaries, and their respective officers, directors, employees, representatives, and agents from and against any and all claims, losses, liability, damages, costs, and expenses (including reasonable out-of-pocket expenses and attorneys' fees) arising out of or relating to: (a) LICENSEE'S negligent or reckless act or omission; (b) LICENSEE'S failure to comply with all applicable laws with respect to its use of LincWare; or (c) LICENSEE'S breach of a representation, warranty or covenant contained in this Agreement.

4. TERM

a. The License granted under this Agreement shall commence upon execution of this Agreement by each party.

b. This Agreement shall renew automatically upon the renewal of the Franchise Agreement unless terminated pursuant to the terms set forth in Section 5 below.

5. TERMINATION

a. This Agreement shall operate so long as LICENSEE remains current on all fees payable hereunder and the Term of the Franchise Agreement is in effect, provided that, this Agreement shall terminate automatically upon the termination of the Franchise Agreement. LICENSEE shall be entitled to use the LincWare Software for a period not to exceed three (3) months after termination of the Franchise Agreement, and solely to affect a timely and complete transfer of LICENSEE'S accounting and other record keeping activities to replacement computer systems and software selected by LICENSEE. Except for this access to the then-current version of LincWare and reasonable assistance in the orderly transfer by LICENSEE, LICENSOR shall have no obligation to LICENSEE whatsoever.

b. LICENSOR may terminate this Agreement if LICENSEE fails to cure its breach within ninety (90) days of notice of such breach. Within one (1) month of any termination of this Agreement, LICENSEE shall destroy all copies of LincWare in its possession or control. This Agreement shall also terminate automatically upon the termination of the Franchise Agreement between the parties for a Linc Business.

6. LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTIES

TO THE EXTENT PERMITTED BY LAW, LINCWARE AND ANY OTHER SOFTWARE, SERVICES OR DELIVERABLES ARE PROVIDED "AS IS" AND "AS-AVAILABLE," WITH ALL FAULTS, AND WITHOUT WARRANTIES OF ANY KIND. LICENSOR AND ITS VENDORS AND LICENSORS DISCLAIM ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, QUALITY OF INFORMATION, TITLE, AND NON-INFRINGEMENT. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY LICENSOR OR ITS AUTHORIZED REPRESENTATIVES CREATES ANY OTHER WARRANTIES OR IN ANY WAY INCREASES THE SCOPE OF LICENSOR'S OBLIGATIONS UNDER THIS AGREEMENT. LINCWARE MAY BE USED TO ACCESS AND TRANSFER INFORMATION, INCLUDING CONFIDENTIAL INFORMATION, OVER THE INTERNET. LICENSEE ACKNOWLEDGES AND AGREES THAT LICENSOR AND ITS VENDORS AND LICENSORS DO NOT OPERATE OR CONTROL THE INTERNET AND THAT (A) VIRUSES, WORMS, TROJAN HORSES, OR OTHER UNDESIRABLE DATA OR SOFTWARE; OR (B) UNAUTHORIZED THIRD PARTIES (*e.g.*, HACKERS) MAY ATTEMPT TO OBTAIN ACCESS TO AND/OR DAMAGE CUSTOMER'S DATA, WEBSITES, COMPUTERS, OR NETWORKS. LICENSOR AND ITS VENDORS AND LICENSORS WILL NOT BE LIABLE FOR ANY SUCH ACTIVITIES OR ANY DAMAGES SUSTAINED BY LICENSEE, NOR WILL SUCH ACTIVITIES CONSTITUTE A BREACH BY LICENSOR OF ITS OBLIGATIONS UNDER THIS AGREEMENT.

LICENSOR'S ENTIRE LIABILITY WITH RESPECT TO LINCWARE SHALL BE AS SET FORTH HEREIN. LICENSOR AND ITS VENDORS AND LICENSORS SHALL NOT BE LIABLE TO LICENSEE OR ANY THIRD PARTY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, EXPENSES, OR LOST PROFITS, LOST SAVINGS OR OTHER DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE LINCWARE OR THE BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES. THE TOTAL LIABILITY OF LICENSOR AND ITS VENDORS AND LICENSORS TO LICENSEE OR ANY THIRD PARTY ARISING OUT OF THIS AGREEMENT, REGARDLESS OF WHETHER UNDER A CONTRACT, TORT OR OTHER THEORY OF LIABILITY, FOR ANY AND ALL CLAIMS OR TYPES OF DAMAGES, WILL NOT EXCEED THE TOTAL FEES PAID UNDER THIS AGREEMENT BY LICENSEE TO LICENSOR DURING THE 12 MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO LIABILITY.

7. BENEFIT AND ASSIGNABILITY

This Agreement shall be binding upon LICENSOR and inure to its benefit and the benefit of its successors and assigns, and shall be binding upon LICENSEE and inure to its benefit. This Agreement shall be transferable by LICENSOR. LICENSEE shall neither (i) assign, whether voluntarily or involuntarily, by merger, consolidation, dissolution, change of control, or otherwise, this Agreement or any of its rights under this Agreement, nor (ii) delegate any performance under this Agreement. Any purported assignment or delegation in violation of this section will be void.

8. NOTICES

All notices, statements and other communications hereunder shall be made in writing addressed to the party at its address set forth herein. Should a party change its address, prompt written notice thereof shall be given to the other party and communication will thereafter be sent to the new address.

9. THIRD PARTY BENEFICIARIES

The parties acknowledge that LincWare includes software licensed by LICENSOR from LICENSOR'S licensors. LICENSOR'S licensors are direct and intended third party beneficiaries of this Agreement and are entitled to enforce it directly against LICENSEE to the extent (a) this Agreement relates to the licensing of LICENSOR'S licensors' software products, and (b) LICENSOR fails to enforce the terms of this Agreement on their behalf.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their duly authorized representatives.

LICENSEE	LICENSOR
_____	_____
Signature	Signature
_____	Martin A. Keyser
Printed Name	Printed Name
_____	Senior Vice President – Franchise Operations
Title	Title
_____	_____
Date	Date

EXHIBIT G.

GENERAL RELEASE

GENERAL RELEASE

WHEREAS, _____ (FRANCHISEE), a _____ _____, organized under the laws of _____ with its principal place of business at _____ has entered into a Franchise Agreement with ABM Franchising Group, LLC (FRANCHISOR), a Delaware limited liability company with its principal place of business for franchising at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317, dated _____ for a Linc Business at the following Location:

_____

WHEREAS, under Paragraph 29(c) of the Franchise Agreement, FRANCHISEE may [renew] [transfer] the Franchise without payment of an additional Initial Franchise Fee if FRANCHISEE executes a general release.

NOW, THEREFORE, FRANCHISEE, intending to be legally bound, agrees as follows:

FRANCHISEE on behalf of itself, its heirs, executors, administrators, agents and assigns, releases and forever discharges ABM Franchising Group, LLC, its parent companies, subsidiaries and affiliates, and their respective officers, directors, agents and employees from any and all claims, demands, damages, actions or causes of action, of whatsoever kind or nature, whether in contract, tort, equity or otherwise, because of any manner or thing done, or omitted to be done, prior to and including the date of this general release arising out of or attributable to its relationship as a Linc Franchisee.

THIS RELEASE IS INTENDED TO BE A COMPLETE AND ALL-INCLUSIVE RELEASE.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed this _ _____ day of_____, _____.

WITNESS:

_____

FRANCHISEE

_____

By: _____

Its: _____

EXHIBIT H.

STATE ADMINISTRATORS

STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT I.

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
National Registered Agents, Inc.
2030 Main Street, Suite 1030
Irvine, California 92614
or
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West Fourth Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
Toll Free: (866) 275-2677

COLORADO
National Registered Agents, Inc.
1535 Grant Street, Suite 140
Denver, Colorado 80203

DELAWARE
National Registered Agents, Inc.
160 Greentree Drive, Suite 101
Dover, Delaware 19904

GEORGIA
National Registered Agents, Inc.
3761 Venture Drive
Duluth, Georgia 30096

HAWAII
Commissioner of Securities of the State of Hawaii
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
Secretary of State
Franchise Section
302 West Washington, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN
Michigan Attorney General's Office
Corporate Oversight Division, Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 335-7567

MINNESOTA
Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK
New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492
or
National Registered Agents, Inc.
875 Avenue of the America, Suite 501
New York, New York 10001

NORTH CAROLINA
National Registered Agents, Inc.
120 Penmarc Drive, Suite 118
Raleigh, North Carolina 27603

NORTH DAKOTA
North Dakota Securities Commissioner
600 East Boulevard Avenue, State Capitol
Fifth Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

NEVADA
National Registered Agents, Inc.
1000 East William St., Suite 204
Carson City, Nevada 89701

OHIO
National Registered Agents, Inc.
145 Baker Street
Marion, Ohio 43302

PENNSYLVANIA
National Registered Agents, Inc.

RHODE ISLAND
Director of Department of Business Regulation
Department of Business Regulation
Securities Division
Bldg. 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH CAROLINA
National Registered Agents, Inc.
2 Office Park Court, Suite 103
Columbia, South Carolina 29223

SOUTH DAKOTA
Division of Insurance
Director of the Securities Regulation
124 South Euclid Avenue, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

TEXAS
National Registered Agents, Inc.
1614 Sidney Baker Street
Kerrville, Texas 78028

VIRGINIA
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON
Director of Department of Financial Institutions
Securities Division – 3rd Floor
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

WISCONSIN
Division of Securities
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

EXHIBIT J

LIST OF FRANCHISEES

EXHIBIT J.

LINC FRANCHISEES

as of October 31, 2022

FRANCHISED OPERATING UNITS

Franchisee	Contact Information
ALABAMA (4)	
Star Service, Inc. of Mobile *Shaun Mayeux, President & GM*	4663 Halls Mill Road Mobile, AL 36693 Tel: (251) 661-4050
Vulcan Mechanical Services, Inc. *Dan Shirey, President*	532 Mineral Trace Birmingham, AL 35244 Tel: (205) 444-9671
Vulcan Mechanical Services, Inc. *Dan Shirey, President*	7243 Greenbrier Road Madison, AL 35756 Tel: (256) 309-5348
Vulcan Mechanical Services, Inc. *Dan Shirey, President*	2776 Gunter Park Dr. Unit J Montgomery, AL 36109 Tel: (334) 649-4877
ALASKA (1)	
The Superior Group, Inc. *Fred Griffith, President*	2220 E. 88th Avenue Anchorage, AK 99507 Tel: (907) 349-6550
ARIZONA (1)	
Central Service Group, LLC *Michael J. Kerszytn, President*	2632 S. 83rd Ave. Suite 100-300 Phoenix, AZ 85043 Tel: (602) 377-2110
ARKANSAS (1)	
QuesTec Arkansas, LLC *Scott Boyd, President*	1215B ESI Drive Springdale, AR 72764 Tel: (479) 717-2924
CALIFORNIA (5)	
Airite Heating & Air Conditioning, Inc. *Richard A. Mace Jr., President*	10779 Fremont Street Ontario, CA 91762 Tel: (909) 628-6035
BMI Mechanical, Inc. *Dax Brott, President*	3101 N. Sillect Avenue #111 Bakersfield, CA 93308 Tel: (800) 698-4264

Franchisee	Contact Information
BMI-PacWest, Inc. *Dax Brott, President*	3130 Skyway Drive #101 Santa Maria, CA 93455 Tel: (800) 698-4264
BMI Mechanical, Inc. *Dax Brott, President*	1115 South Blackstone Street Tulare, CA 93274 Tel: (559) 688-7571
Express Refrigeration, Inc. *Vijay Ambavanekar, President*	4330 Pinell Street Sacramento, CA 95838 Tel: (916) 419-3400
COLORADO (1)	
Climate Engineering, Inc. *Todd Flannery, President*	10180 W Hampden Ave Lakewood, CO 80227 Tel: (303) 777-2056
DELAWARE (1)	
Sobieski Services Inc. *John F. Sobieski, III, CEO*	1325 Old Cooch's Bridge Rd. Newark, DE 19713 Tel: (302) 993-0104
FLORIDA (1)	
Brophy Air Specialty Group, LLC *Francisco Diaz-Masso, Principal*	1335 N.W. 98th Court #10 Miami, FL 33172
GEORGIA (3)	
Hays Service, LLC *Cal Hays, President*	4312 Interstate Dr. Macon, GA 31210 Tel: (478) 475-4118
Total Comfort Solutions *Todd Hyneman, President*	770 Industrial Park Dr. Evans, GA 30809 Tel: (706) 863-2050
Total Comfort Solutions *Todd Hyneman, President*	770 Industrial Park Dr. Evans, GA 30809 Tel: (706) 863-2050
ILLINOIS (2)	
Mid Illinois Mechanical, Inc. *Doug Dodson, President*	304 S. Mason Street Bloomington, IL 61701 Tel: (309) 828-0459
Youna Mechanical II, Inc. *Albert D. Youna, President*	2483 Greenleaf Ave. Elk Grove Village, IL 60007 Tel:

Franchisee	Contact Information
INDIANA (1)	
Vasey Commercial Heating & Air Cond. *David Sheffield, Vice President*	10830 Andrade Drive Zionsville, IN 46077 Tel: (317) 873-2512
KANSAS (3)	
P1 Service, LLC – Lawrence, KS *Dan Shirey, Chief Executive Officer*	2151 Haskell Ave Building 1 Lawrence, KS 66046 Tel: (785) 843-2910
P1 Service, LLC – Topeka, KS *Dan Shirey, Chief Executive Officer*	2150-A S Kansas Avenue Topeka, KS 66611 Tel: (785) 235-5331
P1 Service, LLC – Wichita, KS *Dan Shirey, Chief Executive Officer*	3030 S All Hallows Ave Wichita, KS 671217 Tel: (316) 267-3256
KENTUCKY (2)	
QuesTec Lexington, LLC *Scott Boyd, President*	1390 E. Boone Industrial Blvd. Suite 260 Columbia, MO 65202 Tel: (573) 875-0260
QuesTec Louisville, LLC *Scott Boyd, President*	13040 Middletown Industrial Blvd. Louisville, KY 40223 Tel: (502) 245-4670
LOUISIANA (4)	
Star Service, Inc. – Southwest Region *Robert Work, President*	117 Pintail St. Rose, LA 70087 Tel: (504) 443-7637
Star Service, Inc. of Baton Rouge *Robert Miller, President*	527 N. Acadian Thruway Baton Rouge, LA 70806 Tel: (225) 383-0306
Star Service, Inc. of Baton Rouge (Lafayette Satellite Branch) *Robert Miller, President*	2600 N. University Avenue Lafayette, LA 70501 Tel: (337) 237-4301
Star Service, Inc. of Baton Rouge (Lake Charles Satellite Branch) *Robert Miller, President*	2880 Hwy 171 North Lake Charles, LA 70611 Tel: (337) 855-0107
MAINE (1)	
Thayer LLC *Dan Shirey, Chief Executive Officer*	1400 Hotel Rd Auburn, ME 04210 Tel: (207) 782-4197
MARYLAND (1)	
Silverado Mechanical Services, LLC *Derrick Garland, President*	4020 Shiloh Avenue Hampstead, MD 21074 Tel: (410) 374-9900

Franchisee	Contact Information
MICHIGAN (3)	
Johnson & Wood, LLC *Michelle Landon, General Manager*	3419 Pierson Place Flushing Michigan 48433 Tel: (810) 230-6202
Campbell, Inc. *Kris Campbell, President*	1077 James L. Hart Parkway Ypsilanti, MI 48197 Tel: (734) 769-1190
City Plumbing & Heating Company *Carey Ross, President*	407 State Street St. Joseph, MI 49085 Tel: (269) 983-6595
MINNESOTA (2)	
McDowall Comfort Management *John McDowall, President*	1431 Prosper Drive Waite Park, MN 56387 Tel: (320) 203-9336
McDowall Comfort Management (Minneapolis Territory) *John McDowall, President*	1431 Prosper Drive Waite Park, MN 56387 Tel: (320) 203-9336
MISSISSIPPI (1)	
Star Service, Inc. of Jackson *James D. Rasberry, President*	328 Elton Road Jackson, MS 39212 Tel: (601) 373-7392
MISSOURI (5)	
Doll Services, LLC *Julie Morgan, President*	1856 Larkin Williams Road Fenton, MO 63026 Tel: (636) 343-5446
P1 Service, LLC – St. Joseph, MO *Dan Shirey, Chief Executive Officer*	3815 Faraon Street, Ste A St. Joseph, MO 34506 Tel: (816) 233-3305
QuesTec Columbia, LLC *Scott Boyd, Principal*	1390 Boone Industrial Blvd. Ste 260 Columbia, MO 65202 Tel: (573) 875-0260
QuesTec St. Louis, LLC *Scott Boyd, Principal*	2315 Technology Drive, Suite 105 O'Fallon, MO 63368 Tel: (573) 875-0260
Trotter & Morton Facility Services, Inc. *David Ryan, President*	3232 Roanoke Road Kansas City, MO 64111 Tel: (913) 971-1999
NEBRASKA (1)	
QuesTec Nebraska, LLC *Scott Boyd, President*	1390 Boone Industrial Drive Suite 260 Columbia, MO 65202 Tel: (573) 875-0260

Franchisee	Contact Information
NEW HAMPSHIRE (1)	
Thayer LLC *Dan Shirey, Chief Executive Officer*	
NEW JERSEY (1)	
Asteroid Mechanical Services *Sudeep Das, President*	5 Marlen Drive, Unit 5D Hamilton, NJ 08691 Tel: (732) 446-9000
NEW MEXICO (1)	
PC Automated Controls, Inc. *Daniel Shelton, President*	TBD Albuquerque, NM
NEW YORK (6)	
Air Temp Heating & Air Cond. Inc. *Kevin Phillips, President*	1165 Front Street Binghamton, NY 13905 Tel: (607) 772-8362
Air Temp Heating & Air Cond, Inc. *Kevin Phillips, President*	8181 Seneca Turnpike Clinton, NY 13323 Tel: (315) 735-7539
Air Temp Heating & Air Cond, Inc. *Kevin Phillips, President*	6820 Ellicott Drive E. Syracuse, NY 13057 Tel: (315) 432-8591
Atlantic Westchester, Inc. *Eugene L. Hammer, President*	264 Adams Street Bedford Hills, 10507 Tel: (914) 666-2268
Mazza Mechanical Services, Inc. *Daniel J. DeRose, President*	430 North 7th Street Olean, NY 14760 Tel: (716) 372-0091
Mazza Mechanical Services, Inc. (Rochester, NY Territory) *Daniel J. DeRose, President*	430 North 7th Street Olean, NY 14760 Tel: (716) 372-0091
NORTH CAROLINA (5)	
Superior Mechanical, Inc. *Joe Millikan, President*	162 Pointe South Drive Randleman, NC 27317 Tel: (336) 498-7609
Superior Mechanical, Inc. (Raleigh, NC Franchise) *Joe Millikan, President*	162 Pointe South Drive Randleman, NC 27317 Tel: (336) 498-7609
Superior Mechanical, Inc. *Joe Millikan, President*	1724 Gardner Drive, Suite 140 Wilmington, NC 28405 Tel: (910) 228-5199
Total Comfort Solutions, Inc. (Charlotte) *Todd Hineman, President*	3400 International Airport Dr. Suite 1000 Charlotte, NC 28208 Tel:

Franchisee	Contact Information
Total Comfort Solutions, Inc. *Todd Hineman, President*	3400 International Airport Dr. Suite 1000 Charlotte, NC 28208 Tel:
NORTH DAKOTA (2)	
H.A. Thompson & Sons, Inc. *Mark Thompson, President*	911 South 9th Street Bismarck, ND 58504 Tel: (701) 223-3393
H.A. Thompson & Sons, Inc. *Mark Thompson, President*	2601 12th Street North, Suite 400 Fargo, ND 58102 Tel: (701) 234-9889
OHIO (5)	
Campbell, Inc. *Kris Campbell, President*	2875 Crane Way Northwood, OH 43619 Tel: (419) 476-4444
Campbell, Inc. (Cleveland I Franchise) *Kris Campbell, President*	2398 Enterprise Parkway East Twinsburg, OH 44087 Tel: (330) 425-8000
Campbell, Inc. (Cleveland II Franchise) *Kris Campbell, President*	2398 Enterprise Parkway East Twinsburg, OH 44087 Tel: (330) 425-8000
Rieck Services, LLC – Cincinnati, OH *Dan Shirey, Chief Executive Officer*	5301 Lester Rd Cincinnati, OH 45213 Tel: (513) 733-888
Rieck Services, LLC – Dayton, OH *Dan Shirey, Chief Executive Officer*	5245 Wadsworth Road Dayton, OH 45414 Tel: (937) 274-1987
OKLAHOMA (2)	
Donohue Commercial Service, Inc. *Steve Yeagle, General Manager*	7676 East 46th Place Tulsa, OK 74145 Tel: (918) 663-5353
United Mechanical Service, Inc. *Steve Yeagle, General Manager*	117 N.E. 38th Terrace Oklahoma City, OK 73105 Tel: (405) 528-1234
OREGON (3)	
Trotter and Morton Facility Services, Inc. *David Ryan, President*	3498 West 1st Unit 6 Eugene, OR 97402 Tel: (541) 345-3828
Trotter and Morton Facility Services, Inc. *David Ryan, President*	29755 SW Boones Ferry Road Wilsonville, OR 97070 Tel: (503) 218-2600
Trotter and Morton Facility Services, Inc. (Salem, OR Franchise) *David Ryan, President*	29755 SW Boones Ferry Road Wilsonville, OR 97070 Tel: (503) 218-2600

Franchisee	Contact Information
PENNSYLVANIA (6)	
Energy Technologies, Inc. *B. Scott Landis, President*	591 North Hunter Highway Drums, PA 18222 Tel: (570) 788-3845
H.E. Neumann Company *Rodney Boniti, President*	4636 Campbells Run Road Pittsburgh, PA 15205 Tel: (412) 490-9800
Landis Mechanical Group, Inc. *B. Scott Landis, President*	2526-A Centre Ave Reading, PA 19605 Tel: (610) 916-1487
Reno Brothers, Inc. *Leo J. Wolfe, Sr., President*	792 Duquesne Way Rochester, PA 15074 Tel: (724) 843-8000
Reno Brothers, Inc. (Allegheny County, PA Franchise) *Leo J. Wolfe, Sr., President*	792 Duquesne Way Rochester, PA 15074 Tel: (724) 843-8000
Sobieski Services Inc. (Philadelphia, PA Territory) *John F. Sobieski, III, CEO*	1325 Old Cooch's Bridge Rd. Newark, DE 19713 Tel: (302) 993-0104
PUERTO RICO (1)	
Bermudez, Longo, Diaz-Masso *Francisco Diaz-Masso, Principal*	PO Box 191213 San Juan, PR 00919 Tel: (787) 761-3030
SOUTH CAROLINA (4)	
Total Comfort Solutions, Inc. *Todd Hyneman, President*	4760 Goer Drive, Suite E Charleston, SC 29406 Tel: (843) 747-8877
Total Comfort Solutions, Inc. *Todd Hyneman, President*	1218 Broughton Blvd. Florence, SC 29501 Tel: (843) 665-4301
Total Comfort Solutions, Inc. *Todd Hyneman, President*	460 Fairforest Way Greenville, SC 29607 Tel: (864) 289-9600
Total Comfort Solutions, Inc. *Todd Hyneman, President*	346 Orchard Drive West Columbia, SC 29170 Tel: (803) 772-4495
SOUTH DAKOTA (1)	
H.A. Thompson & Sons, Inc. (South Dakota Territory) *Mark Thompson, President*	911 South 9th Street Bismarck, ND 58504 Tel: (701) 223-3393

Franchisee	Contact Information
TENNESSEE (2)	
Mechanical Systems Company, LLC *Lee Walker IV, President*	3965 Old Getwell Road Memphis, TN 38118 Tel: (901) 369-9822
Vulcan Mechanical Services, Inc. *Dan Shirey, President*	6234 Perimeter Dr Suite B101 Chattanooga, TN 37421 Tel: (423) 498-2360
TEXAS (9)	
Anthony Mechanical Services, Inc. *John Anthony, President*	PO Box 3514 Abilene, TX 79604 Tel: (325) 677-3044
Anthony Mechanical Services, Inc. *John Anthony, President*	1909 Alta Vista Midland, TX 79706 Tel: (432) 687-4181
Anthony Mechanical Services, Inc. *John Anthony, President*	525 E. 40th Lubbock, TX 79404 Tel: (806) 765-7373
Anthony Mechanical Services, Inc. (San Angelo Franchise) *John Anthony, President*	PO Box 3460 Lubbock, TX 79452 Tel: (806) 765-7373
Central Air & Heating Service, Inc. *Frank Matz, President*	3028 Wilson Road Harlingen, TX 78552 Tel: (956) 428-4509
PC Automated Controls, Inc. *Daniel Shelton, President*	10279 Dyer El Paso, TX 79924 Tel: (915) 751-0313
Quality Mechanical *Mike Shepherd, President*	2201 Northwest First Amarillo, TX 79106 Tel: (806) 372-3421
Star Service, Inc. *Robert Work, President*	7425 Major Street Houston, TX 77061 Tel: (281) 481-0700
Trotter & Morton, Ltd. *David Ryan, President*	11202 Disco San Antonio, TX 78216 Tel: (210) 340-4601
VERMONT (1)	
Mountain Air Systems, LLC *Dan Shirey, Principal*	430 Commerce Street, Suite 220 Williston, VT 05495 Tel: (802) 862-6199

Franchisee	Contact Information
WASHINGTON (4)	
Emerald Aire, Inc. *Doug Happe, President*	5108 D St. NW Auburn, WA 98001 Tel: (253) 872-5665
Trotter and Morton Facility Services, Inc. *David Ryan, President*	12646 Interurban Avenue South Seattle, WA 98168 Tel: (206) 588-8787
Trotter and Morton Facility Services, Inc. *David Ryan, President*	8310 - 30th Avenue, NE Lacey, WA 98516 Tel: (360) 493-8870
Trotter and Morton Facility Services, Inc. *David Ryan, President*	1060 Industrial Way Suite A Longview, WA 98632 Tel: (360) 575-1538
WEST VIRGINIA (3)	
H.E. Neumann Company *Rodney Boniti, President*	1410 6th Ave. Charleston, WV 25387 Tel: (304) 345-5580
H.E. Neumann Company *Rodney Boniti, President*	1100 Grafton Road Morgantown, WV 26508 Tel: (304) 292-5462
H.E. Neumann Company *Rodney Boniti, President*	100 Middle Creek Road Triadelphia, WV 26059 Tel: (304) 232-3040

INTERNATIONAL FRANCHISES

Franchisee	Contact Information
BERMUDA (1)	
AIRCARE LIMITED *Judith Uddin, COO*	25 Serpentine Rd. Pembroke, Bermuda HM07 Tel: (441) 292-7342
CANADA	
ALBERTA (2)	
Nordic Mechanical Services, Ltd *John Cloutier, President*	4143 - 78 Avenue Edmonton, AB T6B 2N3 Tel: (780) 469-7799
Trotter & Morton Facility Services, Inc. *David Ryan, President*	5711 1st Street, S.E. Calgary, AB T2H 1H9 Tel: (403) 255-7535
BRITISH COLUMBIA (1)	
Trotter & Morton Facility Services, Inc. *David Ryan, President*	5151 Canada Way Burnaby, BC V5E 3N1 Tel: (604) 525-4499
SASKATCHEWAN (2)	
Welldone Mechanical Services, Inc. *Berny Gross, President*	470 Henderson Drive Regina, SK S4N 5W9 Tel: (306) 721-2744
Welldone Mechanical Services, Inc. *Berny Gross, President*	520 – 45th A Street E. Saskatoon, SK S7K 0W7 Tel: (306) 244-5003
COSTA RICA (1)	
Saire Servicios S.A. *Pedro Ulibarri, President*	300 Norte y 100 Este de Waterland Edificio Superbloque Asuncion de Belen Heredia, Costa Rica 4006 Tel: (506) 2239 2300
GRAND CAYMAN ISLANDS (1)	
Otis Air Ltd *Sean Hill, General Manager*	299 Sparkys Drive Industrial Park Georgetown, Grand Cayman KYI 1108 Tel: (345) 945-7167
JAMAICA (1)	
Caycore Solutions *Sean Hill, General Manager*	Lot 9 Nanse Pen Kingston, Jamaica 11 Tel: (876) 619-8881

Franchisee	Contact Information
MEXICO (2)	
FLUIDOS Y TECHNOLOGIA, S. DE R.L. DE C.V. *Daniel Dominguez, President*	Vincente Guerrero No. 8221 Valle del Sol Cd. Juarez, Chihuahua CP32422 Tel: (915) 726-0001
SLM Facility Services *Jorge Aldape Ayala, Principal*	Antiguo Camino a Villa de Garcia #96-E Colonia Industrial Santa Catarina N.L. Mexico C.P. 66350 52 818 390 5075
SPAIN (3)	
MH Industrias *Emilio Martin, President*	Avenida Roma 12 Cerdanyola Del Valles Barcelona, Spain 08290 Tel: 93 580 9080
MH Industrias (Madrid Franchise) *Emilio Martin, President*	Avenida Roma 12 Cerdanyola Del Valles Barcelona, Spain 08290 Tel: 93 580 9080
MH Industrias (Valencia Franchise) *Emilio Martin, President*	Avenida Roma 12 Cerdanyola Del Valles Barcelona, Spain 08290 Tel: 93 580 9080

AFFILIATE-OWNED LINC OPERATING UNITS

Franchisee	Contact Information
ARIZONA (2)	
ABM Building Services, LLC - Phoenix *Kory Reeves, General Manager*	2631 South Roosevelt Street Tempe, AZ 85282 Tel: (602) 437-8110
ABM Building Services, LLC - Tucson *Kory Reeves, General Manager*	1131 E. Palmdale St. Suite 101 Tel: (520) 622-2202
CALIFORNIA (7)	
ABM Building Solutions, LLC - Alameda *Bruce Wright, General Manager*	Alameda, CA Tel: (866) 789-8143
ABM Building Solutions, LLC - Benicia *Bruce Wright, General Manager*	6650 Goodyear Rd. Benicia, CA 94510 Tel: (707) 746-5693
ABM Building Solutions, LLC - Irvine *Vishal Gupta, General Manager*	14201 Franklin Avenue Tustin, CA 92780 Tel: (949) 330-1550
ABM Building Solutions, LLC - Sacramento *Rick Cooke, General Manager*	3640 Northgate Blvd. Suite 200 Sacramento, CA 95834 Tel: (916) 381-4526
ABM Building Services, LLC – San Diego *Melissa Allen, General Manager*	3585 Corporate Court San Diego, CA 92123 Tel: (858) 279-1300
ABM Building Solutions, LLC – San Francisco *Bruce Wright, General Manager*	6200 Goodyear Rd. Benicia, CA 94510 Tel: (866) 789-8143
ABM Building Solutions, LLC – San Jose *Bruce Wright, General Manager*	6200 Goodyear Rd. Benicia, CA 94510 Tel: (408) 436-7770
FLORIDA (3)	
ABM Building Solutions, LLC – Boca Raton *Brandon Stateler, General Manager*	3260 NW 23rd Ave Suite 100E Pompano Beach, FL 33069 Tel: (561) 395-5773
ABM Building Services, LLC - Orlando *Brandon Stateler, General Manager*	4150 Church Street – Suite 1000 Sanford, FL 32771 Tel: (407) 323-5455

Franchisee	Contact Information
ABM Building Services, LLC - Tampa *Wesley Patterson, General Manager*	9326 Florida Palm Drive Tampa, FL 33619 Tel: (813) 654-9000
GEORGIA (2)	
ABM Building Solutions, LLC - Alpharetta *Todd Pierson, General Manager*	1005 Windward Ridge Parkway Alpharetta, GA 30005 Tel: (770) 752-9777
ABM Building Solutions, LLC - Macon *Todd Pierson, General Manager*	1005 Windward Ridge Parkway Alpharetta, GA 30005 Tel: (770) 752-9777
MARYLAND (1)	
ABM Building Services, LLC - Baltimore *Andrew Sherman, General Manager*	12040 Indian Creek Court Beltsville, MD 20705 Tel: (301) 210-3528
MASSACHUSETTS (1)	
ABM Building Solutions, LLC - Boston *Pete Agnello, General Manager*	59 Inner Belt Road Somerville, MA 02143 Tel: (781) 939-9100
MICHIGAN (1)	
ABM Building Solutions, LLC - Detroit *Tom Pierce, General Manager*	1775 Crooks Road Suite B Troy, MI 48084 Tel: (248) 334-4444
NEVADA (1)	
ABM Building Services, LLC – Las Vegas *Kory Reeves, General Manager*	6480 Cameron Street Suite 303 Las Vegas, NV 89118 Tel: (702) 260-7012
NEW JERSEY (1)	
ABM Building Solutions - Newark *Pete Agnello, General Manager*	242 Old New Brunswick Road Suite 430 Piscataway, NJ 08854 Tel: (732) 373-4345
NORTH CAROLINA (2)	
ABM Building Solutions, LLC - Charlotte *Brian Ward, General Manager*	3600 Woodpark Blvd. Suite G Charlotte, NC 28206 Tel: (704) 598-9889
ABM Building Services, LLC - Raleigh *Brian Ward, General Manager*	6541 Meridien Drive Suite 113 Raleigh, NC 27616 Tel: (919) 501-2059

Franchisee	Contact Information
OHIO (2)	
ABM Building Solutions, LLC - Columbus *Todd Fisher, General Manager*	1817 O'Brian Rd Columbus, OH 43228 Tel: (614) 771-5462
ABM Building Solutions, LLC - Dayton *Todd Fisher, General Manager*	2360 West Dorothy Lane, Suite 208 Dayton, OH 45439 Tel: (937) 293-5462
PENNSYLVANIA (1)	
ABM Building Solutions, LLC - Pittsburgh *Richard Riva, General Manager*	501 Technology Drive Suite 3000 Canonsburg, PA 15317 Tel: (724) 873-2999
TEXAS (5)	
ABM Building Services, LLC - Austin *Larry Harshaw, General Manager*	Tel: (512) 918-2781
ABM Building Services, LLC - Dallas *Jim Campbell, General Manager*	2020 Westridge Drive, Bldg. A Irving, TX 75038 Tel: (974) 893-3400
ABM Building Services, LLC – Ft. Worth *Jim Campbell, General Manager*	4100 Amon Carter Blvd., Suite 112 Ft. Worth, TX 76155 Tel: (974) 893-3400
ABM Building Services, LLC - Houston *Larry Harshaw, General Manager*	6120 West by Northwest Blvd Suite 100 Houston, TX 77040 Tel: (713) 695-2400
ABM Building Services, LLC – Waco	8650 La Village Avenue #408 Waco, TX 76712
VIRGINIA (3)	
ABM Building Services, LLC – VA Beach *John Crane, General Manager*	814 Greenbrier Circle Suite E Chesapeake, VA 23320 Tel: (757) 213-7291
ABM Building Services, LLC – Richmond *Glenn McDearmon, General Manager*	3711 Saunders Avenue Richmond, VA 23227 Tel: (804) 254-5790
ABM Building Services, LLC - DC *Andrew Sherman, General Manager*	5701 General Washington Dr. Suite J Alexandria, VA 22304 Tel: (703) 370-5850

EXHIBIT K

FRANCHISEES WHO LEFT THE SYSTEM DURING OUR LAST FISCAL YEAR

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisee	Contact Information
DOMESTIC	
ILLINOIS (1)	
Mid Illinois Mechanical, Inc. (Peoria, IL Franchise) *Doug Dodson, President*	304 S. Mason Street Bloomington, IL 61701 Tel: (309) 828-0459
LOUISIANA (1)	
Payne Mechanical Services *James Payne, President*	7223 West Bert Kouns Industrial Loop Shreveport, LA 71129 Tel: (318) 671-0015
MASSACHUSETTS (1)	
Kleeberg Mechanical Services, LLC *Dan Kleeberg, CEO*	65 Westover Rd. Ludlow, MA 01056 Tel: (413) 589-1854
MICHIGAN (1)	
ATIGROUP *Michelle Landon, President* (Transfer to new owner)	3419 Pierson Place Flushing, MI 48433 Tel: (810) 230-6202
TEXAS (2)	
Payne Mechanical Services *James Payne, President* Payne Mechanical Services *James Payne, President*	4116 South Carrier Parkway Suite 280 Grand Prairie, TX 75052 Tel: (469)482-0881 2000 South Eastman Rd. Longview, TX 75602 Tel: (903) 353-9121

INTERNATIONAL	
CANADA (1)	
Kolostat, Inc. *Eric Hintermueller, President*	2005 Rue Le Chatelier Laval, QC H7L 5B3 Tel: (514) 333-7333

EXHIBIT L

FINANCIAL STATEMENTS, INDEPENDENT AUDITORS' ACKNOWLEDGEMENT LETTER AND GUARANTEE OF PERFORMANCE

Exhibit L.1 Independent Auditors' Acknowledgement Letter
Exhibit L.2 Audited Financials
Exhibit L.3 Guarantee of Performance

Exhibit L.1

Independent Auditors' Acknowledgement Letter

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Acknowledgement

The Board of Directors
ABM Industries Incorporated:

We agree to the inclusion in the Franchise Disclosure Document for Linc Service dated January 27, 2023 issued by ABM Franchising Group, LLC (a wholly-owned subsidiary of ABM Industries Incorporated) of our report, dated December 21, 2022, relating to the consolidated financial statements of ABM Industries Incorporated as of October 31, 2022 and 2021, and for each of the years in the three-year period ended October 31, 2022.

KPMG LLP

New York, New York
January 27, 2023

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Exhibit L.2

Audited Financials

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
ABM Industries Incorporated:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of ABM Industries Incorporated and subsidiaries (the Company) as of October 31, 2022 and 2021, the related consolidated statements of comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2022, and the related notes and financial statement schedule II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended October 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of October 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated December 21, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Initial fair value measurement of the contingent consideration liability associated with the acquisition of RavenVolt

As discussed in Note 3 to the consolidated financial statements, on September 1, 2022, the Company acquired RavenVolt, Inc. (RavenVolt) for cash of $170 million and contingent consideration up to $280 million, if the RavenVolt business achieves certain earnings before interest, taxes, depreciation, and amortization (EBITDA) targets in calendar

years 2023, 2024 and 2025 (the contingent consideration liability). At the acquisition date, the Company recognized the contingent consideration liability at its estimated fair value. The initial fair value of the contingent consideration liability related to the acquisition of RavenVolt was $59 million.

We identified the assessment of the initial fair value measurement of the contingent consideration liability as a critical audit matter. A high degree of subjectivity was required to evaluate certain assumptions used to determine the fair value of the liability. The key assumptions included the forecast of revenues and EBITDA margins for the RavenVolt business, the volatility associated with the EBITDA of the RavenVolt business, the risk-adjusted discount rate applied to forecasted EBITDA, and the credit-adjusted discount rate related to the payment of the contingent consideration. Changes in these inputs could have a significant impact on the initial fair value of the contingent consideration liability. Valuation professionals with specialized skills and knowledge were also required to assess the volatility, the risk-adjusted discount rate, and the credit-adjusted discount rate.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's initial fair value measurement process for the contingent consideration liability. This included controls related to the development of the key assumptions. We evaluated the forecasted revenues by comparing them to pre-acquisition historical audited financial statements and the current year unaudited results of the RavenVolt business, the customer backlog, and customer purchase orders. We evaluated the forecasted EBITDA margins by comparing them to the pre-acquisition historical audited financial statements and current year unaudited results of the RavenVolt business. We involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the risk-adjusted discount rate for consistency with the internal rate of return for the RavenVolt business and the period of the earnout
- evaluating the volatility by comparing it to the asset volatility of publicly traded guideline companies
- evaluating the credit-adjusted discount rate by comparing it to a credit-adjusted discount rate that was independently developed
- performing sensitivity analyses over the estimated fair value of the contingent consideration liability by considering reasonably possible changes to forecasted revenues and EBITDA margins and comparing the results to the Company's estimate
- developing a fair value estimate of the contingent consideration liability using the Company's forecasted EBITDA for the RavenVolt business, the risk-adjusted discount rate, the independently developed credit-adjusted discount rate, and a range of volatilities, and comparing it to the Company's estimate.

Valuation of self-insurance liabilities

As discussed in Notes 2 and 10 to the consolidated financial statements, the Company uses a combination of insured and self-insurance programs to cover workers' compensation, general liability, automobile liability, property damage, and other insurable risks. The balance of casualty program insurance reserves, net of recoverables, as of October 31, 2022 amounted to $479.9 million. The Company engages actuaries to estimate its self-insurance liabilities at least annually.

We identified the evaluation of the self-insurance liabilities existing prior to the acquisition of Able as a critical audit matter because it involves a high degree of judgment and actuarial expertise to assess: (1) the actuarial models used and (2) estimated incurred but not reported claims based on application of loss development factors to historical claims experience.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's self-insurance liability process, including controls related to (1) evaluation of claims information sent to the actuary, (2) estimation of incurred but not reported claims based on the application of loss development factors to historical claims experience, and (3) evaluation of the actuarial report and the external actuarial specialist's qualifications and competency. We evaluated the Company's historical ability to estimate self-insurance liabilities by comparing the prior year recorded amounts to the subsequent claim development. We tested a sample of the claims data utilized by the Company's actuaries by comparing it to underlying claims details; and involved an actuarial professional with specialized skills and knowledge who assisted in the:

- assessment of the actuarial models used by the Company for consistency with generally accepted actuarial standards and

- development of an actuarial estimate of self-insurance liabilities based on the Company's underlying historical paid and incurred loss data for comparison with the liabilities recorded by the Company

/s/ KPMG LLP

We have served as the Company's auditor since 1980.

New York, New York
December 21, 2022

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in millions, except share and per share amounts)	October 31, 2022	October 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 73.0	$ 62.8
Trade accounts receivable, net of allowances of $22.6 and $32.7 at October 31, 2022 and 2021, respectively	1,278.7	1,137.1
Costs incurred in excess of amounts billed	75.8	52.5
Prepaid expenses	82.1	88.7
Other current assets	51.6	60.0
Total current assets	1,561.2	1,401.2
Other investments	14.5	11.8
Property, plant and equipment, net of accumulated depreciation of $296.9 and $274.7 at October 31, 2022 and 2021, respectively	125.4	111.9
Right-of-use assets	115.2	126.5
Other intangible assets, net of accumulated amortization of $459.8 and $389.3 at October 31, 2022 and 2021, respectively	378.5	424.8
Goodwill	2,485.6	2,228.9
Other noncurrent assets	188.5	131.2
Total assets	$ 4,868.9	$ 4,436.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of debt, net	$ 181.5	$ 31.4
Trade accounts payable	315.5	289.4
Accrued compensation	246.6	238.0
Accrued taxes—other than income	124.7	124.9
Insurance claims	171.4	171.4
Income taxes payable	6.6	11.4
Current portion of lease liabilities	30.3	31.8
Other accrued liabilities	276.5	387.4
Total current liabilities	1,353.2	1,285.8
Long-term debt, net	1,086.3	852.8
Long-term lease liabilities	104.5	116.6
Deferred income tax liability, net	89.7	22.5
Noncurrent insurance claims	387.7	413.3
Other noncurrent liabilities	126.0	123.5
Noncurrent income taxes payable	4.2	12.5
Total liabilities	3,151.7	2,827.0
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, $0.01 par value; 500,000 shares authorized; none issued	—	—
Common stock, $0.01 par value; 100,000,000 shares authorized; 65,587,894 and 67,302,449 shares issued and outstanding at October 31, 2022 and 2021, respectively	0.7	0.7
Additional paid-in capital	675.5	750.9
Accumulated other comprehensive loss, net of taxes	(16.2)	(22.5)
Retained earnings	1,057.2	880.2
Total stockholders' equity	1,717.2	1,609.2
Total liabilities and stockholders' equity	$ 4,868.9	$ 4,436.2

See accompanying notes to consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions, except per share amounts)	Years Ended October 31, 2022	2021	2020
Revenues	$ 7,806.6	$ 6,228.6	$ 5,987.6
Operating expenses	6,757.5	5,258.2	5,157.0
Selling, general and administrative expenses	628.3	719.2	506.1
Restructuring and related expenses	—	—	7.6
Amortization of intangible assets	72.1	45.0	48.4
Impairment loss of goodwill and other intangibles	—	—	172.8
Operating profit	348.8	206.3	95.7
Income from unconsolidated affiliates	2.4	2.1	2.2
Interest expense	(41.1)	(28.6)	(44.6)
Income from continuing operations before income taxes	310.0	179.8	53.3
Income tax provision	(79.6)	(53.5)	(53.1)
Income from continuing operations	230.4	126.3	0.2
Income from discontinued operations, net of taxes	—	—	0.1
Net income	230.4	126.3	0.3
Other comprehensive income (loss)			
Interest rate swaps	36.7	4.5	(7.6)
Foreign currency translation and other	(19.8)	5.3	(1.8)
Income tax (provision) benefit	(10.5)	(1.5)	2.4
Comprehensive income (loss)	$ 236.9	$ 134.5	$ (6.6)
Net income per common share — Basic			
Income from continuing operations	$ 3.44	$ 1.87	$ 0.00
Income from discontinued operations	—	—	—
Net income	$ 3.44	$ 1.87	$ 0.00
Net income per common share — Diluted			
Income from continuing operations	$ 3.41	$ 1.86	$ 0.00
Income from discontinued operations	—	—	—
Net income	$ 3.41	$ 1.86	$ 0.00
Weighted-average common and common equivalent shares outstanding			
Basic	67.1	67.4	66.9
Diluted	67.5	68.0	67.3

See accompanying notes to consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Years Ended October 31,					
	2022		2021		2020	
(in millions, except per share amounts)	Shares	Amount	Shares	Amount	Shares	Amount
Common Stock						
Balance, beginning of year	67.3	$ 0.7	66.7	$ 0.7	66.6	$ 0.7
Stock issued under employee stock purchase and share-based compensation plans	0.6	—	0.6	—	0.3	—
Repurchase of common stock	(2.3)	—	—	—	(0.2)	—
Balance, end of year	65.5	0.7	67.3	0.7	66.7	0.7
Additional Paid-in Capital						
Balance, beginning of year		750.9		724.1		708.9
Taxes withheld under employee stock purchase and share-based compensation plans, net		(8.4)		(6.7)		—
Share-based compensation expense		30.5		33.5		20.3
Repurchase of common stock		(97.5)		—		(5.1)
Balance, end of year		675.5		750.9		724.1
Accumulated Other Comprehensive Loss, Net of Taxes						
Balance, beginning of year		(22.5)		(30.8)		(23.9)
Other comprehensive income (loss)		6.3		8.2		(6.9)
Balance, end of year		(16.2)		(22.5)		(30.8)
Retained Earnings						
Balance, beginning of year		880.2		806.4		856.3
Net income		230.4		126.3		0.3
Dividends						
Common stock ($0.78, $0.76, and $0.74 per share)		(51.9)		(51.0)		(49.3)
Stock issued under share-based compensation plans		(1.5)		(1.5)		(0.9)
Balance, end of year		1,057.2		880.2		806.4
Total Stockholders' Equity		$ 1,717.2		$ 1,609.2		$ 1,500.3

See accompanying notes to consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	Years Ended October 31, 2022	2021	2020
Cash flows from operating activities			
Net income	$ 230.4	$ 126.3	$ 0.3
Income from discontinued operations, net of taxes	—	—	(0.1)
Income from continuing operations	230.4	126.3	0.2
Adjustments to reconcile income from continuing operations to net cash provided by operating activities of continuing operations			
Depreciation and amortization	112.4	89.9	96.4
Impairment loss on goodwill and other intangibles	—	—	172.8
Impairment loss on fixed assets	—	9.1	—
Deferred income taxes	67.7	(48.0)	(36.6)
Share-based compensation expense	30.5	33.5	20.3
(Recovery of)/Provision for bad debt	(7.7)	0.6	19.6
Amortization of accumulated other comprehensive gain on interest rate swaps	(4.8)	(6.4)	(6.7)
Discount accretion on insurance claims	0.1	0.1	0.8
(Gain)/Loss on sale of assets	(0.8)	0.2	2.1
Reserves on other assets	—	—	17.6
Income from unconsolidated affiliates	(2.4)	(2.1)	(2.2)
Distributions from unconsolidated affiliates	1.9	1.9	0.1
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade accounts receivable and costs incurred in excess of amounts billed	(143.8)	(124.5)	141.4
Prepaid expenses and other current assets	19.7	6.8	(15.5)
Right-of-use assets	14.7	19.3	24.4
Other noncurrent assets	(21.2)	13.8	(10.4)
Trade accounts payable and other accrued liabilities	(143.0)	265.7	(53.5)
Long-term lease liabilities	(15.2)	(16.3)	(22.9)
Insurance claims	(17.4)	(28.4)	5.7
Income taxes payable	(31.8)	8.3	7.6
Other noncurrent liabilities	(69.0)	(35.4)	96.2
Total adjustments	(210.0)	188.0	457.2
Net cash provided by operating activities of continuing operations	20.4	314.3	457.4
Net cash provided by operating activities of discontinued operations	—	—	0.1
Net cash provided by operating activities	20.4	314.3	457.5
Cash flows from investing activities			
Additions to property, plant and equipment	(50.8)	(34.3)	(38.0)
Proceeds from sale of assets	6.0	4.4	5.5
Proceeds from redemption of auction rate security	—	—	5.0
Investments in equity securities	(2.1)	—	—
Purchase of business, net of cash acquired	(194.6)	(710.2)	—
Net cash used in investing activities	(241.5)	(740.0)	(27.5)
Cash flows from financing activities			
Taxes withheld from issuance of share-based compensation awards, net	(9.9)	(8.1)	(0.9)
Repurchases of common stock	(97.5)	—	(5.1)
Dividends paid	(51.9)	(51.0)	(49.3)
Deferred financing costs paid	—	(6.4)	(4.4)
Borrowings from debt	1,479.4	357.7	1,058.5
Repayment of borrowings from debt	(1,096.9)	(194.2)	(1,141.6)
Changes in book cash overdrafts	4.3	(17.9)	41.2
Financing of energy savings performance contracts	9.9	15.1	11.1
Repayment of finance lease obligations	(1.9)	(2.8)	(3.4)
Net cash provided by (used in) financing activities	235.5	92.4	(94.1)
Effect of exchange rate changes on cash and cash equivalents	(4.2)	1.9	(0.2)
Net increase (decrease) in cash and cash equivalents	10.2	(331.4)	335.7
Cash and cash equivalents at beginning of year	62.8	394.2	58.5
Cash and cash equivalents at end of year	$ 73.0	$ 62.8	$ 394.2

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(continued)

(in millions)	Years Ended October 31, 2022	2021	2020
Supplemental cash flow information			
Income tax payments, net	$ 46.4	$ 93.5	$ 82.2
Interest paid on credit facility	28.9	14.3	32.9

See accompanying notes to consolidated financial statements.

1. THE COMPANY AND NATURE OF OPERATIONS

ABM is a leading provider of integrated facility services with a mission to **make a difference, every person, every day**. We are organized into four industry groups and one Technical Solutions segment:

Through these groups, we offer janitorial, facilities engineering, parking, and specialized mechanical and electrical technical solutions, on a standalone basis or in combination with other services.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Financial Statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and with the rules and regulations of the SEC, specifically Regulation S-X and the instructions to Form 10-K. Unless otherwise indicated, all references to years are to our fiscal year, which ends on October 31.

The Financial Statements include the accounts of ABM and all of our consolidated subsidiaries. We account for ABM's investments in unconsolidated affiliates under the equity method of accounting. We include the results of acquired businesses in the Consolidated Statements of Comprehensive Income (Loss) from their respective acquisition dates. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of consolidated financial statements in accordance with U.S. GAAP requires our management to make certain estimates that affect reported amounts. We base our estimates on historical experience, known or expected trends, independent valuations, and various other assumptions that we believe to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

We round amounts in the Financial Statements to millions and calculate all percentages and per-share data from the underlying whole-dollar amounts. Thus, certain amounts may not foot, crossfoot, or recalculate based on reported numbers due to rounding.

Reorganization of Our Business

Effective November 1, 2021, the Manufacturing & Distribution ("M&D") industry group replaced our Technology and Manufacturing ("T&M") industry group as part of our strategic transformation initiative **ELEVATE**. M&D retained our large manufacturing clients from T&M and added clients in the distribution sector from our Business and Industry ("B&I") group. Technology clients with commercial real estate properties serviced by T&M shifted into B&I. Additionally, we have modified the presentation of segment revenues as inter-segment revenues are now allocated at the segment level. Our prior period segment data in Note 4, "Revenues," and Note 12, "Segment Information," have been reclassified to conform with our current period presentation. These changes had no impact on our previously reported consolidated financial statements

Cash and Cash Equivalents

We consider all highly liquid securities with an original maturity of three months or less to be cash and cash equivalents. As part of our cash management system, we use "zero balance" accounts to fund our disbursements. Under this system, at the end of each day the bank balance is zero, while the book balance is usually a negative

amount due to reconciling items, such as outstanding checks. We report the changes in these book cash overdrafts as cash flows from financing activities.

Trade Accounts Receivable and Costs Incurred in Excess of Amounts Billed

Trade accounts receivable arise from services provided to our clients and are usually due and payable on varying terms from receipt of the invoice to net 90 days, with the exception of certain Technical Solutions project receivables that may have longer collection periods. These receivables are recorded at the invoiced amount and normally do not bear interest. In addition, our trade accounts receivable include unbilled receivables, such as invoices for services that have been provided but are not yet billed.

Costs incurred in excess of amounts billed arise from Technical Solutions project contracts that typically provide for a schedule of billings or invoices to the client based on our performance to date of specific tasks inherent in the fulfillment of our performance obligation(s). The schedules for such billings usually do not precisely match the schedule on which costs are incurred. As a result, revenues generally differ from amounts that can be billed or invoiced to the client at any point during the contract.

Allowance for Doubtful Accounts

We determine the allowance for doubtful accounts based on historical write-offs, known or expected trends, and the identification of specific balances deemed uncollectible. For the specifically identified balances, we establish the reserve upon the earlier of a client's inability to meet its financial obligations or after a period of 12 months, unless our management believes such amounts will ultimately be collectible.

Sales Allowance

In connection with our service contracts, we periodically issue credit memos to our clients that are recorded as a reduction in revenues and an increase to the allowance for billing adjustments. These credits can result from client vacancy discounts, job cancellations, property damage, and other items. We estimate our potential future losses on these client receivables based on an analysis of the historical rate of sales adjustments (credit memos, net of re-bills) and known or expected trends.

Other Current Assets

At October 31, 2022 and 2021, other current assets primarily consisted of other receivables, short-term insurance recoverables, and capitalized commissions.

Other Investments

At October 31, 2022 and 2021, other investments primarily consisted of investments in unconsolidated affiliates.

Investments in Unconsolidated Affiliates

We own non-controlling interests (generally 20% to 50%) in certain affiliated entities that predominantly provide facility solutions to governmental and commercial clients, primarily in the United States and the Middle East. We account for such investments under the equity method of accounting. We evaluate our equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. An impairment loss is recognized to the extent that the estimated fair value of the investment is less than its carrying amount and we determine that the impairment is other than temporary. At October 31, 2022, 2021, and 2020, our investments in unconsolidated affiliates were $11.5 million, $11.7 million, and $11.0 million, respectively. We did not recognize any impairment charges on these investments in 2021, 2020, or 2019.

Property, Plant and Equipment

We record property, plant and equipment at cost. Repairs and maintenance expenditures are expensed as incurred. In contrast, we capitalize major renewals or replacements that substantially extend the useful life of an asset. We determine depreciation for financial reporting purposes using the straight-line method over the following estimated useful lives:

Category	Years
Computer equipment and software	3–5
Machinery and other equipment	3–5
Transportation equipment	1.5–10
Buildings	10–40
Furniture and fixtures	5

In addition, we depreciate assets under finance leases and leasehold improvements over the shorter of their estimated useful lives or the remaining lease term. Upon retirement or sale of an asset, we remove the cost and accumulated depreciation from our Consolidated Balance Sheets. When applicable, we record corresponding gains or losses within the accompanying Consolidated Statements of Comprehensive Income (Loss).

Leases

We adopted ASU 2016-02, *Leases* (Topic 842), and all related amendments on November 1, 2019, on a modified retrospective basis. Topic 842 requires lessees to recognize substantially all leases on their balance sheet as a right-of-use ("ROU") asset and a lease liability. We elected the practical expedient of not separating lease components from non-lease components for all asset classes. We also made an accounting policy election to not record ROU assets or lease liabilities for leases with an initial term of 12 months or less and will recognize payments for such leases in our Consolidated Statements of Comprehensive Income (Loss) on a straight-line basis over the lease term. We did not elect the use of hindsight for determining the reasonably certain lease term.

We enter into various noncancelable lease agreements for office space, parking facilities, warehouses, vehicles, and equipment used in the normal course of business. We determine if an arrangement is a lease at inception and begin recording lease activity at the commencement date, which is generally the date in which we take possession of or control the physical use of the asset. ROU assets and lease liabilities are recognized based on the present value of lease payments over the lease term with lease expense recognized on a straight-line basis. We use our incremental borrowing rate to determine the present value of future lease payments unless the implicit rate in a lease is readily determinable. Our incremental borrowing rate is the rate of interest we would have to pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. This incremental borrowing rate is applied to the minimum lease payments within each lease agreement to determine the amounts of our ROU assets and lease liabilities.

Our lease terms range from one to 30 years. Some leases include one or more options to renew, with renewal terms that can extend the lease term. We typically include options to extend the lease in a lease term when it is reasonably certain that we will exercise that option and when doing so is at our sole discretion. Certain equipment and vehicle leases may also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Typically, if we decide to cancel or terminate a lease before the end of its term, then we would owe the lessor the remaining lease payments under the term of such lease. Our lease agreements generally do not contain any material residual value guarantees or material restrictive covenants. We may rent or sublease certain real estate assets that we no longer use to third parties.

Lease agreements may contain rent escalation clauses, rent holidays, or certain landlord incentives, including tenant improvement allowances. ROU assets include amounts for scheduled rent increases and are reduced by lease incentive amounts.

Certain of our lease agreements include variable rent payments, consisting primarily of rental payments adjusted periodically for inflation and amounts paid to the lessor based on cost or consumption, such as maintenance and utilities. These costs are expensed as incurred. Certain of our parking arrangements also contain variable rent payments that are a percentage of parking services revenue based on contractual levels. We record contingent rent as it becomes probable that specified targets will be met. Variable rent lease components are not included in the lease liability.

Service concession arrangements within the scope of ASU No. 2017-10, *Service Concession Arrangements (Topic 853)*: *Determining the Customer of the Operation Services*, are excluded from the scope of Topic 842. Lease costs associated with these arrangements are recorded as a reduction of revenues. See Note 3, "Revenues," for further discussion.

Goodwill and Other Intangible Assets

Goodwill represents the excess purchase price of acquired businesses over the fair value of the assets acquired and liabilities assumed. We have elected to make the first day of our fourth quarter, August 1, the annual impairment assessment date for goodwill. However, we could be required to evaluate the recoverability of goodwill more often if impairment indicators exist. Goodwill is tested for impairment at a "reporting unit" level by performing either a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. We may elect not to perform the qualitative assessment for some or all reporting units and instead perform a quantitative test under which we estimate the fair value using a weighting of fair values derived from an income approach and a market approach. The discounted estimates of future cash flows include significant management assumptions, such as revenue growth rates, operating margins, weighted average cost of capital, and future economic and market conditions.

Other intangible assets primarily consist of acquired customer contracts and relationships that are amortized using the sum-of-the-years'-digits method over their useful lives, consistent with the estimated useful life considerations used in the determination of their fair values. This accelerated method of amortization reflects the pattern in which the economic benefits from the intangible assets of customer contracts and relationships are expected to be realized. We amortize other non-customer acquired intangibles using a straight-line method of amortization. We evaluate other intangible assets, as well as our long-lived assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When this occurs, a recoverability test is performed that compares the projected undiscounted cash flows from the use and eventual disposition of an asset or asset group to its carrying amount. If the projected undiscounted cash flows are less than the carrying amount, then we calculate an impairment loss. The impairment loss calculation compares the fair value, which is based on projected discounted cash flows, to the carrying value.

See Note 9, "Goodwill and Other Intangible Assets," for further information on goodwill, other intangible assets, and impairment charges.

Other Noncurrent Assets

At October 31, 2022 and 2021, other noncurrent assets primarily consisted of long-term insurance recoverables, interest rate swap assets, ESPC receivables, capitalized commissions, insurance and other long-term deposits, and prepayments to carriers for future insurance claims.

Federal Energy Savings Performance Contract Receivables

As part of our Technical Solutions business, we enter into ESPCs with the federal government pursuant to which we agree to develop, design, engineer, and construct a project and to guarantee that the project will satisfy agreed-upon performance standards. ESPC receivables represent the amount to be paid by various federal government agencies for work we have satisfactorily performed under specific ESPCs. We assign certain of our rights to receive those payments to unaffiliated third parties that provide construction financing, which we record as a liability, for such contracts. This construction financing is recorded as cash flows from financing activities, while the use of the cash received to pay project costs under these arrangements is classified as operating cash flows. The ESPC receivable is recognized as revenue as each project is constructed. Upon completion and acceptance of the project by the government and upon satisfaction of true sale criteria, the assigned ESPC receivable from the government and corresponding ESPC liability are eliminated from our consolidated financial statements.

Fair Value of Financial Instruments

Fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

Level 1 – Quoted prices for identical instruments in active markets;

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable; and

Level 3 – Significant inputs to the valuation model are unobservable.

We evaluate assets and liabilities subject to fair value measurements on a recurring and non-recurring basis to determine the appropriate level at which to classify them for each reporting period. Some non-financial assets are measured at fair value on a non-recurring basis only in certain circumstances, including the event of impairment. See Note 7, “Fair Value of Financial Instruments,” for the fair value hierarchy table and for details on how we measure fair value for our assets and liabilities.

Insurance Reserves

We use a combination of insured and self-insurance programs to cover workers’ compensation, general liability, automobile liability, property damage, and other insurable risks. Insurance claim liabilities represent our estimate of retained risks without regard to insurance coverage. We retain a substantial portion of the risk related to certain workers’ compensation and medical claims. Liabilities associated with these losses include estimates of both filed claims and IBNR Claims.

With the assistance of third-party actuaries, we review our estimate of ultimate losses for IBNR Claims on a quarterly basis and adjust our required self-insurance reserves as appropriate. See Note 10, “Insurance,” for further details on the quarterly review procedures. As part of this evaluation, we review the status of existing and new claim reserves as established by third-party claims administrators. The third-party claims administrators establish the case reserves based upon known factors related to the type and severity of the claims, demographic factors, legislative matters, and case law, as appropriate. We compare actual trends to expected trends and monitor claims developments. The specific case reserves estimated by the third-party administrators are provided to an actuary who assists us in projecting an actuarial estimate of the overall ultimate losses for our self-insured or high deductible programs, which includes the case reserves plus an actuarial estimate of reserves required for additional developments, such as IBNR Claims. We utilize the results of actuarial studies to estimate our insurance rates and insurance reserves for future periods and to adjust reserves, if appropriate, for prior years.

In general, our insurance reserves are recorded on an undiscounted basis. We allocate current-year insurance expense to our operating segments based upon their underlying exposures, while actuarial adjustments related to prior year claims are recorded within Corporate expenses. We classify claims as current or long-term based on the expected settlement date. Estimated insurance recoveries related to recorded liabilities are reflected as assets in our Consolidated Balance Sheets when we believe the receipt of such amounts is probable.

Other Accrued Liabilities

At October 31, 2022 and 2021, other accrued liabilities primarily consisted of employee benefits, contract liabilities (which include deferred revenue and progress billings in excess of costs), legal fees and settlements, unclaimed property, dividends payable, and ESPC liabilities.

Other Noncurrent Liabilities

At October 31, 2022 and 2021, other noncurrent liabilities primarily consisted of contingent consideration liability, deferred compensation, ESPC liabilities, retirement plan liabilities, and long-term finance leases.

Contracts with Customers

We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Once a contract is identified, we evaluate whether it is a combined or single contract and whether it should be accounted for as more than one performance obligation. Generally, most of our contracts are cancelable by either party without a substantive penalty, and the majority of our contracts have a notification period of 30 to 60 days. If a contract includes a cancellation clause, the remaining contract term is limited to the required termination notice period.

At contract inception, we assess the services promised to our customers and identify a performance obligation for each promise to transfer to the customer a service, or a bundle of services, that is distinct. To identify

the performance obligation, we consider all of our services promised in the contract, regardless of whether they are explicitly stated or are implied by customary business practices.

The majority of our contracts contain multiple promises that represent an integrated bundle of services comprised of activities that may vary over time; however, these activities fulfill a single integrated performance obligation since we perform a continuous service that is substantially the same and has the same pattern of transfer to the customer. Our performance obligations are primarily satisfied over time as we provide the related services. We allocate the contract transaction price to this single performance obligation and recognize revenue as the services are performed, as further described in “Contract Types” below.

Certain arrangements involve variable consideration (primarily per transaction fees, reimbursable expenses, and sales-based royalties). We do not estimate the variable consideration for these arrangements; rather, we recognize these variable fees in the period they are earned. Some of our contracts, often related to Airline Services, may also include performance incentives based on variable performance measures that are ascertained exclusively by future performance and therefore cannot be estimated at contract inception and are recognized as revenue once known and mutually agreed upon. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (historical, current, and forecasted) that is reasonably available to us.

We primarily account for our performance obligations under the series guidance, using the as-invoiced practical expedient when applicable. We apply the as-invoiced practical expedient to record revenue as the services are provided, given the nature of the services provided and the frequency of billing under the customer contracts. Under this practical expedient, we recognize revenue in an amount that corresponds directly with the value to the customer of our performance completed to date and for which we have the right to invoice the customer.

We typically bill customers on a monthly basis and have the right to consideration from customers in an amount that corresponds directly with the performance obligation satisfied to date. The time between completion of the performance obligation and collection of cash is generally 30 to 60 days. Sales-based taxes are excluded from revenue.

Contracts generally can be modified to account for changes in specifications and requirements. We consider contract modifications to exist when the modification either changes the consideration, creates new performance obligations, or changes the existing scope of the contract and related performance obligations. Historically, contract modifications have been for services that are not distinct from the existing contract, since we are providing a bundle of services that are highly interrelated, and are therefore treated as if they were part of that existing contract. Such modifications are generally accounted for retrospectively as part of the existing contract.

Contract Types

We have arrangements under various contract types, as described below.

Monthly Fixed-Price

Monthly fixed-price arrangements are contracts in which the client agrees to pay a fixed fee every month over a specified contract term. We measure progress toward satisfaction of the performance obligation as the services are provided, and revenue is recognized at the agreed-upon contractual amount over time, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Square-Foot

Square-foot arrangements are contracts in which the client agrees to pay a fixed fee every month based on the actual square footage serviced over a specified contract term. We measure progress toward satisfaction of the performance obligation as the services are provided, and revenue is recognized at the agreed-upon contractual amount over time, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Cost-Plus

Cost-plus arrangements are contracts in which the clients reimburse us for the agreed-upon amount of wages and benefits, payroll taxes, insurance charges, and other expenses associated with the contracted work,

plus a profit margin. We measure progress toward satisfaction of the performance obligation as the services are provided, and revenue is recognized at the agreed-upon contractual amount over time, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Work Orders

Work orders generally consist of supplemental services requested by clients outside of the standard service specification and include cleanup after tenant moves, construction cleanup, flood cleanup, and snow removal. The nature of these short-term contracts involves performing one-off type services, and revenue is recognized at the agreed-upon contractual amount over time as the services are provided, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Transaction-Price

Transaction-price contracts are arrangements in which customers are billed a fixed price for each transaction performed on a monthly basis (e.g., wheelchair passengers served, airplane cabins cleaned). We measure progress toward satisfaction of the performance obligation as the services are provided, and revenue is recognized at the agreed-upon contractual amount over time, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Hourly

Hourly arrangements are contracts in which the client is billed a fixed hourly rate for each labor hour provided. We measure progress toward satisfaction of the performance obligation as the services are provided, and revenue is recognized at the agreed-upon contractual amount over time, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Management Reimbursement

Under management reimbursement arrangements, we manage a parking facility for a management fee and pass through the revenue and expenses associated with the facility to the owner. We measure progress toward satisfaction of the performance obligation over time as the services are provided. Under these contracts we recognize both revenues and expenses, in equal amounts, that are directly reimbursed from the property owner for operating expenses, as such expenses are incurred. Such revenues do not include gross customer collections at the managed locations, because they belong to the property owners. We have determined we are the principal in these transactions, because the nature of our performance obligation is for us to provide the services on behalf of the customer and we have control of the promised services before they are transferred to the customer.

Management reimbursement revenue was $280.6 million, $240.3 million, and $295.6 million during 2022, 2021, and 2020, respectively.

Leased Location

Under leased location parking arrangements, we pay a fixed amount of rent, plus a percentage of revenues derived from monthly and transient parkers, to the property owner. We retain all revenues received and we are responsible for most operating expenses incurred. We measure progress toward satisfaction of the performance obligation as the services are provided, and revenue is recognized over time, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Rental expense and certain other expenses under contracts that meet the definition of service concession arrangements are recorded as a reduction of revenue.

Allowance

Under allowance parking arrangements, we are paid a fixed amount or hourly rate to provide parking services, and we are responsible for certain operating expenses that are specified in the contract. We measure progress toward satisfaction of the performance obligation as the services are provided, and revenue is recognized at the agreed-upon contractual rate over time, because the customer simultaneously receives and consumes the benefits of the services as they are performed.

Energy Savings Contracts and Fixed-Price Repair and Refurbishment

Under energy savings contracts and fixed-price repair and refurbishment arrangements, we agree to develop, design, engineer, and construct a project. Additionally, as part of bundled energy solutions arrangements, we guarantee the project will satisfy agreed-upon performance standards.

We use the cost-to-cost method, which compares the actual costs incurred to date with the current estimate of total costs to complete, to measure the satisfaction of the performance obligation and recognize revenue as work progresses and we incur costs on our contracts; we believe this method best reflects the transfer of control to the customer. This measurement and comparison process requires updates to the estimate of total costs to complete the contract, and these updates may include subjective assessments and judgments. Equipment purchased for these projects is project-specific and considered a value-added element to our work. Equipment costs are incurred when the title is transferred to us, typically upon delivery to the work site. Revenue for uninstalled equipment is recognized at cost and the associated margin is deferred until installation is substantially complete.

We recognize revenue over time for all of our services as we perform them, because (i) control continuously transfers to the customer as work progresses or (ii) we have the right to bill the customer as costs are incurred. The customer typically controls the work in process, as evidenced either by contractual termination clauses or by our rights to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use to us.

Certain project contracts include a schedule of billings or invoices to the customer based on our job-to-date percentage of completion of specific tasks inherent in the fulfillment of our performance obligation(s) or in accordance with a fixed billing schedule. Fixed billing schedules may not precisely match the actual costs incurred. Therefore, revenue recognized may differ from amounts that can be billed or invoiced to the customer at any point during the contract, resulting in balances that are considered revenue recognized in excess of amounts billed or amounts billed in excess of revenue recognized. Advanced payments from our customers generally do not represent a significant financing component as the payments are used to meet working capital demands that can be higher in the early stages of a contract, as well as to protect us from our customer failing to meet its obligations under the contract.

Certain projects include service maintenance agreements under which existing systems are repaired and maintained for a specific period of time. We generally recognize revenue under these arrangements over time. Our service maintenance agreements are generally one-year renewable agreements.

Franchise

We franchise certain engineering services through individual and area franchises under the Linc Service and TEGG brands, which are part of ABM Technical Solutions. Initial franchise fees result from the sale of a franchise license and include the use of the name, trademarks, and proprietary methods. The franchise license is considered symbolic intellectual property, and revenue related to the sale of this right is recognized at the agreed-upon contractual amount over the term of the initial franchise agreement.

Royalty fee revenue consists of sales-based royalties received as part of the consideration for the franchise right, which is calculated as a percentage of the franchisees' revenue. We recognize royalty fee revenue at the agreed-upon contractual rates over time as the customer revenue is generated by the franchisees. A receivable is recognized for an estimate of the unreported royalty fees, which are reported and remitted to us in arrears.

Microgrid Systems Installation

We provide electrical contracting services for energy related products such as the installation of solar solutions, battery storage, distributed generation, and other specialized electric trades.

We use the cost-to-cost method, which compares the actual costs incurred to date with the current estimate of total costs to complete, to measure the satisfaction of the performance obligation and recognize revenue as work progresses and we incur costs on our contracts; we believe this method best reflects the transfer of control to the customer. This measurement and comparison process requires updates to the estimate of total costs to complete the contract, and these updates may include subjective assessments and judgments.

Costs to Obtain a Contract with a Customer

We capitalize the incremental costs of obtaining a contract with a customer, primarily commissions, as contract assets and recognize the expense on a straight-line basis over a weighted average expected customer relationship period. Capitalized commissions are classified as current or noncurrent based on the timing of when we expect to recognize the expense.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in contract assets and contract liabilities, as further explained below. The timing of revenue recognition may differ from the timing of invoicing to customers. If a contract includes a cancellation clause that allows for the termination of the contract by either party without a substantive penalty, then the contract term is limited to the termination notice period.

Contract assets primarily consist of billed trade receivables, unbilled trade receivables, and costs incurred in excess of amounts billed. Billed and unbilled trade receivables represent amounts from work completed in which we have an unconditional right to bill our customer. Costs incurred in excess of amounts billed typically arise when the revenue recognized on projects exceeds the amount billed to the customer. These amounts are transferred to billed trade receivables when the rights become unconditional. Contract assets also include the capitalization of incremental costs of obtaining a contract with a customer, primarily commissions.

Contract liabilities consist of deferred revenue and advance payments and billings in excess of revenue recognized. We generally classify contract liabilities as current since the related contracts are generally for a period of one year or less. Contract liabilities decrease as we recognize revenue from the satisfaction of the related performance obligation.

Advertising

Advertising costs are expensed as incurred. During 2022, 2021, and 2020, advertising expense was $6.0 million, $6.2 million, and $1.8 million, respectively.

Share-Based Compensation

Our current share-based awards principally consist of restricted stock units (“RSUs”) and various performance share awards. We recognize compensation costs associated with these awards in selling, general and administrative expenses. For RSUs and performance share awards, the amount of compensation cost is measured based on the grant-date fair value of the equity instruments issued. Since our total shareholder return (“TSR”) performance share awards are performance awards with a market condition, the compensation costs associated with these awards are determined using a Monte Carlo simulation valuation model. For RSUs and TSR performance share awards, compensation cost is recognized over the period that an employee provides service in exchange for the award. We recognize compensation cost associated with other performance share awards over the requisite service period based on the probability of achievement of performance criteria.

Taxes Collected from Clients and Remitted to Governmental Agencies

We record taxes on client transactions due to governmental agencies as receivables and liabilities on the Consolidated Balance Sheets.

Net Income Per Common Share

Basic net income per common share is net income divided by the weighted-average number of common shares outstanding during the period. Diluted net income per common share is based on the weighted-average number of common shares outstanding during the period, adjusted to include the potential dilution from the conversion of RSUs, vesting of performance shares, and exercise of stock options.

Contingencies and Litigation

We are a party to a number of lawsuits, claims, and proceedings incident to the operation of our business, including those pertaining to labor and employment, contracts, personal injury, and other matters, some of which allege substantial monetary damages. Some of these actions may be brought as class actions on behalf of a class or purported class of employees. We accrue for loss contingencies when losses become probable and are reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better

estimate, then the minimum amount of the range is recorded as a liability. We recognize legal costs as an expense in the period incurred.

Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered. Deferred tax assets are reviewed for recoverability on a quarterly basis. A valuation allowance is recorded to reduce the carrying amount of a deferred tax asset to its realizable value unless it is more likely than not that such asset will be realized. We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense in our Consolidated Statements of Comprehensive Income (Loss).

Recently Adopted Accounting Standards

In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. This accounting update simplifies the accounting for income taxes and clarifies and amends existing income tax guidance. Impacted areas include intraperiod tax allocations, interim period taxes, deferred tax liabilities with outside basis differences, franchise taxes, and transactions that result in the "step-up" of goodwill. We adopted this standard, effective November 1, 2021, on a prospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01, *Investments–Equity Securities (Topic 321), Investments–Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)*. This accounting update clarifies the interaction between the accounting for investments in equity securities under Topic 321, investments accounted for under the equity method under Topic 323, and certain derivatives instruments under Topic 815. We adopted this standard, effective November 1, 2021, on a prospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Standards

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients to assist with the discontinuance of LIBOR. The expedients allow companies to ease the potential accounting burden when modifying contracts and hedging relationships that use LIBOR as a reference rate, if certain criteria are met. In January 2021, FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. This ASU clarifies that derivatives affected by the discounting transition are explicitly eligible for certain optional expedients and exceptions under Topic 848. Effective November 1, 2023, we applied available practical expedients under ASC 848 to account for modifications, changes in critical terms, and updates to the designated hedged risks as qualifying changes have been made to applicable debt and derivative contracts as if they were not substantial.

We do not expect any other recently issued accounting pronouncements to have a material impact on our consolidated financial statements and related disclosures.

3. ACQUISITIONS AND DISPOSITIONS

Acquisition of RavenVolt

On September 1, 2022, we completed the acquisition of all of the equity interests of RavenVolt, Inc. ("RavenVolt"), a nationwide provider of advanced turn-key microgrid systems utilized by diversified commercial and industrial customers, national retailers, utilities, and municipalities. RavenVolt's operations are included within our Technical Solutions segment. The transaction met the definition of a business combination. We applied the acquisition method of accounting.

The initial purchase price for the acquisition was approximately $170.0 million in cash at closing (subject to customary working capital and net debt adjustments) plus the potential of post-closing contingent consideration of up to $280.0 million. The post closing contingent consideration is payable in cash in calendar years 2024, 2025, and 2026 if RavenVolt's earnings before interest, taxes, depreciation, and amortization (EBITDA), as defined in the RavenVolt merger agreement, meets or exceeds certain defined targets. The maximum contingent consideration that is payable in calendar years 2024, 2025, and 2026 is $75.0 million, $75.0 million, and $130.0 million, respectively. If the EBITDA achieved for calendar years 2023 - 2025 cumulatively meets the defined EBITDA targets, the entire $280.0 million would be paid in calendar year 2026, minus any earn-out payments made in 2024 and 2025.

To estimate the fair value of the contingent consideration on the date of acquisition, we used the Real Options method. The key assumptions used in our valuation were: i) forecast of revenues and EBITDA margins, ii) the volatility associated with the EBITDA, iii) risk-adjusted discount rate applied to forecasted EBITDA, and (iv) the credit-adjusted discount rate related to the payment of the contingent consideration. A simulation of one million scenarios was performed with the assistance of a third-party valuation specialist, resulting in a fair value for the cumulative contingent consideration for calendar years 2023 through 2025 totaling $59.0 million.

Subsequent changes in the estimates of the fair value and the actual payment of the contingent consideration in calendar 2024, 2025, and 2026 will be reflected as adjustments to the related liability and recognized within "Operating Expenses" in the Consolidated Statements of Comprehensive Income (Loss).

Preliminary Acquisition Accounting

The assets acquired and liabilities assumed were recognized at their acquisition date fair values. The acquisition accounting is subject to change as the Company obtains additional information during the measurement period about the facts and circumstances that existed as of the acquisition date. The final acquisition accounting may include changes to intangible assets, deferred taxes, and deferred revenue within the measurement period not to exceed one year from the acquisition date. Goodwill arising from the RavenVolt Acquisition is not deductible for tax reporting purposes.

The following table summarizes the preliminary acquisition accounting based on currently available information:

(in millions)	
Cash and cash equivalents	$ 29.0
Trade accounts receivable	16.5
Other assets	3.9
Intangible assets	16.5
Goodwill	207.5
Trade accounts payable	(5.2)
Deferred revenue	(31.6)
Other accrued liabilities	(3.2)
Deferred income tax liability, net	(4.4)
Net assets acquired	$ 229.0

Goodwill is largely attributable to value we expect to obtain from long-term business growth, the established workforce, and buyer-specific synergies.

The Consolidated Statements of Comprehensive Income (Loss) for the three and twelve months ended October 31, 2022, include revenues attributable to RavenVolt of $14.7 million, and operating loss of $0.2 million. The operations of RavenVolt are included in our Technical Solutions segment.

Acquisition of Momentum

Effective April 7, 2022, we acquired Maybin Support Services Limited, Momentum Support Limited (UK), and Momentum Property Support Services Limited (collectively "Momentum"), a leading independent provider of facility services, primarily janitorial, across the Republic of Ireland and Northern Ireland, for a purchase price of approximately $54.8 million. The transaction met the definition of a business combination. The acquisition was accounted for under the acquisition method. Accordingly, the assets acquired and liabilities assumed were recognized on the date of acquisition at their estimated fair values, with the excess of the purchase price recorded as goodwill, which is not deductible for income tax purposes. At October 31, 2022, we recorded preliminary goodwill and intangibles of $41.6 million and $10.4 million, respectively. The total assets acquired, excluding goodwill and intangibles, and liabilities assumed amounted to $20.3 million and $17.6 million, respectively. The acquisition accounting is subject to adjustments within the measurement period not to exceed one year from the acquisition date.

The Consolidated Statements of Comprehensive Income (Loss) for the three and twelve months ended October 31, 2022, include revenues attributable to Momentum of $17.6 million and $40.4 million, respectively, and operating profit of $1.0 million and $2.4 million, respectively.

Acquisition of Able

On September 30, 2021, we completed the Able Acquisition for a net cash purchase price of $741.7 million. Pursuant to the terms of the purchase agreement, approximately $12.1 million of the cash consideration was placed into escrow accounts, of which approximately $8.2 million was placed into escrow to satisfy any applicable indemnification claims for a period of 12 months. To fund the cash purchase price, we used cash on hand and borrowed $325.0 million on September 30, 2021, at an average interest rate of 1.58% from our revolving line of credit.

Final Acquisition Accounting

The following table summarizes the preliminary acquisition accounting on the date of acquisition as previously reported at October 31, 2021, and the final acquisition accounting.

(in millions)	Preliminary Acquisition Accounting	Adjustments	Final Acquisition Accounting
Cash and cash equivalents	$ 31.5	$ —	$ 31.5
Trade accounts receivable[1]	159.3	(1.4)	157.9
Other assets	24.9	(5.7)	19.2
Customer relationships[2]	220.0	—	220.0
Trade names[2]	10.0	—	10.0
Goodwill[3]	554.0	20.2	574.2
Trade accounts payable	(27.0)	(7.6)	(34.6)
Accrued compensation	(38.2)	(2.4)	(40.6)
Insurance claims	(91.6)	13.8	(77.8)
Other liabilities	(41.7)	(17.0)	(58.7)
Deferred income tax liability, net	(59.5)	6.0	(53.5)
Net assets acquired	$ 741.7	$ 5.9	$ 747.6

[1] The gross amount of trade accounts receivable was $160.3 million, of which $2.5 million was deemed uncollectible.

[2] The amortization periods for the acquired intangible assets are 15 years for customer relationships and 2 years for trade names.

[3] Goodwill is largely attributable to value we expect to obtain from long-term business growth, the established workforce, and buyer-specific synergies. This goodwill is not deductible for income tax purposes.

Financial Information

The Consolidated Statements of Comprehensive Income (Loss) for the fiscal year ended October 31, 2021, includes $101.1 million of revenue and $4.4 million of net income attributable to the operations of Able since the acquisition date. The operations of Able are primarily included in our B&I segment.

The following table presents our unaudited pro forma results for 2021 and 2020 as though the Able Acquisition occurred on November 1, 2019. These results include adjustments for the estimated amortization of intangible assets, interest expense, and the income tax impact of the pro forma adjustments at the statutory rate of 28%. These unaudited pro forma results do not reflect the cost of integration activities or benefits from expected revenue enhancements and synergies.

	Years Ended October 31,	
(in millions)	**2021**	**2020**
Pro forma revenue	$ 7,223.2	$ 7,078.2
Pro forma income (loss) from continuing operations[(1)]	139.1	(7.9)

[(1)] These results were adjusted to exclude $17.3 million of acquisition-related costs incurred during 2021, which are included in selling, general and administrative expenses in the accompanying Consolidated Statements of Comprehensive Income (Loss).

Disposition of Assets

During 2022, we sold a group of customer contracts for healthcare technology management within our Technical Solutions segment for $8.5 million and recognized a gain of $7.6 million, which is included in “Selling, general and administrative expenses” in the accompanying Consolidated Statements of Comprehensive Income (Loss).

4. REVENUES

Disaggregation of Revenues

We generate revenues under several types of contracts, which are further described in Note 2, "Basis of Presentation and Significant Accounting Policies." Generally, the type of contract is determined by the nature of the services provided by each of our major service lines throughout our reportable segments; therefore, we disaggregate revenues from contracts with customers into major service lines. We have determined that disaggregating revenues into these categories best depicts how the nature, amount, timing, and uncertainty of revenues and cash flows are affected by economic factors. Our reportable segments are B&I, M&D, Education, Aviation, and Technical Solutions, as described in Note 17, "Segment and Geographic Information."

	Year Ended October 31, 2022					
(in millions)	B&I	M&D	Education	Aviation	Technical Solutions	Total
Major Service Line						
Janitorial[1]	$ 2,746.6	$ 1,242.4	$ 720.6	$ 119.8	$ —	$ 4,829.4
Parking[2]	354.3	36.6	0.9	311.7	—	703.6
Facility Services[3]	995.0	166.2	113.2	28.3	—	1,302.7
Building & Energy Solutions[4]	—	—	—	—	626.8	626.8
Airline Services[5]	—	—	—	344.2	—	344.2
Total	$ 4,095.9	$ 1,445.2	$ 834.7	$ 804.0	$ 626.8	$ 7,806.6

	Year Ended October 31, 2021					
(in millions)	B&I	M&D	Education	Aviation	Technical Solutions	Total
Major Service Line						
Janitorial[1]	$ 2,180.2	$ 1,157.9	$ 724.1	$ 116.8	$ —	$ 4,179.0
Parking[2]	296.1	39.8	0.9	257.0	—	593.8
Facility Services[3]	377.5	165.4	105.8	24.9	—	673.6
Building & Energy Solutions[4]	—	—	—	—	529.8	529.8
Airline Services[5]	—	—	—	252.4	—	252.4
Total	$ 2,853.8	$ 1,363.1	$ 830.8	$ 651.1	$ 529.8	$ 6,228.6

[1] Janitorial arrangements provide a wide range of essential cleaning services for commercial office buildings, airports and other transportation centers, educational institutions, government buildings, health facilities, industrial buildings, retail stores, and stadiums and arenas. These arrangements are often structured as monthly fixed-price, square-foot, cost-plus, and work order contracts.

[2] Parking arrangements provide parking and transportation services for clients at various locations, including airports and other transportation centers, commercial office buildings, educational institutions, health facilities, hotels, and stadiums and arenas. These arrangements are structured as management reimbursement, leased location, and allowance contracts. Certain of these arrangements are considered service concession agreements and are accounted for under the guidance of Topic 853; accordingly, rent expense related to these arrangements is recorded as a reduction of the related parking service revenues.

[3] Facility Services arrangements provide onsite mechanical engineering and technical services and solutions relating to a broad range of facilities and infrastructure systems that are designed to extend the useful life of facility fixed assets, improve equipment operating efficiencies, reduce energy consumption, lower overall operational costs for clients, and enhance the sustainability of client locations. These arrangements are generally structured as monthly fixed-price, cost-plus, and work order contracts.

[4] Building & Energy Solutions arrangements provide custom energy solutions, including microgrid systems installation, electrical, HVAC, lighting, electric vehicle charging station installation, and other general maintenance and repair services for clients in the public and private sectors and are generally structured as Energy Savings and Fixed-Price Repair and Refurbishment contracts. We also franchise certain operations under franchise agreements relating to our Linc Network and TEGG brands pursuant to franchise contracts.

[5] Airline Services arrangements support airlines and airports with services such as passenger assistance, catering logistics, and airplane cabin maintenance. These arrangements are often structured as monthly fixed-price, cost-plus, transaction price, and hourly contracts.

Remaining Performance Obligations

At October 31, 2022, performance obligations that were unsatisfied or partially unsatisfied for which we expect to recognize revenue totaled $236.6 million. We expect to recognize revenue on approximately 77% of the remaining performance obligations over the next 12 months, with the remainder recognized thereafter, based on our estimates of project timing.

These amounts exclude variable consideration primarily related to: (i) contracts where we have determined that the contract consists of a series of distinct service periods and revenues are based on future performance that cannot be estimated at contract inception; (ii) parking contracts where we and the customer share the gross revenues or operating profit for the location; and (iii) contracts where transaction prices include performance incentives that are based on future performance and therefore cannot be estimated at contract inception. We apply the practical expedient that permits exclusion of information about the remaining performance obligations with original expected durations of one year or less.

Contract Balances

The following tables present the balances in our contract assets and contract liabilities:

(in millions)	As of October 31, 2022	As of October 31, 2021
Contract assets		
Billed trade receivables[1]	$ 1,138.8	$ 1,057.6
Unbilled trade receivables[1]	162.5	112.1
Costs incurred in excess of amounts billed[2]	75.8	52.5
Capitalized commissions[3]	30.9	27.8

[1] Included in trade accounts receivable, net, on the Consolidated Balance Sheets. The fluctuations correlate directly to the execution of new customer contracts and to invoicing and collections from customers in the normal course of business.

[2] Fluctuation is primarily due to the timing of payments on our contracts measured using the cost-to-cost method of revenue recognition.

[3] Included in other current assets and other noncurrent assets on the Consolidated Balance Sheets. During the year ended October 31, 2022, we capitalized $17.4 million of new costs and amortized $14.4 million of previously capitalized costs. There was no impairment loss recorded on the costs capitalized.

(in millions)	Year Ended October 31, 2022
Contract liabilities[1]	
Balance at beginning of year	$ 58.5
Acquisition additions[2]	31.6
Additional contract liabilities	213.9
Recognition of deferred revenue	(224.4)
Balance at end of year	$ 79.6

[1] Included in other accrued liabilities on the Consolidated Balance Sheets.

[2] Represents additions associated with the RavenVolt acquisition.

5. LEASES

The components of lease assets and liabilities and their classification on our Consolidated Balance Sheets were as follows:

(in millions)	Classification	As of October 31, 2022	2021
Lease assets			
Operating leases	Right-of-use assets	$ 115.2	$ 126.5
Finance leases	Property, plant and equipment, net[1]	10.0	3.7
Total lease assets		$ 125.2	$ 130.2
Lease liabilities			
Current liabilities			
Operating leases	Current portion of lease liabilities	$ 30.3	$ 31.8
Finance leases	Other accrued liabilities	2.8	0.4
Noncurrent liabilities			
Operating leases	Long-term lease liabilities	104.5	116.6
Finance leases	Other noncurrent liabilities	6.4	2.0
Total lease liabilities		$ 144.1	$ 150.8

[1] Finance lease assets are recorded net of accumulated amortization of $16.9 million and $16.3 million as of October 31, 2022 and October 31, 2021, respectively.

The components of lease costs and classification within the Consolidated Statements of Comprehensive Income (Loss) were as follows:

(in millions)	Years Ended October 31, 2022	2021
Operating lease costs:		
Operating expenses[1][2]	$ 60.2	$ 51.9
Selling, general and administrative expenses[3]	25.7	25.3
Finance lease costs:		
Operating expenses[4]	1.7	2.5
Interest expense[5]	0.4	0.5
Total lease costs	$ 88.1	$ 80.2

[1] Related to certain parking arrangements.

[2] Includes short-term lease costs and variable lease costs.

[3] Includes short-term lease costs.

[4] Represents amortization of leased assets.

[5] Interest on lease liabilities.

The following table presents information on short-term and variable lease costs:

(in millions)	Years Ended October 31, 2022	2021
Short-term lease costs	$ 43.3	$ 34.8
Variable lease costs	6.0	3.7
Total short-term and variable lease costs	$ 49.3	$ 38.5

Sublease income generated during the year ended October 31, 2022, was immaterial.

The amounts of future undiscounted cash flows related to the lease payments over the lease terms and the reconciliation to the present value of the lease liabilities as recorded on our Consolidated Balance Sheets as of October 31, 2022, are as follows:

(in millions)	Operating Lease Liabilities	Finance Lease Liabilities	Total
Fiscal 2023	$ 35.2	$ 3.2	$
Fiscal 2024	30.0	2.4	
Fiscal 2025	23.7	2.4	
Fiscal 2026	20.9	1.6	
Fiscal 2027	15.1	—	
Thereafter	26.6	—	
Total lease payments	151.6	9.5	
Less: imputed interest	16.7	0.4	
Present value of lease liabilities	$ 134.8	$ 9.2	$

Future sublease rental income was excluded for the periods shown above as the amounts are immaterial.

We have entered into operating lease arrangements as of October 31, 2022, that are effective for future periods. The total amount of ROU assets and lease liabilities related to these arrangements is immaterial.

The following table includes the weighted-average remaining lease terms, in years, and the weighted-average discount rate used to calculate the present value of operating lease liabilities:

	Years Ended October 31,	
	2022	2021
Weighted-average remaining lease term (years)		
Operating leases	5.7	
Finance leases	3.5	
Weighted-average discount rate		
Operating leases	4.09 %	4
Finance leases	3.82 %	4

The following table includes supplemental cash and non-cash information related to operating leases:

(in millions)	Years Ended October 31, 2022	2021
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 35.3	$ 38.9
Operating cash flows from finance leases	0.4	0.5
Financing cash flows from finance leases	1.9	2.8
Lease assets obtained in exchange for new operating lease liabilities	23.1	20.6

6. NET INCOME PER COMMON SHARE

Basic and Diluted Net Income Per Common Share Calculations

(in millions, except per share amounts)	Years Ended October 31, 2022	2021	2020
Income from continuing operations	$ 230.4	$ 126.3	$ 0.2
Income from discontinued operations, net of taxes	—	—	0.1
Net income	$ 230.4	$ 126.3	$ 0.3
Weighted-average common and common equivalent shares outstanding — Basic	67.1	67.4	66.9
Effect of dilutive securities			
RSUs	0.2	0.3	0.1
Stock options	—	—	0.1
Performance shares	0.2	0.2	0.1
Weighted-average common and common equivalent shares outstanding — Diluted	67.5	68.0	67.3
Net income per common share — Basic			
Income from continuing operations	$ 3.44	$ 1.87	$ 0.00
Income from discontinued operations	—	—	—
Net income	$ 3.44	$ 1.87	$ 0.00
Net income per common share — Diluted			
Income from continuing operations	$ 3.41	$ 1.86	$ 0.00
Income from discontinued operations	—	—	—
Net income	$ 3.41	$ 1.86	$ 0.00

Anti-Dilutive Outstanding Stock Awards Issued Under Share-Based Compensation Plans

(in millions)	Years Ended October 31, 2022	2021	2020
Anti-dilutive	—	—	0.4

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy of Our Financial Instruments

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

(in millions)	Fair Value Hierarchy	As of October 31, 2022	As of October 31, 2021
Cash and cash equivalents[1]	1	$ 73.0	$ 62.8
Insurance deposits[2]	1	0.9	0.7
Assets held in funded deferred compensation plan[3]	1	4.1	4.9
Debt facilities [4]	2	1,271.3	888.8
Interest rate swap assets[5]	2	36.9	—
Interest rate swap liabilities[5]	2	—	4.6
Preferred equity investment[6]	3	3.0	—
Contingent Consideration[7]	3	59.0	—

[1] Cash and cash equivalents are stated at nominal value, which equals fair value.

[2] Represents restricted deposits that are used to collateralize our insurance obligations and are stated at nominal value, which equals fair value. These insurance deposits are included in “Other noncurrent assets” on the accompanying Consolidated Balance Sheets. See Note 10, “Insurance,” for further information.

[3] Represents investments held in Rabbi trusts associated with two of our deferred compensation plans, which we include in “Other noncurrent assets” on the accompanying Consolidated Balance Sheets. The fair value of the assets held in the funded deferred compensation plan is based on quoted market prices. See Note 12, “Employee Benefit Plans,” for further information.

[4] Represents gross outstanding borrowings under our syndicated line of credit and term loan. Due to variable interest rates, the carrying value of outstanding borrowings under our line of credit and term loan approximates the fair value. See Note 11, “Debt,” for further information.

[5] Represents interest rate swap derivatives designated as cash flow hedges. The fair values of the interest rate swaps are estimated based on the present value of the difference between expected cash flows calculated at the contracted interest rates and the expected cash flows at current market interest rates using observable benchmarks for the London Interbank Offered Rate (“LIBOR”) forward rates at the end of the period. At October 31, 2022 and 2021, our interest rate swap assets and liabilities are included in “Other noncurrent assets” and “Other accrued liabilities,” respectively, on the accompanying Consolidated Balance Sheets. See Note 11, “Debt,” for further information.

[6] We purchased $3.0 million in a preferred equity investment of a privately held company during the first quarter of 2022, which we include in “Other investments” on the accompanying Consolidated Balance Sheet. Our investment does not have a readily determinable fair value; therefore, we account for the investment using the measurement alternative under Topic 321 and measure the investment at initial cost less impairment, if any.

[7] At October 31, 2022, our contingent consideration payable related to RavenVolt acquisition is recorded at fair value as a liability on the acquisition date and is remeasured at each reporting date, based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. At September 1, 2022, we recorded the contingent consideration at fair value of $59.0 million. After the acquisition date and until the contingency is resolved, the fair value of contingent consideration payable is adjusted each reporting period based primarily on the expected probability of achievement of the contingency targets which are subject to our estimate. These changes in fair value are recognized within “Operating expenses” of the consolidated statements of comprehensive income (loss). There was no change in the fair value of the contingent consideration payable between September 1, 2022 and October 31, 2022.

There were no transfers to or from Level 3 financial assets or liabilities during 2022 and 2021. At October 31, 2021, the Company had no financial assets or liabilities recorded at fair value using Level 3 inputs.

Non-Financial Assets Measured at Fair Value on a Non-Recurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, we are also required to measure certain items at fair value on a non-recurring basis. These assets can include: goodwill; intangible assets; property, plant and equipment; lease-related ROU assets; and long-lived assets that have been reduced to fair value when they are held for sale. If certain triggering events occur or if an annual impairment test is required,

we would evaluate these non-financial assets for impairment. If an impairment were to occur, the asset would be recorded at the estimated fair value, using primarily unobservable Level 3 inputs.

In connection with the reorganization of our T&M segment as discussed in Note 2, "Basis of Presentation and Significant Accounting Policies," we reallocated $95.0 million of goodwill from our B&I segment to our M&D segment using a relative fair value approach. M&D's goodwill balance was $502.2 million after the reorganization, which includes $407.2 million of previously recorded goodwill from our T&M segment. In addition, we completed an assessment of any potential goodwill impairment for all reporting units immediately prior to and following the reallocation and determined that no impairment existed.

During the third quarter of 2021, we recognized a non-cash impairment charge totaling $9.1 million in our Corporate segment for previously capitalized internal-use software related to our Enterprise Resource Planning ("ERP") system implementation. The Company determined that certain components that were previously developed would no longer be implemented. The impairment charge reduced the carrying value to zero for those components and is recorded in "Selling, general and administrative expenses" on our Consolidated Statements of Comprehensive Income (Loss) for the year ended October 31, 2021.

8. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment

(in millions)	As of October 31, 2022	As of October 31, 2021
Machinery and other equipment	$ 158.7	$ 148.9
Computer equipment and software	106.8	97.2
Transportation equipment	64.1	57.9
Leasehold improvements	67.0	59.6
Furniture and fixtures	17.3	14.6
Buildings	7.7	7.7
Land	0.7	0.7
	422.2	386.6
Less: Accumulated depreciation[1]	296.9	274.7
Total	$ 125.4	$ 111.9

[1] For 2022, 2021, and 2020, depreciation expense was $40.3 million, $45.0 million, and $48.0 million, respectively.

9. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

(in millions)	Business & Industry	Manufacturing & Distribution	Education	Aviation	Technical Solutions	Total
Balance at October 31, 2020	$ 574.0	$ 407.2	$ 459.3	$ 69.5	$ 161.5	$ 1,671.4
Acquisition	554.0	—	—	—	—	—
Foreign currency translation	1.8	—	—	0.4	1.2	3.4
Balance at October 31, 2021	$ 1,129.8	$ 407.2	$ 459.3	$ 69.9	$ 162.7	$ 2,228.9
Acquisitions [1]	61.7	—	—	—	207.5	269.2
Reallocation[2]	(95.0)	95.0	—	—	—	—
Foreign currency translation	(8.7)	—	—	(1.1)	(2.7)	(12.6)
Balance at October 31, 2022	$ 1,087.9	$ 502.2	$ 459.3	$ 68.7	$ 367.4	$ 2,485.6

[1] During 2022, goodwill increased primarily as a result of the RavenVolt and Momentum acquisitions. See Note 3, “Acquisitions and Dispositions,” for additional information.

[2] In connection with the reorganization of our T&M segment in Q1 2022 we reallocated $95.0 million of goodwill from our B&I segment to our M&D segment using a relative fair value approach.

We did not record goodwill impairment charges during fiscal years 2022 and 2021.

Other Intangible Assets

	As of October 31,					
	2022			2021		
(in millions)	Gross Carrying Amount	Accumulated Amortization	Total	Gross Carrying Amount	Accumulated Amortization	Total
Customer contracts and relationships	$ 801.6	$ (442.1)	$ 359.6	$ 793.8	$ (378.5)	$ 415.3
Trademarks and trade names[1]	21.4	(15.4)	6.1	19.8	(10.4)	9.5
Contract rights and other[1]	15.3	(2.4)	12.9	0.5	(0.4)	0.1
Total[2]	$ 838.4	$ (459.8)	$ 378.5	$ 814.1	$ (389.3)	$ 424.8

[1] Additions reflect the Momentum and RavenVolt acquisitions in 2022. See Note 3, “Acquisitions and Dispositions,” for additional information.

[2] These intangible assets are being amortized over the expected period of benefit, with a weighted average life of approximately 11 years.

Estimated Annual Amortization Expense for Each of the Next Five Years

(in millions)	2023	2024	2025	2026	2027
Estimated amortization expense[1]	$ 75.9	$ 54.3	$ 47.3	$ 41.2	$ 35.9

[1] These amounts could vary as acquisitions of additional intangible assets occur in the future and as purchase price allocations are finalized for existing acquisitions.

The estimates of future cash flows used in determining the fair value of goodwill and other intangible assets involve significant management judgment and are based upon assumptions about expected future operating performance, economic conditions, market conditions, and cost of capital. Inherent in estimating the future cash flows are uncertainties beyond our control, such as changes in capital markets. The actual cash flows could differ materially from management’s estimates due to changes in business conditions, operating performance, and economic conditions.

10. INSURANCE

We use a combination of insured and self-insurance programs to cover workers' compensation, general liability, automobile liability, property damage, and other insurable risks. For the majority of these insurance programs, we retain the initial $1.0 million to $1.5 million of exposure on a per-occurrence basis, either through deductibles or self-insured retentions. Beyond the retained exposures, we have varying primary policy limits ranging between $1.0 million and $5.0 million per occurrence. To cover general liability and automobile liability losses above these primary limits, we maintain commercial umbrella insurance policies that provide aggregate limits of $200.0 million. Our insurance policies generally cover workers' compensation losses to the full extent of statutory requirements. Additionally, to cover property damage risks above our retained limits, we maintain policies that provide per occurrence limits of $75.0 million. We are also self-insured for certain employee medical and dental plans. We maintain stop-loss insurance for our self-insured medical plan under which we retain up to $0.5 million of exposure on a per-participant, per-year basis with respect to claims.

We maintain our reserves for workers' compensation, general liability, automobile liability, and property damage insurance claims based upon known trends and events and the actuarial estimates of required reserves considering the most recently completed actuarial reports. We use all available information to develop our best estimate of insurance claims reserves as information is obtained. The results of actuarial reviews are used to estimate our insurance rates and insurance reserves for future periods and to adjust reserves, if appropriate, for prior years.

Insurance Reserve Adjustments

Actuarial Reviews and Updates Performed During 2022

We review our self-insurance liabilities on a quarterly basis and adjust our accruals accordingly. Actual claims activity or development may vary from our assumptions and estimates, which may result in material losses or gains. As we obtain additional information that affects the assumptions and estimates used in our reserve liability calculations, we adjust our self-insurance rates and reserves for future periods and, if appropriate, adjust our reserves for claims incurred in prior accounting periods.

During the first and third quarters of 2022, we performed comprehensive actuarial reviews of the majority of our casualty insurance programs to evaluate changes made to claims reserves and claims payment activity for the periods of May 1, 2021, through October 31, 2021, and November 1, 2021, through April 30, 2022, respectively (the "Actuarial Reviews"). The Actuarial Reviews were comprehensive in nature and were based on loss development patterns, trend assumptions, and underlying expected loss costs during the periods analyzed.

During the second and fourth quarters of 2022, we performed interim actuarial updates of the majority of our casualty insurance programs that considered changes in claims development and claims payment activity for the respective periods analyzed (the "Interim Updates"). These Interim Updates were abbreviated in nature based on actual versus expected development during the periods analyzed and relied on the key assumptions in the Actuarial Reviews (most notably loss development patterns, trend assumptions, and underlying expected loss costs).

Based on the results of the Actuarial Reviews and Interim Updates, we decreased our total reserves related to prior years for known claims as well as our estimate of the loss amounts associated with IBNR Claims during 2022 by $36.8 million. In 2021, we decreased our total reserves related to prior year claims by $36.0 million.

Insurance-Related Balances and Activity

	As of October 31,	
(in millions)	**2022**	**2021**
Insurance claim reserves, excluding medical and dental	$ 551.0	$ 574.8
Medical and dental claim reserves	8.1	9.9
Insurance recoverables	71.0	66.5

At October 31, 2022 and 2021, insurance recoverables are included in both "Other current assets" and "Other noncurrent assets" on the accompanying Consolidated Balance Sheets.

Casualty Program Insurance Reserves Rollforward

(in millions)	Years Ended October 31, 2022	2021	2020
Net balance at beginning of year	$ 508.3	$ 434.8	$ 443.3
Change in case reserves plus IBNR Claims — current year	145.7	117.9	128.5
Change in case reserves plus IBNR Claims — prior years	(36.8)	(36.0)	(30.2)
Claims paid	(129.1)	(99.8)	(106.8)
Acquisition[1]	(8.2)	91.6	0.2
Net balance, October 31[2]	479.9	508.3	434.8
Recoverables	71.0	66.5	70.1
Gross balance, October 31	$ 551.0	$ 574.8	$ 504.9

[1] During 2021, insurance reserves increased as a result of the Able Acquisition. See Note 3, “Acquisitions and Dispositions,” for additional information.

[2] Includes reserves related to discontinued operations of approximately $0.2 million for 2022, $0.3 million for 2021 and $0.5 million for 2020.

Instruments Used to Collateralize Our Insurance Obligations

(in millions)	As of October 31, 2022	2021
Standby letters of credit	$ 153.7	$ 157.9
Surety bonds	73.2	83.8
Restricted insurance deposits	0.9	0.7
Total	$ 227.8	$ 242.3

11. DEBT

Components of Debt

(in millions)	As of October 31, 2022	2021
Current portion of long-term debt		
Gross term loan	$ 32.5	$ 32.5
Unamortized deferred financing costs	(1.0)	(1.1)
Current portion of term loan	$ 31.5	$ 31.4
Receivables facility	150.0	—
Current portion of debt	$ 181.5	$ 31.4
Long-term debt		
Gross term loan	$ 568.8	$ 601.3
Unamortized deferred financing costs	(2.4)	(3.5)
Total noncurrent portion of term loan	566.3	597.8
Revolving line of credit[1][2]	520.0	255.0
Long-term debt	$ 1,086.3	$ 852.8

[1] Standby letters of credit amounted to $158.3 million at October 31, 2022.

[2] At October 31, 2022, we had borrowing capacity of $612.9 million.

At October 31, 2022, the weighted average interest rate on our outstanding borrowings was 4.97%.

On September 1, 2017, we refinanced and replaced our then-existing $800.0 million credit facility with a new senior, secured five-year syndicated credit facility, consisting of a $900.0 million revolving line of credit and an $800.0 million amortizing term loan, both of which are scheduled to mature on September 1, 2022. In accordance with the terms of the Credit Facility, the revolving line of credit was reduced to $800.0 million on September 1, 2018.

On June 28, 2021, the Company amended and restated the Credit Facility with the Second Amendment, extending the maturity date to June 28, 2026, and increasing the capacity of the revolving credit facility from $800.0 million to $1.3 billion and the-then remaining term loan outstanding from $620.0 million to $650.0 million. The Amended Credit Facility provides for the issuance of up to $350.0 million for standby letters of credit and the issuance of up to $75.0 million in swingline advances. The obligations under the Amended Credit Facility are secured on a first-priority basis by a lien on substantially all of our assets and properties, subject to certain exceptions. Additionally, we may repay amounts borrowed under the Amended Credit Facility at any time without penalty.

The term loan and U.S.-dollar-denominated borrowings under the revolver bear interest at a rate equal to one-month LIBOR plus a spread based upon our leverage ratio. Euro- and sterling-denominated borrowings under the revolver bear at a rate equal to the EURIBOR and the SONIA reference rates, respectively, plus a spread that is based upon our leverage ratio. The spread ranges from 1.375% to 2.250% for Eurocurrency loans and 0.375% to 1.250% for base rate loans. We also pay a commitment fee, based on our leverage ratio and payable quarterly in arrears, ranging from 0.20% to 0.40% on the average daily unused portion of the line of credit. For purposes of this calculation, irrevocable standby letters of credit, which are issued primarily in conjunction with our insurance programs, and cash borrowings are included as outstanding under the line of credit. On November 1, 2022, we amended our Amended Credit Facility to replace the benchmark rate at which U.S.-dollar-denominated borrowings bear interest from LIBOR to the forward-looking SOFR term rate administered by CME Group Benchmark Administration Limited (“Term SOFR”). As a result of these amendments, we can borrow at Term SOFR plus a credit spread adjustment of 0.10% subject to a floor of zero, see Note 18, “Subsequent Events.”

The Amended Credit Facility contains certain covenants, including a maximum total net leverage ratio of 5.00 to 1.00, a maximum secured net leverage ratio of 4.00 to 1.00, and a minimum interest coverage ratio of 1.50 to 1.00, as well as other financial and non-financial covenants. In the event of a material acquisition, as defined in the Amended Credit Facility, we may elect to increase the maximum total net leverage ratio to 5.50 to 1.00 for a total of four fiscal quarters and increase the maximum secured net leverage ratio to 4.50 to 1.00 for a total of four fiscal quarters. We did not make this election for the Able Acquisition. Our borrowing capacity is subject to, and limited by, compliance with the covenants described above. At October 31, 2022, we were in compliance with these covenants.

The Amended Credit Facility also includes customary events of default, including: failure to pay principal, interest, or fees when due, failure to comply with covenants; the occurrence of certain material judgments; and a change in control of the Company. If certain events of default occur, including certain cross-defaults, insolvency, change in control, or violation of specific covenants, then the lenders can terminate or suspend our access to the Amended Credit Facility, declare all amounts outstanding (including all accrued interest and unpaid fees) to be immediately due and payable, and require that we cash collateralize the outstanding standby letters of credit.

We incurred deferred financing costs of $6.4 million in conjunction with the Second Amendment and carried over $6.2 million of unamortized deferred financing from the initial execution, First Amendment, and previous amendments of the Credit Facility. Total deferred financing costs of $12.6 million, consisting of $4.9 million related to the term loan and $7.7 million related to the revolver, are being amortized to interest expense over the term of the Amended Credit Facility.

On March 1, 2022, we entered into a new uncommitted receivable repurchase facility (the “Receivables Facility”) of up to $150 million, which expires on February 28, 2023. The Receivables Facility allows the Company to sell a portfolio of available and eligible outstanding U.S. trade accounts receivable to a participating institution and simultaneously agree to repurchase them generally on a monthly basis. Under this arrangement, we make floating rate interest payments equal to the forward-looking term rate based on Secured Overnight Financing Rate (“SOFR”) plus 1.05%. These interest payments are payable monthly in arrears. The repurchase price of the receivables in the facility is the original face value. Outstanding receivables must be repurchased on a date agreed upon by both the buyer and seller, generally on a monthly basis, and on the termination date of the repurchase facility. This facility is considered a secured borrowing and provides the buyer with customary rights of termination upon the occurrence of certain events of default. We have guaranteed all of the sellers’ obligations under the facility.

We account for the sale of receivables under the Receivables Facility as short-term debt and continue to carry the receivables on the Consolidated Balance Sheets, primarily as a result of the requirement to repurchase receivables sold. As of October 31, 2022, there were $150.0 million in borrowings on receivables pledged as collateral under the Receivables Facility.

Long-Term Loan Maturities

During 2022, we made principal payments under the term loan of $32.5 million. As of October 31, 2022, the following principal payments are required under the term loan.

(in millions)	2023	2024	2025	2026	2027
Debt maturities	$ 32.5	$ 32.5	$ 32.5	$ 1,023.8	$

Interest Rate Swaps

We enter into interest rate swaps to manage the interest rate risk associated with our floating-rate, LIBOR-based borrowings. Under these arrangements, we typically pay a fixed interest rate in exchange for LIBOR-based variable interest throughout the life of the agreement. We initially report the mark-to-market gain or loss on a derivative as a component of AOCL and subsequently reclassify the gain or loss into earnings when the hedged transactions occur and affect earnings. Interest payables and receivables under the swap agreements are accrued and recorded as adjustments to interest expense. All of our interest rate swaps have been designated and accounted for as cash flow hedges from inception. See Note 7, “Fair Value of Financial Instruments,” regarding the valuation of our interest rate swaps.

Notional Amount	Fixed Interest Rate	Effective Date	Maturity Date
$ 100.0 million	1.78%	February 9, 2022	June 28, 2026
$ 150.0 million	1.92%	February 25, 2022	June 28, 2026
$ 100.0 million	2.98%	May 4, 2022	June 28, 2026
$ 129.4 million[(1)]	2.89%	July 7, 2022	June 28, 2026
$ 170.6 million[(1)]	2.86%	July 18, 2022	June 28, 2026

[(1)] In July 2022, we entered into interest rate swap agreements with notional values totaling $300.0 million at inception. The notional amount reduces to $250.0 million in April 2024, $175.0 million in October 2024, and $100.0 million in October 2025 before maturing on June 28, 2026

At October 31, 2022 and 2021, amounts recorded in AOCL for interest rate swaps were a gain of $26.8 million, net of taxes of $10.1 million, and a loss of $0.2 million, net of taxes of $0.3 million, respectively. These amounts included the gain associated with the interest rate swaps we terminated in 2018, which is being amortized to interest expense as interest payments are made over the original term of our Credit Facility. During 2022, we amortized $3.5 million, net of taxes of $1.3 million, of that gain and we amortized $4.7 million, net of taxes of $1.7 million, during 2021. At October 31, 2022, the total amount expected to be reclassified from AOCL to earnings during the next 12 months was $7.3 million, net of a taxes of $2.7 million.

At November 1, 2022, we amended our Amended Credit Facility to replace LIBOR with Term SOFR and transitioned our interest rate swaps to a SOFR-based rate. We also entered into a new interest rate swap agreement with a notional value of $170.0 million, a fixed interest rate of 3.81%, and a maturity date of June 28, 2026, see Note 18, “Subsequent Events.”

12. EMPLOYEE BENEFIT PLANS

Defined Benefit Plans

We provide benefits to certain employees under various defined benefit and postretirement benefit plans (collectively, the “Plans”). The Plans were previously amended to preclude new participants. All but one of the Plans are unfunded.

Information for the Plans

(in millions)	As of October 31, 2022	As of October 31, 2021
Net obligations	$ 6.0	$ 7.5
Projected benefit obligations[1]	12.2	15.9
Fair value of assets	6.2	8.4

[1] At October 31, 2022 and 2021, total projected benefit obligations related to unfunded plans were $12.2 million and $8.2 million, respectively.

At October 31, 2022, assets of the Plans were invested 31% in equities and 69% in fixed income. The expected return on assets was $0.4 million in 2022, $0.3 million in 2021, and $0.4 million in 2020. The aggregate net periodic benefit cost for all Plans was $0.1 million, $0.3 million, and $0.2 million for 2022, 2021, and 2020, respectively. Future benefit payments in the aggregate are expected to be $11.2 million.

Deferred Compensation Plans

We maintain deferred compensation plans that permit eligible employees and directors to defer a portion of their compensation. At October 31, 2022 and 2021, the total liability of all deferred compensation was $27.5 million and $32.1 million, respectively (including $14.2 million and $18.0 million assumed from the Able Acquisition, respectively), and these amounts are included in “Other accrued liabilities” and “Other noncurrent liabilities” on the accompanying Consolidated Balance Sheets. Under one of our deferred compensation plans, a Rabbi trust was created to fund the obligations, and we are required to contribute a portion of the deferred compensation contributions for eligible participants. The assets held in the Rabbi trust are not available for general corporate purposes. At October 31, 2022 and 2021, the fair value of these assets was $4.1 million and $4.9 million, respectively, and these amounts are included in “Other noncurrent assets” on the accompanying Consolidated Balance Sheets. Aggregate expense recognized under these deferred compensation plans was $0.3 million, $0.2 million, and $0.2 million for 2022, 2021, and 2020, respectively.

Defined Contribution Plans

We sponsor four defined contribution plans covering certain employees that are subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code (“IRC”). Certain plans permit a company match of a portion of the participant’s contributions or a discretionary contribution after the participant has met the eligibility requirements set forth in the plan. During 2022, 2021, and 2020, we made matching contributions required by the plans of $27.7 million, $21.6 million, and $18.2 million, respectively.

Multiemployer Pension and Postretirement Plans

We participate in various multiemployer pension plans under union and industry-wide agreements that provide defined pension benefits to employees covered by collective bargaining agreements. Because of the nature of multiemployer plans, there are risks associated with participation in these plans that differ from single-employer plans. Assets contributed by an employer to a multiemployer plan are not segregated into a separate account and are not restricted to provide benefits only to employees of that contributing employer. In the event another participating employer in a multiemployer plan no longer contributes to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, including us. In the event of the termination of a multiemployer pension plan or a withdrawal from a multiemployer pension plan, we could incur material liabilities under applicable law.

Key Information for Individually Significant Multiemployer Defined Benefit Pension Plans[1]

($ in millions)		Pension Protection Act Zone Status[3]		FIP/RP Status[4]	Contributions by ABM			Surcharge Imposed[5]	Expiration Dates of Collective Bargaining Agreements
Pension Fund	**EIN/PN[2]**	**2022**	**2021**	**Pending/ Implemented**	**2022**	**2021**	**2020**		
Building Service 32BJ Pension Fund	13-1879376 / 001	Yellow 6/30/2021	Red 6/30/2020	Implemented	$ 22.7	$ 18.8	$ 16.8	No	12/31/2023 – 8/31/2025
S.E.I.U. National Industry Pension Fund	52-6148540 / 001	Red 12/31/2021	Red 12/31/2020	Implemented	17.6	10.9	11.1	Yes	10/31/2023 – 7/31/2025
IUOE Stationary Engineers Local 39 Pension Plan	94-6118939 / 001	Green 12/31/2021	Green 12/31/2020	N/A*	4.4	6.6	4.3	N/A*	8/31/2023 – 10/31/2024
SEIU Local 1 & Participating Employers Pension Trust	36-6486542 / 001	Green 9/30/2021	Green 9/30/2020	N/A*	5.8	3.9	4.3	N/A*	6/30/2024
Central Pension Fund of the IUOE & Participating Employers	36-6052390 / 001	Green 1/31/2022	Green 1/31/2021	N/A*	12.8	5.3	7.1	N/A*	6/30/2024
Western Conference of Teamsters Pension Plan	91-6145047 / 001	Green 12/31/2021	Green 12/31/2020	N/A*	2.2	2.0	2.5	N/A*	11/30/2022
All Other Plans:					8.2	9.3	9.5		
Total Contributions					$ 73.8	$ 56.8	$ 55.5		

*Not applicable

(1) To determine individually significant plans, we evaluated several factors, including our total contributions to the plan, our significance to the plan in terms of participating employees and contributions, and the funded status of the plan.

(2) The “EIN/PN” column provides the Employer Identification Number and the three-digit plan number assigned to the plan by the IRS.

(3) The Pension Protection Act Zone Status columns provide the two most recently available Pension Protection Act zone statuses from each plan. The zone status is based on information provided to us and other participating employers and is certified by each plan’s actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

(4) Indicates whether a Financial Improvement Plan (“FIP”) for yellow zone plans or a Rehabilitation Plan (“RP”) for red zone plans is pending or implemented.

(5) Indicates whether our contribution in 2022 included an amount as imposed by a plan in the red zone in addition to the contribution rate specified in the applicable collective bargaining agreement.

Multiemployer Pension Plans for which ABM is a Significant Contributor

Pension Fund	Contributions to the plan exceeded more than 5% of total contributions per most currently available Forms 5500 (as of the plan's year end)
Apartment Employees Trust Fund	12/31/2021, 12/31/2020, and 12/31/2019
Arizona Sheet Metal Pension Trust Fund*	6/30/2021, 6/30/2020 and 6/30/2019
Building Service 32BJ Pension Fund	6/30/2021, 6/30/2020 and 6/30/2019
Building Service Pension Plan*	4/30/2021, 4/30/2020, and 4/30/219
Contract Cleaners Service Employees' Pension Plan*	12/31/2021, 12/31/2020, and 12/31/2019
Massachusetts Service Employees Pension Plan*	12/31/2021, 12/31/2020, and 12/31/2019
SEIU Local 1 & Participating Employers Pension Trust	9/30/2021, 9/30/2020, and 9/30/2019
S.E.I.U. National Industry Pension Fund	12/31/2021, 12/31/2020, and 12/31/2019
Service Employees International Union Local 1 Cleveland Pension Plan*	12/31/2021, 12/31/2020, and 12/31/2019
Service Employees International Union Local 32BJ, District 36 Building Operators Pension Trust Fund*	12/31/2021, 12/31/2020, and 12/31/2019
Teamsters Local 617 Pension Fund*	2/28/2021, 2/29/2020, and 2/28/2019
Teamsters Local Union No. 727 Pension Plan*	2/28/2021, 2/29/2020, and 2/28/2019
Teamsters Local 210 Pension Fund, Local 210 Annuity Fund	12/31/2021, 12/31/2020, and 12/31/2019
U.S.W.U. Local 74 Welfare Fund	12/31/2021, 12/31/2020, and 12/31/2019

* These plans are not separately listed in our multiemployer table as they represent an insignificant portion of our total multiemployer pension plan contributions.

Multiemployer Defined Contribution Plans

In addition to contributions noted above, we also make contributions to multiemployer defined contribution plans. During 2022, 2021, and 2020, our contributions to the defined contribution plans were $54.7 million, $21.2 million, and $15.5 million, respectively.

Other Multiemployer Benefit Plans

We also contribute to several multiemployer postretirement health and welfare plans based on obligations arising under collective bargaining agreements covering union-represented employees. These plans may provide medical, pharmacy, dental, vision, mental health, and other benefits to employees as determined by the trustees of each plan. The majority of our contributions benefit active employees and, as such, may not constitute contributions to a postretirement benefit plan. However, since we are unable to separate contribution amounts to postretirement benefit plans from contribution amounts paid to benefit active employees, we categorize all such amounts as contributions to postretirement benefit plans. During 2022, 2021, and 2020, our contributions to such plans were $426.6 million, $270.8 million, and $264.8 million, respectively. There have been no significant changes that affect the comparability of total contributions for any of the periods presented.

13. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Surety Bonds

We use letters of credit and surety bonds to secure certain commitments related to insurance programs and for other purposes. As of October 31, 2022, these letters of credit and surety bonds totaled $158.3 million and $618.6 million, respectively.

Guarantees

In some instances, we offer clients guaranteed energy savings under certain energy savings contracts. At October 31, 2022 and 2021, total guarantees were $230.5 million and $254.3 million, respectively, and these guarantees extend through 2042 and 2041, respectively. We accrue for the estimated cost of guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. Historically, we have not incurred any material losses in connection with these guarantees.

Indemnifications

We are party to a variety of agreements under which we may be obligated to indemnify the other party for certain matters. These agreements are primarily standard indemnification arrangements entered into in our ordinary course of business. Pursuant to these arrangements, we may agree to indemnify, hold harmless, and reimburse the indemnified parties for losses suffered or incurred by the indemnified party, generally our clients, in connection with any claims arising out of the services that we provide. We also incur costs to defend lawsuits or settle claims related to these indemnification arrangements, and in most cases these costs are paid from our insurance program. Although we attempt to place limits on such indemnification arrangements related to the size of the contract, the maximum obligation may not be explicitly stated and, as a result, we are unable to determine the maximum potential amount of future payments we could be required to make under these arrangements.

Our certificate of incorporation and bylaws may require us to indemnify our directors and officers for certain liabilities that were incurred as a result of their status or service to ABM as a director or officer. The amount of these obligations cannot be reasonably estimated.

Unclaimed Property Audits

We routinely remit escheat payments to states in compliance with applicable escheat laws, and we are subject to unclaimed property audits by states in the ordinary course of business. The property subject to review in the audit process may include unclaimed wages, vendor payments, or customer refunds. State escheat laws generally require entities to report and remit abandoned or unclaimed property to the state, and failure to do so can result in assessments that could include interest and penalties in addition to the payment of the escheat liability.

Legal Matters

We are a party to a number of lawsuits, claims, and proceedings incident to the operation of our business, including those pertaining to labor and employment, contracts, personal injury, and other matters, some of which allege substantial monetary damages. Some of these actions may be brought as class actions on behalf of a class or purported class of employees.

At October 31, 2022, the total amount accrued for probable litigation losses where a reasonable estimate of the loss could be made was $29.7 million, including probable litigation losses of $19.2 million related to the Able Acquisition as described in Note 3, “Acquisition and Dispositions.” We do not accrue for contingent losses that, in our judgment, are considered to be reasonably possible but not probable. The estimation of reasonably possible losses also requires the analysis of multiple possible outcomes that often depend on judgments about potential actions by third parties. Our management currently estimates the range of loss for reasonably possible losses for which a reasonable estimate of the loss can be made is between zero and $3 million, including $1.0 million related to the Able Acquisition as described in Note 3, “Acquisition and Dispositions.” Factors underlying this estimated range of loss may change from time to time, and actual results may vary significantly from this estimate.

Litigation outcomes are difficult to predict and the estimation of probable losses requires the analysis of multiple possible outcomes that often depend on judgments about potential actions by third parties. If one or more matters are resolved in a particular period in an amount in excess of, or in a manner different than, what we anticipated, this could have a material adverse effect on our financial position, results of operations, or cash flows.

In some cases, although a loss is probable or reasonably possible, we cannot reasonably estimate the maximum potential losses for probable matters or the range of losses for reasonably possible matters. Therefore, our accrual for probable losses and our estimated range of loss for reasonably possible losses do not represent our maximum possible exposure.

Certain Legal Proceedings

In determining whether to include any particular lawsuit or other proceeding in our disclosure below, we consider both quantitative and qualitative factors. These factors include, but are not limited to: the amount of damages and the nature of any other relief sought in the proceeding; if such damages and other relief are specified, our view of the merits of the claims; whether the action is or purports to be a class action, and our view of the likelihood that a class will be certified by the court; the jurisdiction in which the proceeding is pending; and the potential impact of the proceeding on our reputation.

The Consolidated Cases of Bucio and Martinez v. ABM Janitorial Services filed on April 7, 2006, pending in the Superior Court of California, County of San Francisco (the "Bucio case")

The *Bucio* case was a class action lawsuit pending in San Francisco Superior Court that alleged we failed to provide legally required meal periods and make additional premium payments for such meal periods, pay split shift premiums when owed, and reimburse janitors for travel expenses. There is also a claim for penalties under the California Labor Code Private Attorneys General Act ("PAGA").On April 19, 2011, the trial court held a hearing on plaintiffs' motion to certify the class. At the conclusion of that hearing, the trial court denied plaintiffs' motion to certify the class. On May 11, 2011, the plaintiffs filed a motion to reconsider, which was denied. The plaintiffs appealed the class certification issues. The trial court stayed the underlying lawsuit pending the decision in the appeal. The Court of Appeal of the State of California, First Appellate District (the "Court of Appeal"), heard oral arguments on November 7, 2017. On December 11, 2017, the Court of Appeal reversed the trial court's order denying class certification and remanded the matter for certification of a meal period, travel expense reimbursement, and split shift class. The case was remitted to the trial court for further proceedings on class certification, discovery, dispositive motions, and trial.

On September 20, 2018, the trial court entered an order defining four certified subclasses of janitors who were employed by the legacy ABM janitorial companies in California at any time between April 7, 2002, and April 30, 2013, on claims based on alleged previous automatic deduction practices for meal breaks, unpaid meal premiums, unpaid split shift premiums, and unreimbursed business expenses, such as mileage reimbursement for use of personal vehicles to travel between worksites. On February 1, 2019, the trial court held that the discovery related to PAGA claims allegedly arising after April 30, 2013, would be stayed until after the class and PAGA claims accruing prior to April 30, 2013, had been tried. The parties engaged in mediation in July 2019, which did not result in settlement of the case. On October 17, 2019, the plaintiffs filed a motion asking the trial court to certify additional classes based on an alleged failure to maintain time records, an alleged failure to provide accurate wage statements, and an alleged practice of combining meal and rest breaks. The trial court denied the plaintiffs' motion to certify additional classes on December 26, 2019. The case was reassigned to a new judge on January 6, 2020. ABM filed motions for summary adjudication as to certain of plaintiffs' class claims, and the trial court denied those motions in November 2020. The parties engaged in another mediation in January 2021, which did not result in a settlement of the case. Plaintiffs filed motions for summary adjudication and/or summary judgment on some claims in December 2020.

In February and March 2021, the parties engaged in expert discovery that provided detailed information regarding the plaintiffs' damage calculations on the class claims. On February 25, 2021, the California Supreme Court issued an opinion in *Donohue v. AMN Services*, which addresses the standard for adjudicating meal period claims under California law and we believe is supportive of ABM's legal position in the *Bucio* case. On May 5, 2021, the trial court denied all of the plaintiffs' December 2020 motions for summary adjudication and/or summary judgment, and the case was assigned to a new judge. On May 5, 2021, the trial court ordered the parties to attend a mandatory settlement conference before a separate judge on June 11, 2021. The trial date was scheduled for July 12, 2021.

On July 7, 2021, the Company entered into a class action settlement and release agreement to settle the *Bucio* case for $140 million and to obtain a release of the certified class claims that were asserted in the *Bucio* case. The settlement also resolved the PAGA claim. The release of the certified class claims covers the time period from April 7, 2002, through April 30, 2013. The release of the PAGA claim covers the time period from November 15,

2005, through July 18, 2021. Final approval of the class settlement, approval of Plaintiffs' counsels' request for attorneys' fees, and judgment was entered by the court on April 7, 2022.

On April 20, 2022, we paid to a third-party settlement administrator $143.8 million for the *Bucio* settlement, of which $142.9 million was previously recorded within other current liabilities, and recorded $0.9 million of related expense in "Selling, general and administrative expenses" in our Consolidated Statements of Comprehensive Income (Loss) for the year ended October 31, 2022. We recorded $142.9 million of related expense in "Selling, general and administrative expenses" in our Consolidated Statements of Comprehensive Income (Loss) during the year ended October 31, 2021. On April 29, 2022, employees who are a part of the settlement were mailed payments by the third-party settlement administrator based on the number of pay periods they worked. In addition, a payment to California's Labor Workforce and Development Agency to resolve the PAGA claims was sent on April 29, 2022.

14. PREFERRED AND COMMON STOCK

Preferred Stock

We are authorized to issue 500,000 shares of preferred stock. None of these preferred shares are issued.

Common Stock

Effective December 18, 2019, our Board of Directors replaced our then-existing share repurchase program with a new share repurchase program under which we may repurchase up to $150.0 million of our common stock. These purchases may take place on the open market or otherwise, and all or part of the repurchases may be made pursuant to Rule 10b5-1 plans or in privately negotiated transactions. The timing of repurchases is at our discretion and will depend upon several factors, including market and business conditions, future cash flows, share price, share availability, and other factors. Repurchased shares are retired and returned to an authorized but unissued status. The repurchase program may be suspended or discontinued at any time without prior notice.

Repurchase Activity

We repurchased shares under the Share Repurchase Program during 2022, as summarized below. At October 31, 2022, authorization for $47.4 million of repurchases remained under the Share Repurchase Program. Effective December 9, 2022, our Board of Directors expanded the Share Repurchase Program by an additional $150.0 million. There were no share repurchases during 2021.

	Years Ended October 31,	
(in millions, except per share amounts)	2022	2021
Total number of shares purchased	2.3	
Average price paid per share	$ 42.15	
Total cash paid for share repurchases	$ 97.5	$

15. SHARE-BASED COMPENSATION PLANS

We use various share-based compensation plans to provide incentives for our key employees and non-employee members of our Board of Directors. Currently, these incentives primarily consist of RSUs and performance shares.

On May 2, 2006, our stockholders approved the 2006 Equity Incentive Plan, which was last amended and restated on March 7, 2018 (as amended and restated, the "2006 Equity Plan"). The 2006 Equity Plan is an omnibus plan that provides for a variety of equity and equity-based award vehicles, including stock options, stock appreciation rights, RSUs, performance shares, and other share-based awards. Shares subject to awards that terminate without vesting or exercise are available for future awards under the 2006 Equity Plan. Certain of the awards under the 2006 Equity Plan may qualify as "performance-based" compensation under the IRC.

On March 24, 2021, our stockholders approved the 2021 Equity and Incentive Compensation Plan (the "2021 Equity Plan"). The 2021 Equity Plan is an omnibus plan that provides for a variety of equity and equity-based award vehicles, including stock options, stock appreciation rights, RSUs, performance shares, and other share-

based awards. Shares subject to awards that terminate without vesting or exercise are available for future awards under the 2021 Equity Plan. Certain of the awards under the 2021 Equity Plan may qualify as “performance-based” compensation under the IRC.

No further shares are authorized for issuance under the 2006 Equity Plan. There are 3,975,000 total shares of common stock authorized for issuance under the 2021 Equity Plan, and at October 31, 2022, there were 3,133,563 shares of common stock available for grant for future equity-based compensation awards. In addition, there are certain plans under which we can no longer issue awards, such as the 2006 Equity Plan, although awards outstanding under such plans may still vest and be exercised.

We also maintain an employee stock purchase plan, which our stockholders approved on March 9, 2004 (the “2004 Employee Stock Purchase Plan”). As amended, there are 4,000,000 total shares of common stock authorized for issuance under the 2004 Employee Stock Purchase Plan. Effective May 1, 2006, the 2004 Employee Stock Purchase Plan is no longer considered compensatory and the values of the awards are no longer treated as share-based compensation expense. Additionally, as of that date, the purchase price became 95% of the fair value of our common stock price on the last trading day of the month. Employees may designate up to 10% of their compensation for the purchase of stock, subject to a $25,000 annual limit. Employees are required to hold their shares for a minimum of six months from the date of purchase. At October 31, 2022, there were 436,961 remaining unissued shares under the 2004 Employee Stock Purchase Plan.

Compensation Expense by Type of Award and Related Income Tax Benefit

	Years Ended October 31,		
(in millions)	**2022**	**2021**	**2020**
RSUs	$ 18.5	$ 17.6	$ 11.5
Performance shares	12.0	15.8	8.8
Share-based compensation expense before income taxes	30.5	33.5	20.3
Income tax benefit	(8.6)	(9.4)	(5.7)
Share-based compensation expense, net of taxes	$ 21.9	$ 24.1	$ 14.6

RSUs and Dividend Equivalent Rights

We award RSUs to eligible employees and non-employee members of our Board of Directors (each, a “Grantee”) that entitle the Grantee to receive shares of our common stock as the units vest. RSUs granted to eligible employees after 2020 generally vest ratably over three years. RSUs granted to eligible employees prior to 2020 generally vest with respect to 50% of the underlying award on the second and fourth anniversary of the award. RSUs granted to non-employee directors vest on the first anniversary date of the grant date. In general, the receipt of RSUs is subject to the Grantee’s continuing employment or service as a director.

RSUs are credited with dividend equivalent rights that are converted to RSUs at the fair market value of our common stock on the dates the dividend payments are made and are subject to the same terms and conditions as the underlying award.

RSU Activity

	Number of Shares (in millions)	Weighted-Average Grant Date Fair Value per Share
Outstanding at October 31, 2021	1.0	$ 36.90
Granted	0.5	41.63
Vested (including 0.2 shares withheld for income taxes)	(0.4)	37.51
Forfeited	(0.1)	40.04
Outstanding at October 31, 2022	1.0	$ 38.58

At October 31, 2022, total unrecognized compensation cost, net of estimated forfeitures, related to RSUs was $18.5 million, which is expected to be recognized ratably over a weighted-average vesting period of 1.7 years. In 2022, 2021, and 2020, the weighted-average grant date fair value per share of awards granted was $41.63,

$40.22, and $36.11, respectively. In 2022, 2021, and 2020, the total grant date fair value of RSUs vested and converted to shares of ABM common stock was $16.4 million, $16.9 million, and $6.1 million, respectively.

Performance Shares, Including TSR Performance Shares

Performance shares consist of a contingent right to receive shares of our common stock based on performance targets adopted by our Compensation Committee. Performance shares are credited with dividend equivalent rights that will be converted to performance shares at the fair market value of our common stock beginning after the performance targets have been satisfied and are subject to the same terms and conditions as the underlying award.

For certain performance share awards, the number of performance shares that will vest is based on pre-established internal financial performance targets and typically a three-year service and performance period. The number of TSR-modified awards that will vest over the respective three-year performance period is based on our total shareholder return relative to the S&P 1500 Composite Commercial Services & Supplies Index. Vesting of 0% to 150% of the awards originally granted may occur depending on the respective performance metrics.

Performance Share Activity

	Number of Shares (in millions)	Weighted-Average Grant Date Fair Value per Share
Outstanding at October 31, 2021	1.0	$ 38.24
Granted	0.4	43.06
Vested (including 0.2 shares withheld for income taxes)	(0.4)	35.04
Performance adjustments	—	47.75
Forfeited	—	39.64
Outstanding at October 31, 2022	1.0	$ 41.30

At October 31, 2022, total unrecognized compensation cost related to performance share awards was $17.1 million, which is expected to be recognized ratably over a weighted-average vesting period of 1.9 years. Except for TSR performance shares, these costs are based on estimated achievement of performance targets and estimated costs are periodically reevaluated. For our TSR performance shares, these costs are based on the fair value of awards at the grant date and are recognized on a straight-line basis over the service period of three years.

In 2022, 2021, and 2020, the weighted-average grant date fair value per share of awards granted was $43.06, $39.97, and $35.92, respectively. In 2022, 2021, and 2020, the total grant date fair value of performance shares vested and converted to shares of ABM common stock was $13.6 million, $9.0 million, and $6.1 million, respectively.

In 2022, 2021, and 2020, we used the Monte Carlo simulation valuation technique to estimate the fair value of TSR performance share grants, which used the assumptions in the table below.

Monte Carlo Assumptions

	2022	2021	2020
Expected life[1]	2.81 years	2.81 years	2.81 years
Expected stock price volatility[2]	41.8 %	42.9 %	28.7 %
Risk-free interest rate[3]	1.1 %	0.2 %	1.5 %
Stock price[4]	$ 42.88	$ 40.75	$ 37.99

[1] The expected life represents the remaining performance period of the awards.

[2] The expected volatility for each grant is determined based on the historical volatility of our common stock over a period equal to the remaining term of the performance period from the date of grant for all awards.

[3] The risk-free interest rate is based on the continuous compounded yield on U.S. Treasury Constant Maturity Rates with varying remaining terms; the yield is determined over a time period commensurate with the performance period from the grant date.

[4] The stock price is the closing price of our common stock on the valuation date.

Employee Stock Purchase Plan

(in millions, except per share amounts)	Years Ended October 31, 2022	2021	2020
Weighted-average fair value of granted purchase rights per share	$ 2.19	$ 2.17	$ 1.75
Common stock issued	0.1	0.1	0.1
Fair value of common stock issued per share	$ 41.68	$ 41.18	$ 33.18
Aggregate purchases	$ 3.4	$ 3.3	$ 3.5

16. INCOME TAXES

Geographic Sources of Income from Continuing Operations Before Income Taxes

(in millions)	Years Ended October 31, 2022	2021	2020
United States	$ 278.5	$ 152.8	$ 45.2
Foreign	31.5	27.0	8.1
Income from continuing operations before income taxes	$ 310.0	$ 179.8	$ 53.3

Components of Income Tax (Provision) Benefit

(in millions)	Years Ended October 31, 2022	2021	2020
Current:			
Federal	$ 3.5	$ (66.3)	$ (59.3)
State	(6.0)	(27.4)	(28.6)
Foreign	(9.4)	(7.8)	(1.7)
Deferred:			
Federal	(46.1)	34.9	23.2
State	(22.1)	13.2	12.5
Foreign	0.5	(0.1)	0.9
Income tax provision	$ (79.6)	$ (53.5)	$ (53.1)

Reconciliation of the U.S. Statutory Tax Rate to Annual Effective Tax Rate

	Years Ended October 31,		
	2022	2021	2020
U.S. statutory rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal tax benefit	7.7	6.8	(0.6)
Federal and state tax credits	(1.5)	(2.6)	(4.7)
Impact of foreign operations	(0.1)	0.3	1.3
Changes in uncertain tax positions	(2.5)	1.5	(2.0)
Incremental tax benefit from share-based compensation awards	(0.5)	(0.4)	(1.6)
Energy efficiency incentives	(0.3)	(0.7)	(3.8)
Impact from goodwill impairment	—	—	81.7
Nondeductible expenses	1.7	2.9	4.4
Other, net	0.2	1.0	3.9
Effective tax rate	25.7 %	29.8 %	99.6 %

During 2022 and 2021, we had effective tax rates of 25.7% and 29.8%, respectively, resulting in a provision for tax of $79.6 million and $53.5 million, respectively. Our effective tax rate for 2022 was impacted by the following items: a $8.1 million benefit for uncertain tax positions with expiring statutes; a $1.4 million benefit for share-based compensation; and a $1.3 million provision for true-ups. Our effective tax rate for 2021 was also impacted by the following items: a $3.0 million provision for nondeductible transaction costs; a $2.6 million provision for change in tax reserves; a $1.4 million provision for true-ups; and a $1.2 million benefit for energy efficiency incentives.

In response to the pandemic, Congress enacted the CARES Act in March 2020. The CARES Act provides various tax provisions, including payroll tax provisions. Through December 31, 2020, we deferred approximately $132 million of payroll tax. The deferred payroll tax has been remitted in full: $66 million was paid in December 2021 and the remaining $66 million was paid in December 2022. The CARES Act did not have a material impact on our income tax provision.

Components of Deferred Tax Assets and Liabilities

(in millions)	As of October 31, 2022	2021
Deferred tax assets attributable to:		
Self-insurance claims (net of recoverables)	$ 96.1	$ 92.0
Deferred and other compensation	33.0	34.4
Accounts receivable allowances	5.8	8.2
Settlement liabilities	10.4	44.2
Other accruals	4.8	6.6
Other comprehensive income	—	1.3
State taxes	1.2	0.7
State net operating loss carryforwards	3.2	4.0
Tax credits	3.1	2.9
Unrecognized tax benefits	3.3	3.3
Deferred payroll taxes	18.1	35.1
Operating lease liabilities	31.0	33.5
Gross deferred tax assets	210.0	266.2
Valuation allowance	(1.6)	(2.2)
Total deferred tax assets	208.4	264.0
Deferred tax liabilities attributable to:		
Property, plant and equipment	(5.4)	(4.1)
Goodwill and other acquired intangibles	(222.9)	(222.2)
Right-of-use assets	(31.9)	(33.8)
Tax accounting method change	(17.1)	(15.8)
Other comprehensive Income	(9.0)	—
Other	(11.8)	(10.6)
Total deferred tax liabilities	(298.1)	(286.5)
Net deferred tax liabilities	$ (89.7)	$ (22.5)

Net Operating Loss Carryforwards and Credits

State net operating loss carryforwards totaling $55.6 million at October 31, 2022, are being carried forward in several state jurisdictions where we are permitted to use net operating losses from prior periods to reduce future taxable income. These losses will expire between 2023 and 2042. Federal net operating loss carryforwards were fully utilized during 2021. Federal and state tax credit carryforwards totaling $3.7 million are available to reduce future cash taxes and will expire between 2023 and 2042.

The valuation allowance represents the amount of tax benefits related to state net operating loss carryforwards that are not likely to be realized. We believe the remaining deferred tax assets are more likely than not to be realizable based on estimates of future taxable income.

Changes to the Valuation Allowance

(in millions)	Years Ended October 31, 2022	2021	2020
Valuation allowance at beginning of year	$ 2.2	$ 4.1	$ 8.4
Other, net	(0.6)	(1.9)	(4.3)
Valuation allowance at end of year	$ 1.6	$ 2.2	$ 4.1

Unrecognized Tax Benefits

At October 31, 2022, 2021, and 2020, there were $22.0 million, $30.4 million, and $35.5 million, respectively, of unrecognized tax benefits that if recognized in the future would impact our effective tax rate. We estimate that a decrease in unrecognized tax benefits of up to approximately $1.8 million is reasonably possible over the next 12 months due to lapses of applicable statutes of limitations. At October 31, 2022 and 2021, accrued interest and penalties were $0.7 million and $1.6 million, respectively. For interest and penalties, we recognized a $0.9 million benefit, a $0.1 million expense, and a $0.4 million benefit in 2022, 2021, and 2020, respectively.

Reconciliation of Total Unrecognized Tax Benefits

(in millions)	Years Ended October 31, 2022	2021	2020
Balance at beginning of year	$ 30.4	$ 35.5	$ 35.3
Additions for tax positions related to the current year	—	3.7	2.1
Additions for tax positions related to prior years	0.3	0.3	1.6
Reductions for tax positions related to prior years	(1.5)	(5.3)	—
Reductions for lapse of statute of limitations	(7.2)	(2.5)	(3.0)
Settlements	—	(1.3)	(0.5)
Balance at end of year	$ 22.0	$ 30.4	$ 35.5

Jurisdictions

We conduct business in all 50 states, significantly in California, Texas, and New York, as well as in various foreign jurisdictions. Our most significant income tax jurisdiction is the United States. Due to expired statutes and closed audits, our federal income tax returns for years prior to fiscal 2019 are no longer subject to examination by the U.S. Internal Revenue Service. Generally, for the majority of state and foreign jurisdictions where we do business, periods prior to fiscal 2019 are no longer subject to examination. We are currently being examined by the tax authorities of California, New York City, Montana, and Massachusetts.

17. SEGMENT AND GEOGRAPHIC INFORMATION

Segment Information

Our current reportable segments consist of B&I, M&D, Education, Aviation, and Technical Solutions, as further described below. The recently acquired Momentum is integrated within our B&I reportable segment, and RavenVolt is positioned within Technical Solutions.

REPORTABLE SEGMENTS AND DESCRIPTIONS	
B&I	B&I, our largest reportable segment, encompasses janitorial, facilities engineering, and par services for commercial real estate properties (including corporate offices for high tech clients), sp and entertainment venues, and traditional hospitals and non-acute healthcare facilities. B&I provides vehicle maintenance and other services to rental car providers.
M&D	M&D provides integrated facility services, engineering, janitorial, and other specialized servi different types of manufacturing, distribution, and data center facilities. Manufacturing facilities ir traditional motor vehicles, electric vehicles, batteries, pharmaceuticals, steel, semicondu chemicals, and many others. Distribution facilities include e-commerce, cold storage, logistics, g warehousing, and others.
Education	Education delivers janitorial, custodial, landscaping and grounds, facilities engineering, and p services for public school districts, private schools, colleges, and universities.
Aviation	Aviation supports airlines and airports with services ranging from parking and janitorial to pass assistance, catering logistics, air cabin maintenance, and transportation.
Technical Solutions	Technical Solutions specializes in facility infrastructure, mechanical and electrical services, includi power design, installation and maintenance, as well as microgrid systems installations. These se can also be leveraged for cross-selling across all of our industry groups, both domesticall internationally.

The accounting policies for our segments are the same as those disclosed within our significant accounting policies in Note 2, “Basis of Presentation and Significant Accounting Policies.” Our management evaluates the performance of each reportable segment based on its respective operating profit results, which include the allocation of certain centrally incurred costs. Corporate expenses not allocated to segments include certain CEO and other finance and human resource departmental expenses, certain information technology costs, share-based compensation, certain legal costs and settlements, restructuring and related costs, certain actuarial adjustments to self-insurance reserves, and direct acquisition costs. Management does not review asset information by segment, therefore we do not present assets in this note.

Financial Information by Reportable Segment

(in millions)	Years Ended October 31, 2022	2021	2020
Revenues			
Business & Industry	$ 4,095.9	$ 2,853.8	$ 2,856.4
Manufacturing & Distribution	1,445.2	1,363.1	1,151.4
Education	834.7	830.8	805.1
Aviation	804.0	651.1	670.7
Technical Solutions	626.8	529.8	504.0
Government Services	—	—	—
	$ 7,806.6	$ 6,228.6	$ 5,987.6
Operating profit			
Business & Industry	$ 334.9	$ 285.9	$ 229.2
Manufacturing & Distribution	161.8	155.5	108.0
Education[1]	47.1	61.5	(39.9)
Aviation[2]	29.3	32.1	(60.1)
Technical Solutions[3]	63.8	49.4	9.7
Government Services	(0.3)	(0.2)	(0.1)
Corporate[4]	(284.5)	(374.6)	(146.9)
Adjustment for income from unconsolidated affiliates, included in Aviation	(2.4)	(2.1)	(2.2)
Adjustment for tax deductions for energy efficient government buildings, included in Technical Solutions	(0.9)	(1.2)	(2.1)
	348.8	206.3	95.7
Income from unconsolidated affiliates	2.4	2.1	2.2
Interest expense	(41.1)	(28.6)	(44.6)
Income from continuing operations before income taxes	$ 310.0	$ 179.8	$ 53.3
Depreciation and amortization			
Business & Industry	$ 47.1	$ 18.4	$ 17.3
Manufacturing & Distribution	13.4	13.4	14.1
Education	25.4	30.5	33.7
Aviation	8.2	9.1	10.6
Technical Solutions	7.0	5.9	7.2
Corporate	11.4	12.7	13.5
	$ 112.4	$ 89.9	$ 96.4

[1] Reflects impairment charges totaling $99.3 million on goodwill during the year ended October 31, 2020.

[2] Reflects impairment charges totaling $61.1 million on goodwill and intangible assets during the year ended October 31, 2020.

[3] Reflects impairment charges totaling $12.4 million on goodwill and intangible assets during the year ended October 31, 2020.

[4] Reflects accrued litigation settlement reserve totaling $142.9 million for the *Bucio* case during the year ended October 31, 2021.

Geographic Information Based on the Country in Which the Sale Originated[1]

(in millions)	Years Ended October 31, 2022	2021	2020
Revenues			
United States	$ 7,335.3	$ 5,847.8	$ 5,625.1
All other countries	471.3	380.8	362.5
	$ 7,806.6	$ 6,228.6	$ 5,987.6

[1] Substantially all of our long-lived assets are related to U.S. operations.

18. SUBSEQUENT EVENTS

Transition to SOFR

At November 1, 2022, we amended our Amended Credit Facility pursuant to the LIBOR Transition Amendment and the Fifth Amendment to replace the benchmark rate at which U.S.-dollar-denominated borrowings bear interest from LIBOR to the forward-looking SOFR term rate administered by CME Group Benchmark Administration Limited. As a result of these amendments, we can borrow at Term SOFR plus a credit spread adjustment of 0.10% subject to a floor of zero. In addition, we entered into a new interest rate swap agreement with a notional value of $170.0 million, a fixed interest rate of 3.81%, and a maturity date of June 28, 2026. We also transitioned all our interest rate swaps to a SOFR-based rate. We applied available practical expedients under ASC 848 to account for these modifications, changes in critical terms, and updates to the designated hedged risks as qualifying changes have been made to applicable debt and derivative contracts as if they were not substantial. These modifications are not expected to have a significant impact on our financial statements.

Share Repurchase Program

In 2019, our Board of Directors authorized a program to repurchase up to $150.0 million of our common stock. Effective December 9, 2022, authorization for $47.4 million of repurchases remained under our Share Repurchase Program, and our Board of Directors expanded the Share Repurchase Program by an additional $150.0 million. Repurchases of our common stock may take place on the open market or otherwise, and all or part of the repurchases may be made pursuant to Rule 10b5-1 plans or in privately negotiated transactions. The timing of repurchases is at our discretion and will depend upon several factors, including market and business conditions, future cash flows, share price, and share availability. Repurchased shares are retired and returned to an authorized but unissued status. The Share Repurchase Program may be suspended or discontinued at any time without prior notice. At December 9, 2022, authorization for $197.4 million of repurchases remained under the Share Repurchase Program.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

a. Disclosure Controls and Procedures.

As of the end of the period covered by this report, our Principal Executive Officer and Principal Financial Officer evaluated our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and (2) accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

b. Management's Report on Internal Control Over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of October 31, 2022.

Audit Report on Internal Controls over Financial Reporting of the Registered Public Accounting Firm

KPMG LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting.

c. Changes in Internal Control Over Financial Reporting.

To support the growth of our financial shared service capabilities and standardize our financial systems, we continue to update several key platforms, including our HR information systems, enterprise resource planning system, and labor management system. The implementation of several key platforms involves changes in the systems that include internal controls. Although some of the transitions have proceeded to date without material adverse effects, the possibility exists that they could adversely affect our internal controls over financial reporting and procedures.

There were no other changes in our internal control over financial reporting during the fiscal year 2022 identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRA"), effective August 10, 2012, added a new subsection (r) to Section 13 of the Exchange Act, which requires issuers that file periodic reports with the SEC to disclose in their annual and quarterly reports whether, during the reporting period, they or any of their "affiliates" (as defined in Rule 12b-2 under the Exchange Act) have knowingly engaged in specified activities or transactions relating to Iran, including activities not prohibited by U.S. law and conducted outside the United States by non-U.S. affiliates in compliance with applicable laws. Issuers must also file a notice with the SEC if any disclosable activity under ITRA has been included in an annual or quarterly report.

In the fourth quarter of fiscal year 2021, the Company discovered that one of its UK subsidiaries had been providing aircraft cleaning services to Iran Air since April 2020. The UK subsidiary terminated its relationship with Iran Air on August 30, 2021. The aggregate amount of payments received by the UK subsidiary in return for its services was approximately GBP 64,000, and the aggregated profits were GBP 6,400.

The Company submitted a preliminary self-disclosure and investigation report of the UK subsidiary's transactions with the U.S. Treasury Department Office of Foreign Assets Control ("OFAC").

On March 30, 2022, OFAC issued to the Company a cautionary letter indicating that OFAC is not pursuing any civil monetary penalties or other enforcement action against the Company.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

(in millions)	Balance Beginning of Year	Additions from Acquisitions	Charges to Costs and Expenses	Write-offs[1]/ Allowance Taken	Balance End of Year
Accounts receivable and sales allowances					
2022	$ 32.7	1.4	60.6	(72.1)	$ 22.6
2021	35.5	1.3	44.3	(48.4)	32.7
2020	22.4	—	96.3	(83.2)	35.5

[1] Write-offs are net of recoveries.

Exhibit L.3

Guarantee of Performance

GUARANTEE OF PERFORMANCE

For value received, ABM Industries Incorporated, a Delaware corporation (the "Guarantor"), located at One Liberty Plaza, 7th Floor, New York, New York 10006, absolutely and unconditionally guarantees to assume the duties and obligations of ABM Franchising Group, LLC, located at 501 Technology Dr., Suite 3000, Canonsburg, Pennsylvania 15317 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its **Linc Service** Franchise Disclosure Document issued January 27, 2023, 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, which ever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor executes this guarantee at Washington, Pennsylvania, on the 24th day of January, 2023.

Guarantor: ABM Industries Incorporated

By: Dean A. Chin

Print Name: Dean A. Chin

Print Title: SVP, Chief Accounting Officer, Corporate Controller and Treasurer

EXHIBIT M.

COM TABLE OF CONTENTS

COM #1: GENERAL

Title	Description	Effective	Pages
2	Confidential Operating Manuals	08-30-17	1
4	Standards of Performance	05-14-18	1
5	Computer Equipment & Supplies	03-05-18	3
6	Plan of Operations	04-20-20	13
7	Mid-Year Review	05-18-20	3
8	Service Representative of the Year	05-16-16	6
9	Contractor of the Year Status Board	05-14-18	2
10	Minimum Reporting Requirements	03-07-19	21
11	Royalty Fee Invoicing	01-31-18	7
12	Franchisor's Approvals	05-14-18	1
13	Big Mac Index	11-01-21	2
14	General Management Absolutes	11-23-15	16
15	Contractor of the Year	10-19-20	13
16	Circle of Excellence	07-10-18	3
17	Sales Recognition Program	06-21-21	10
18	Linc Service® Reward and Recognition	07-17-18	2
19	Principals Recognition Program	06-22-18	3
20	Club 100	05-17-21	1
21	Service Manager of the Year	01-30-15	7
22	Sales Managers of the Year	05-02-19	4
23	Accounting Manager of the Year	07-10-18	2
24	Expense Reports	04-24-18	5
25	InterLinc® Bulletins	11-29-17	3
26	Linc Service® Website	09-23-19	4
27	Spot Recognition Program	11-20-17	3
28	Linc System® Utilization	04-15-19	3
29	LincWare® User Setup	04-20-21	2
30	Financial Performance Analysis (FPA)	07-19-19	2
31	Implementation Matrix	11-19-20	25
32	TLGDMZ Accounts	11-19-19	8
33	All-Star Incentive Winner Eligibility	03-15-21	2
		TOTAL	**178**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #1: GENERAL

Title	Description	Effective	Pages
2	Confidential Operating Manuals	08-30-17	1
4	Standards of Performance	05-14-18	1
5	Computer Equipment & Supplies	03-05-18	3
6	Plan of Operations	04-20-20	13
7	Mid-Year Review	05-18-20	3
8	Service Representative of the Year	05-16-16	6
9	Contractor of the Year Status Board	05-14-18	2
10	Minimum Reporting Requirements	03-07-19	21
11	Royalty Fee Invoicing	01-31-18	7
12	Franchisor's Approvals	05-14-18	1
13	Big Mac Index	11-01-21	2
14	General Management Absolutes	11-23-15	16
15	Contractor of the Year	03-07-22	8
16	Circle of Excellence	07-10-18	3
17	Sales Recognition Program	05-18-22	10
18	Linc Service® Reward and Recognition	07-17-18	2
19	Principals Recognition Program	06-22-18	3
20	Club 100	05-17-21	1
21	Service Manager of the Year	01-30-15	7
22	Sales Managers of the Year	05-02-19	4
23	Accounting Manager of the Year	07-10-18	2
24	Expense Reports	04-24-18	5
25	InterLinc® Bulletins	11-29-17	3
26	Linc Service® Website	09-23-19	4
27	Spot Recognition Program	07-13-22	3
28	Linc System® Utilization	04-15-19	3
29	LincWare® User Setup	04-20-21	2
30	Financial Performance Analysis (FPA)	07-19-19	2
31	Implementation Matrix	11-19-20	25
32	TLGDMZ Accounts	11-19-19	8
33	All-Star Incentive Winner Eligibility	03-15-21	2
		TOTAL	**175**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #2: SALES & MARKETING

Title	Description	Effective	Pages
1	Maintenance Selling System	07-21-21	5
2	Project Selling System	07-10-18	1
3	Sales Management System	05-16-22	2
4	Booking Credit Rules	06-21-21	4
5	Project Pricing	04-20-21	14
6	Sales Program	11-19-19	5
7	How to Run an Incentive Program	07-25-18	8
8	Linc Service® Identity Program and Design Standards	06-21-21	85
9	Website Content	06-22-18	4
10	Conducting an Effective Sales PAR Meeting	03-10-22	16
11	Linc Service® Building Analysis (LSBA) Sale	11-20-12	5
12	Linc Service Building Analysis (LSBA) Pricing Procedures	08-15-03	11
13	Linc Service Building Analysis (LSBA) Report (S-090)	06-10-13	6
14	How to Conduct a Sales PAR Using SalesForce	03-10-22	15
15	Linc Service Introduction Letter	07-25-18	2
16	Hot Topics & Cool Solutions eNewsletter Program	06-23-17	6
17	Lunch & Learn	11-29-17	2
18	Linc Service Case Study	07-17-18	4
19	Prospecting Absolutes	10-19-20	2
20	Prospect Management System	03-23-22	15
21	AppointmentBuilder	05-21-19	14
22	Planned Calls Schedule	10-04-18	2
23	Suspect List (S-061)	10-04-18	3
24	Bookings Plan and Report	10-20-11	3
25	Proposals Plan and Report	10-20-11	3
26	Prospect Activity Log (S-008)	07-25-18	2
27	Active Prospect Log (S-003)	07-25-18	2
28	Electronic Postcard Program	09-17-18	5
29	Visual Learning Boards	03-22-19	1
30	Sales Boards	11-01-21	4
31	Linc Service® Flak Pak (S-071)	07-17-18	1
32	Maintenance Sales Plan Development Form (S-143)	07-17-18	5
33	Project Sales Plan Development Form (S-142)	07-25-18	3
34	Vertical Market Summary Base Analysis	04-26-19	2
46	Executive Summary Script	01-23-19	1
47	Client Profile (S-105)	07-21-21	11
48	Action Plan (S-101)	07-21-21	3
49	Your Facility's Owning and Operating Costs Worksheet	06-28-11	2
50	Building Scorecard	01-29-19	25
51	Project Action Plan (S-137)	12-02-21	3
52	Strategic Account Management (S-106)	08-20-18	5
53	System Analysis (S-002) & User Guide (S-029)	07-07-00	3
54	The Verification Meeting Agenda (S-136)	07-19-19	3
57	First Appointment Pre/Post Checklist (S-148)	07-13-17	2
58	Verification Meeting Pre/Post Checklist (S149)	07-25-17	2
60	ProposalBuilder User Guide	03-07-22	26

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

70	Customer Agreements	07-07-00	25
82	Lead-Generating Contests	07-24-17	5
85	Maintenance Pricing 3.0 Manual	11-19-20	131
86	Genesis – Setup	11-19-20	38
87	Genesis – Maintenance Proposal	11-19-20	48
88	Genesis – Maintenance Agreement	11-19-20	11
89	Genesis – Project Proposal	11-19-20	41
90	Genesis – Project Agreement	11-19-20	7
91	System Analysis II	11-19-20	30
92	Salesforce.com	06-22-21	18
93	Addendums and Deducts to Maintenance Agreements	02-20-13	3
94	PriceBuilder	07-21-21	27
95	Strategic Marketing Roadmap	12-30-20	5
		TOTAL	**721**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #3: OPERATIONS

Title	Description	Effective	Pages
5	BurdenBuilder+	03-23-22	17
6	Dirty Dozen	12-13-21	5
7	Cancellation Tracker	01-18-21	8
8	Potential Problem Area Checklist (O-039)	01-16-19	2
12	Refrigerant Management	07-21-21	33
13	Maintenance Agreement First Visit Checklist (O-002)	11-21-18	3
14	Coverage Codes (O-078)	07-19-19	4
15	Customer Assurance Review and Evaluation CARE Program (O-083, O-084, O-085, O-086, O-087) **ValueBuilder®**	04-20-21	31
16	Customer Assurance Review and Evaluation CARE Program (O-083, O-084, O-085, O-086, O-087) **LINCLASER®**	04-20-21	31
17	Maintenance Agreement Files	11-21-18	2
18	Linc Service® Building Analysis (LSBA)	10-21-13	10
19	Project Files	01-23-19	1
20	Project Control Checklist	01-16-19	5
21	CARE Value Add Report	04-20-21	18
23	Project Status Board	07-06-22	2
24	Establishing an Operations Training Plan	11-08-16	6
27	Agreement Renewal Report – ValueBuilder®	01-16-19	3
28	Agreement Renewal Report – LINC**LASER®**	01-16-19	3
29	Subcontractor/Supplier Confidentiality Agreement	01-16-19	2
32	Maintenance Agreement Start-up Control Form (O-095V) ValueBuilder	01-21-19	8
33	Maintenance Agreement Start-up Control Form (O-095)	01-16-19	8
34	Unit Labor Plan – LINC**LASER®**	01-16-19	3
35	Unit Labor Plan – ValueBuilder	01-16-19	4
36	New Maintenance Agreement Status Board	07-06-22	2
37	Labor Scheduling Error Report	01-16-19	2
38	Operations Audit	01-29-20	4
39	Energy Calculator	11-01-07	48
40	Burden Planning Tool	11-24-15	27
41	Operations Absolutes	07-25-17	3
42	Project Management	05-10-10	38
43	Driver Safety/Monitoring Program	01-23-19	1
44	Refrigerant Banking Program	10-19-20	14
45	Maintenance Agreement Cancellation Form (O-128)	01-21-19	3
46	SpotBuilder	11-16-21	29
60	Back Safety	04-13-18	2
61	Ladder and Roof Hatch Safety	04-13-18	3
62	Fire Prevention Safety	04-13-18	3
63	Hand and Power Tool Safety	04-13-18	2
64	General Driver Safety	04-13-18	3
65	Working Safely in Cold Weather	04-13-18	2
66	Fall Protection Safety	04-13-18	7
67	Assured Grounding Program	04-13-18	3
		TOTAL	**405**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #4: BUSINESS SYSTEMS, VOLUME I

Title	Description	Effective	Pages
10	LINC**LASER**®: Introduction	05-02-18	2
11	Billable Services	06-01-18	1
12	International Financial and Service Management Software Implementation	06-22-18	2
20	Glossary of Terms	07-12-18	14
30	Allocations	07-12-18	5
40	System Administration	07-12-18	10
	SYSTEM UTILITIES		
50	System Utilities – Navigation	07-12-18	16
60	System Utilities – Tailoring	07-12-18	34
70	System Utilities – Accessory Menu	05-02-18	6
80	System Utilities – File Utilities	05-02-18	10
90	System Utilities – Report Utilities	07-12-18	26
100	System Utilities – Security	07-12-18	14
	GENERAL LEDGER		
110	General Ledger – Accounts	05-02-18	59
120	General Ledger – File Maintenance	05-02-18	39
130	General Ledger – Processes	05-02-18	9
140	General Ledger – Inquiry Menus	07-12-18	6
150	General Ledger – Reports	05-14-18	29
	ACCOUNTS PAYABLE		
160	Accounts Payable – File Maintenance	05-02-18	12
170	Accounts Payable – Processes	05-02-18	36
180	Accounts Payable – Inquiries	07-12-18	8
190	Accounts Payable – Reports	07-12-18	23
	ACCOUNTS RECEIVABLE		
200	Accounts Receivable – File Maintenance	05-02-18	23
210	Accounts Receivable – Processes	05-02-18	49
		TOTAL	**433**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #4: BUSINESS SYSTEMS, VOLUME II

Title	Description	Effective	Pages
	ACCOUNTS RECEIVABLE (continued)		
220	Accounts Receivable – Inquiries	05-02-18	8
230	Accounts Receivable – Reports	05-02-18	16
	SERVICE MANAGEMENT		
240	Service Management – File Maintenance	05-02-18	67
250	Service Management – Processes	05-02-18	49
260	Service Management – Inquiries	05-02-18	34
270	Service Management – Reports	05-02-18	49
	APPLICATION MANAGER		
280	Application Manager – Connecting and Navigation	05-02-18	10
290	Application Manager – Business Systems	05-02-18	53
300	Application Manager – Reports	05-02-18	86
310	Application Manager – Sales and Marketing	07-12-18	6
320	Application Manager – Utilities/Miscellaneous	05-02-18	15
330	Application Manager – Help	05-02-18	5
340	Dispatch	05-02-18	66
		TOTAL	**464**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #4: BUSINESS SYSTEMS, VOLUME III

Title	Description	Effective	Pages
350	Auto-Renewal Process	05-02-18	9
360	Entry of the Plan of Operations – LINC**LASER**®	04-20-20	18
370	Proposals	05-02-18	10
380	Agreement Bookings	05-02-18	14
385	Changing Coverage on an Agreement	07-12-18	12
390	Project Bookings	05-02-18	16
400	Maintenance agreement Spend Plan Workflow – MP3	08-24-18	9
401	Maintenance Agreement Spend Plan Workflow – PriceBuilder/LL	08-24-18	9
410	Tasking Workflow	05-02-18	18
415	Setting Up Energy Contracts in LINC**LASER**®	05-02-18	7
420	Maintenance Invoicing	05-02-18	16
430	Project Invoicing	05-14-18	12
440	Service Reports	05-02-18	18
450	Weekly Workflow	05-14-18	18
460	Charging Work Orders to Overhead Time	05-02-18	11
470	Issuing Credits – Service Management	07-25-18	8
480	Moving Costs – Service Management	05-02-18	11
490	Field POs	05-02-18	4
500	Office POs	05-02-18	4
505	AP Coding Stamp	05-02-18	2
510	Managing Purchasing	10-19-20	1
520	Month-End Close	05-02-18	42
530	Consolidated Financials	05-14-18	18
540	Accounts Reconciliation	05-14-18	26
550	Reading Financial Statements	05-14-18	14
560	Over Billings and Under Billings	05-14-18	15
570	Creating Ratios	05-14-18	2
580	Creating Reports	05-14-18	13
590	End of Year Procedures	05-14-18	12
600	Filing Procedures	05-14-18	5
610	Collections Management Program – LINC**LASER**®	05-14-18	18
611	Collections Management Program – ValueBuilder	05-14-18	14
620	Refrigerant Management	10-19-20	10
630	Business Systems PAR	05-14-18	1
640	Enterprise Management	07-10-18	2
650	Monthly Forecast Tool	12-29-14	7
660	Capital Expenditures Policy	07-25-18	2
670	LINC**LASER**® Print to Excel	05-14-18	12
680	Billing Process – Remote Locations	07-10-18	2
690	Cash Receipts – Remote Locations	07-25-18	1
700	Accounting Department Report Card	07-25-18	8
		TOTAL	**451**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #4: BUSINESS SYSTEMS, VOLUME IV

Title	Description	Effective	Pages
800	ValueBuilder: Introduction	01-23-19	2
801	ValueBuilder: Glossary of Terms	01-29-18	14
805	ValueBuilder: Access and Navigation	12-15-20	9
810	ValueBuilder: Headquarter – Setup	01-29-18	12
815	ValueBuilder: General Ledger – Accounts	12-03-20	70
820	ValueBuilder: General Ledger – Setup	01-30-18	11
825	ValueBuilder: General Ledger – Processes	11-16-15	14
830	ValueBuilder: General Ledger – Reports	12-08-20	8
835	ValueBuilder: Cash Management – Setup	05-25-21	3
840	ValueBuilder: Cash Management – Processes	02-01-21	6
845	ValueBuilder: Payroll – Setup	09-06-16	9
846	ValueBuilder: Payroll – Process	05-02-18	18
850	ValueBuilder: Payroll – Reports	01-30-18	5
855	ValueBuilder: Accounts Receivable – Setup	12-08-20	7
860	ValueBuilder: Accounts Receivable – Processes	07-06-22	25
865	ValueBuilder: Accounts Receivable – Reports	07-06-22	13
870	ValueBuilder: Purchase Order – Processes	03-08-21	10
875	ValueBuilder: Purchase Order – Reports	02-04-21	8
880	ValueBuilder: Accounts Payable – Setup	06-10-22	9
885	ValueBuilder: Accounts Payable – Processes	05-25-21	43
890	ValueBuilder: Accounts Payable – Reports	12-15-20	20
895	ValueBuilder: Service Management – File Maintenance	08-10-22	34
900	ValueBuilder: Service Management – Processes	08-12-19	58
901	ValueBuilder: Service Management – Reports	08-10-22	34
905	ValueBuilder: Service Management – Agreements	09-26-19	37
910	ValueBuilder: Service Management – Projects	01-29-18	6
915	ValueBuilder: Service Management – Dispatch Board Setup	06-08-16	3
920	ValueBuilder: Service Management – Dispatch Board	08-10-22	34
925	ValueBuilder: Report Manager – Linc Service Management Reports	10-02-20	54
930	ValueBuilder: Spreadsheet Server	04-30-19	28
935	ValueBuilder: Weekly Workflow – Mobile	03-11-19	45
936	ValueBuilder: Weekly Workflow – Mobile (with timesheets)	03-11-19	48
940	ValueBuilder: Weekly Workflow	10-04-18	12
941	ValueBuilder: Quotes	05-24-21	16
950	ValueBuilder: Month-End Close	05-05-21	40
952	ValueBuilder: Account Reconciliation	08-22-17	29
955	ValueBuilder: Year End	04-07-21	13
956	ValueBuilder: Entry of the Plan of Operations	10-27-20	7
960	ValueBuilder: Charging Work Orders to Overhead Time	02-23-18	23
965	ValueBuilder: Printing Functions	02-12-18	7
970	ValueBuilder: Over Billings and Under Billings	02-23-18	11
975	ValueBuilder: Customer Portal	04-11-17	8
980	ValueBuilder: Collections Management Program	07-06-17	14
985	ValueBuilder: Equipment Integration Tool	12-11-17	20
990	ValueBuilder: Tasking	08-15-18	33
995	ValueBuilder: Mobile	07-19-19	33

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

1000	ValueBuilder: Job Cost – Setup	07-27-20	7
1005	ValueBuilder: Job Cost – Processes	07-27-20	15
1010	ValueBuilder: Job Cost – File Maintenance	07-27-20	9
1015	ValueBuilder: Job Cost – Reports	07-27-20	11
		TOTAL:	1005

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #5: PERSONNEL - VOLUME I

Title	Position	Position Description	Objectives Guide	Performance Review	Effective
1	Org., Admin., & Perf. Appraisal System			10	10-19-11
1.5	Grow, Perform, Succeed (GPS)				03-02-20
2	Vice President Service	1-3	4-7	8-15	08-24-18
3	General Manager/Branch Manager	1-4	5-8	9-17	08-24-18
4	Accounting Manager	1-3	4-8	9-15	08-31-18
5	Service Manager	1-4	5-13	14-22	04-09-21
6	Sales Manager	1-3	4-7	8-15	01-31-18
7	Selling General Manager	1-4	5-10	11-19	03-20-98
8	Operations Manager	1-3	4-12	13-19	04-09-21
9	Controller	1-3	4-8	9-15	08-31-18
10	Principal	1-2		3-4	08-24-18
11	Administrative Assistant	1-2	3-6	8-12	08-24-18
12	Executive Secretary	1-2	3-6	7-12	08-24-18
13	Sr. Accounting Specialist	1-3	4-9	10-16	08-31-18
14	Accounting Assistant	1-2	3-6	7-12	08-24-18
15	Accounting Specialist	1-3	4-9	10-16	08-24-18
16	Accounts Payable Specialist	1-2	3-6	7-12	08-31-18
17	Accounts Receivable Specialist	1-2	3-6	7-12	08-31-18
18	Accounting & Finance Onboarding Plan - LINC**LASER**			7	06-23-17
19	Project Manager	1-4	5-10	11-19	04-09-21
20	Non-Core Project Manager	1-4	5-10	11-19	04-09-21
21	Service Coordinator	1-2	3-5	6-12	04-09-21
22	Dispatcher	1-3	4-8	9-16	04-09-21
23	Service Clerk	1-2	3-5	6-11	11-21-18
24	Service Supervisor	1-4	5-13	14-21	04-09-21
25	Project Supervisor	1-4	5-10	11-19	04-09-21
26L	Operations Onboarding Plan - LINCLASER			10	11-19-20
26V	Operations Onboarding Plan – ValueBuilder			11	11-19-20
27	General Management Onboarding Plan			6	11-19-20
28	Sales Manager Onboarding Plan			6	11-19-20
29	Accounting & Finance Onboarding Plan - ValueBuilder			7	11-19-20
30	Ten Steps to a Successful Sales Hire			5	11-16-21
31	Service Rep Trainee	1-2	3-6	7-14	04-09-21
32	Service Rep	1-3	4-7	8-15	04-09-21
33	Lead Service Rep	1-3	4-7	8-15	04-09-21
34	Maintenance Rep	1-2	3-5	6-12	08-09-21
35	Installer	1-2	3-6	7-13	04-09-21
36	Grow, Perform, Succeed (GPS) – Svc. Tech			11	12-13-21

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

37 Technician Onboarding 1 01-24-22
TOTAL 499

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #5: PERSONNEL - VOLUME II

Title	Position	Position Description	Objectives Guide	Performance Review	Effective
41	Maintenance Sales Trainee	1-2	3-9	10-16	06-25-99
42	Maintenance Sales Rep	1-2	3-10	11-17	02-09-22
43	Project Sales Rep	1-3	9	10-16	02-09-22
44	Senior Sales Rep	1-2	3-10	11-17	06-25-99
45	Account Executive	1-2	3-10	11-17	01-01-89
49	Performance Improvement Plan (PIP) – (E-079)			6	02-02-21
50	Salary Administration			3	07-17-18
51	Sales Representative Incentive Program			11	02-04-15
52	Sales Manager Incentive Program			10	12-16-11
53	Service Manager Incentive Program			3	03-23-22
54	General Manager - Satellite Incentive Program			2	08-24-18
55	General Manager Incentive Program			5	08-24-18
56	Selling General Manager Incentive Program			8	12-20-96
57	Earned Booking Incentive Log (S-027)			2	02-16-96
58	Earned Maintenance Agreement Booking Log (S-099)			3	02-16-96
59	Earned Project Booking Log (S-100)			3	07-01-94
60	Recruiting Services and Fees			1	07-27-20
63	Employee Relocation Guidelines (E-054)			7	07-10-18
66	Employment Advertising			5	08-24-18
67	Employee Referral Bonus Program			1	08-24-18
69	Linc® Employment Application – United States (E-039)			5	08-20-18
70	Employee Confidentiality Agreement (E-046)			2	05-17-21
71	Linc® Employment Application – Canada (E-039C)			5	10-04-18
72	Company Code of Conduct			4	06-25-21
75	Hiring Practices - American Disabilities Act (ADA 1990)			2	07-10-18
76	Job Rights – Reservists & Members of the National Guard			3	07-10-18
81	Termination Evaluation (Exit Interview)			6	05-17-21
82	Operations Team Incentive Program			6	05-17-21
			TOTAL	186	

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #6: PROFESSIONAL DEVELOPMENT

Title	Description	Effective	Pages
1	Training Schedule	07-25-18	1
2	Linc University Access and Navigation	05-10-21	5
3	On-Site Training	07-10-18	1
4	Workshops-In-A-Box	05-09-13	2
5	Training Registration	05-10-21	5
6	Linc Executive Education	01-23-19	1
7	Linc University Degree Program	01-29-20	5
8	Accelerated Business Systems Training	06-01-18	2
9	Leadership I Training	07-25-18	2
10	Project Sales Rep Fast Start Training Program	11-01-21	1
11	Service Manager Training Program	10-20-11	7
12	Maintenance Sales Rep Fast Start Training Program	11-01-21	1
13	Service Rep Orientation & Training Program	10-20-11	1
14	Service Supervisor Training Program	10-20-11	5
15	Project Supervisor Training Program	10-20-11	5
16	Dispatcher Training	05-02-19	2
17	HVAC Technical Training	06-21-21	2
18	Operations Team Soft Skills Training	03-05-20	3
27	Sales Advocate Program	11-01-21	6
28	Sales Management Coaching Program	01-11-10	5
29	On-site Sales Coaching Service	06-14-07	2
30	Principals Management Training	03-22-19	3
32	Service Management Training	11-23-15	3
33	General Management Training	04-16-18	3
34	Sales Leadership Training	11-23-15	2
35	Service Supervision Training	11-23-15	2
36	Business Systems Training	11-19-19	3
38	Maintenance Sales Training	11-23-15	2
39	Project Sales Training	11-23-15	2
42	Sales Representative Certification	05-17-21	6
60	Business Systems Start-up Training	01-23-19	5
75	Lending Library	05-02-19	1
		TOTAL	**96**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

COM #6: PROFESSIONAL DEVELOPMENT

Title	Description	Effective	Pages
1	Training Schedule	07-25-18	1
2	Linc University Access and Navigation	05-10-21	5
3	On-Site Training	07-10-18	1
4	Workshops-In-A-Box	05-09-13	2
5	Training Registration	05-10-21	5
7	Linc University Degree Program	01-29-20	5
8	Accelerated Business Systems Training	06-01-18	2
9	Leadership I Training	07-25-18	2
10	Project Sales Rep Fast Start Training Program	11-01-21	1
11	Service Manager Training Program	10-20-11	7
12	Maintenance Sales Rep Fast Start Training Program	11-01-21	1
13	Service Rep Orientation & Training Program	10-20-11	1
14	Service Supervisor Training Program	10-20-11	5
15	Project Supervisor Training Program	10-20-11	5
16	Dispatcher Training	05-02-19	2
17	HVAC Technical Training	06-21-21	2
18	Operations Team Soft Skills Training	03-05-20	3
27	Sales Advocate Program	11-01-21	6
28	Sales Management Coaching Program	01-11-10	5
29	On-site Sales Coaching Service	06-14-07	2
30	Principals Management Training	03-22-19	3
32	Service Management Training	11-23-15	3
33	General Management Training	04-16-18	3
34	Sales Leadership Training	11-23-15	2
35	Service Supervision Training	11-23-15	2
36	Business Systems Training	11-19-19	3
38	Maintenance Sales Training	11-23-15	2
39	Project Sales Training	11-23-15	2
42	Sales Representative Certification	05-17-21	6
60	Business Systems Start-up Training	01-23-19	5
75	Lending Library	05-02-19	1
		TOTAL	**95**

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1960 ABM Franchising Group, LLC (Rev. 2013)

COM #7: ENERGY

Title	Description	Effective	Pages
10	Glossary of Terms	05-14-18	6
20	Sustainable Energy Solutions Process (Building Advice)	03-13-19	5
60	SustainablePM℠ Placards	08-20-18	5
70	Project Financial Analysis Tool	12-30-20	8
		Total	24

All forms referenced within the COMs are located in the COMs and Forms section of the Linc Service website.

©1980 ABM Franchising Group, LLC (Rev. 2013)

EXHIBIT N.

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

STATE ADDENDA

Exhibit N. 1	California
Exhibit N. 2	Hawaii
Exhibit N. 3	Illinois
Exhibit N. 4	Maryland
Exhibit N. 5	Michigan
Exhibit N. 6	Minnesota
Exhibit N. 7	New York
Exhibit N. 8	North Dakota
Exhibit N. 9	Rhode Island
Exhibit N. 10	Virginia
Exhibit N. 11	Washington

EXHIBIT N. 1
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, the Franchise Disclosure Document of ABM Franchising Group, LLC in connection with the offer and sale of Linc franchises in the State of California is amended to include the following:

> THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.
>
> SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR WEBSITE ADDRESS. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

Item 3, Additional Disclosure.

Neither we nor any person in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such parties from membership in such association or exchange.

Item 17, Additional Disclosures.

California Business and Professions Code Sections 20000 through 20043 provide rights to California franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains provisions that is inconsistent with the law, the law will control.

The Franchise Agreement requires the application of the laws of Pennsylvania. This provision may not be enforceable under California Law.

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code § 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur at our principal place of business for franchising, currently Pittsburgh, Pennsylvania. This provision may not be enforceable under California law.

You must sign a general release if you renew or transfer the franchise. This provision may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

Item 22, Additional Disclosures.

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 anyother term of any document executed in connection with the franchise.

California Corporations Code, Section 31125 requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

EXHIBIT N. 2
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF HAWAII

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

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

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.

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities of the State of Hawaii, Department of Commerce & Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, HI 96813, (808) 586-2722.

EXHIBIT N. 3
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp: Stat. §§ 705/1 to 705/44 the Linc Service Franchise Disclosure Document for use in the State of Illinois is amended as follows:

Cover Page, Additional Disclosures.

THE GOVERNING LAW, VENUE AND JURISDICTION REQUIREMENTS IN THE DISCLOSURE DOCUMENT AND IN THE FRANCHISE AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE ILLINOIS FRANCHISE DISCLOSURE ACT, AND NOTHING IN THESE DOCUMENTS SHALL BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE ILLINOIS FRANCHISE DISCLOSURE ACT.

Item 17, Additional Disclosures.

The conditions under which the Franchise Agreement can be terminated and your rights upon non-renewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Pursuant to Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void.

The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern Franchise Agreements entered into in Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Item 22, Additional Disclosure.

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 anyother term of any document executed in connection with the franchise.

EXHIBIT N. 4
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the Linc Service Franchise Disclosure Document for use in the State of Maryland is amended as follows:

Item 17, Additional Disclosures.

The Franchise Agreement requires you to sign a general release as a condition of renewal or transfer of the franchise. This releases will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under the U.S. Bankruptcy Code (11 U.S.C. Section 101, et seq.).

Item 22, Additional Disclosure.

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 anyother term of any document executed in connection with the franchise.

EXHIBIT. N. 5
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF MICHIGAN

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

A. A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

B. A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

C. A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN THIRTY (30) DAYS, TO CURE SUCH FAILURE.

D. A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN FIVE (5) YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST SIX (6) MONTHS' ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

E. A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

F. A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE. **[Note: Linc reserves the right to challenge the restriction on the location of arbitration under the Federal Arbitration Act.]**

G. A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

   a. THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.
   b. THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.
   c. THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.
   d. THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

H. A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR: THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

I. A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

MICHIGAN ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTENTION. FRANCHISE SECTION
525 W. OTTAWA STREET
G. MENNEN WILLIAMS BUILDING, 1ST FLOOR
LANSING, MICHIGAN 48933
(517) 373-7117

.

EXHIBIT N. 6
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Linc Service Franchise Disclosure Document for use in the State of Minnesota is amended to include the following:

Item 13, Additional Disclosure.

We will indemnify you against liability to a third party resulting from claims that your use of the Marks infringes trademark rights of the third party, provided that your use of the Marks is in accordance with the requirements of the Franchise Agreement and the System.

Item 17, Additional Disclosures.

We will comply with Minnesota Statutes Section 80C.14, subdivisions 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

Minnesota Statutes § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring you to waive your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes §§ 80C.01 - 80C.22.

Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes. This rule does not bar a voluntary arbitration of any matter.

Item 22, Additional Disclosure.

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 anyother term of any document executed in connection with the franchise.

EXHIBIT N. 7
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF NEW YORK

Cover page, Additional Disclosures.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT H OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3, Additional Disclosures.

Other than as disclosed in Item 3, neither Franchisor nor any person listed in Item 2:1. Has any administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations. There are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of Franchisor franchises and the size, nature or financial condition of the System or its business operations.

2. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the date of this disclosure document, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

3. Is subject to a currently effective injunctive or restrictive order or decree relating to the Linc franchise or under any Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange (as defined in the

Securities and Exchange Act of 1934) suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4, Additional Disclosure.

Except as described in this Item, neither the franchisor, its affiliates, its predecessors, officers, nor general partners, during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws; or (c) was a principal officer of a company or a general partner of a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws, or that obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws, during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5, Additional Disclosure.

We use the initial franchise fee to defray our costs of offering franchises and assisting franchisees to start business. A portion of the initial franchise fee may be profit to us.

Item 17, Revised Disclosures.

1. *In the Item 17 Table, the following sentence is added to item "d":*

You may also terminate the Franchise Agreement on any grounds available by law.

2. *In the Item 17 Table, the following sentence is added to item "j":*

However, no assignment will be made by Franchisor except to an assignee who, in Franchisor's good faith judgment, is willing and able to assume Franchisor's obligations under the Franchise Agreement.

3. *In the Item 17 Table, the following sentence is added to item "w":*

The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33.

Item 17, Additional Disclosures.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement inconsistent with that law.

You must sign a general release when you renew or transfer a franchise. This provision may not be enforceable under New York law.

Item 22, Additional Disclosure.

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 anyother term of any document executed in connection with the franchise.

EXHIBIT N. 8
ADDENDUM TO LINC SERVICE DISCLOSURE DOCUMENT FOR THE STATE OF NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Linc Service Franchise Disclosure Document is amended by the addition of the following language:

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

EXHIBIT N. 9
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34 the Linc Service Franchise Disclosure Document for use in the State of Rhode Island is amended to include the following:

Item 17, Additional Disclosure.

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in a franchise agreement restricting jurisdiction or venue to a forum outside the state or requiring the application of the laws of another state is void respecting a claim otherwise enforceable under the Act.

Item 22, Additional Disclosure.

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 anyother term of any document executed in connection with the franchise.

EXHIBIT N. 10
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Linc Service Franchise Disclosure Document for use in the Commonwealth of Virginia is amended to add the following:

> According 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, the provision may not be enforceable.
>
> According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Item 22, Additional Disclosure.

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 anyother term of any document executed in connection with the franchise.

EXHIBIT N. 11
ADDENDUM TO LINC SERVICE® DISCLOSURE DOCUMENT FOR THE STATE OF WASHINGTON

Item 17, Additional Disclosures. The following statements are added to Item 17:

1. You have the right to terminate the Franchise Agreement upon any grounds permitted by law.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either be in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii)

soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Item 22, Additional Disclosure.

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 anyother term of any document executed in connection with the franchise.

EXHIBIT O.

FRANCHISE AGREEMENT RIDERS FOR CERTAIN REGISTRATION STATES

AGREEMENT RIDERS

Exhibit O. 1	California
Exhibit O. 2	Hawaii
Exhibit O. 3	Illinois
Exhibit O. 4	Indiana
Exhibit O. 5	Maryland
Exhibit O. 6	Minnesota
Exhibit O. 7	New York
Exhibit O. 8	North Dakota
Exhibit O. 9	Rhode Island
Exhibit O. 10	Washington

EXHIBIT O. 1
CALIFORNIA AMENDMENT TO LINC SERVICE
FRANCHISE AGREEMENT

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached Linc Service Franchise Agreement (the "Agreement") agree as follows:

1. Section 49 of the Agreement, under the heading "Independent Investigation," is deleted in its entirety.

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

ABM Franchising Group, LLC

_____
Witness

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

Franchisee

_____
Witness

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

EXHIBIT O. 2
HAWAII AMENDMENT TO LINC SERVICE
FRANCHISE AGREEMENT

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached Linc Service Franchise Agreement (the "Agreement") agree as follows:

1. Section 49 of the Agreement, under the heading "Independent Investigation," is deleted in its entirety.

2. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

ABM Franchising Group, LLC

_____
Witness

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

Franchisee

_____
Witness

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

EXHIBIT O. 3
ILLINOIS AMENDMENT TO LINC SERVICE
FRANCHISE AGREEMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44 (the "Act"), the parties to the attached Linc Service Franchise Agreement (the "Agreement") agree as follows:

1. Section 29 of the Agreement, under the heading "Renewal," is amended by adding the following:

   If anything in this Section 29 concerning non-renewal is inconsistent with Section 20 of the Illinois Franchise Disclosure Act of 1987, then the the Act shall apply.

2. Section 35 of the Agreement, under the heading "Termination by FRANCHISOR,"is amended by adding the following:

   If anything in this Section 35 concerning termination is inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then the Act shall apply.

3. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern Franchise Agreements entered into in Illinois. Accordingly, Section 39 of the Franchise Agreement is deleted and replaced with the following:

   This Agreement is governed by and will be construed in accordance with the law of the State of Illinois.

4. Section 49 of the Agreement, under the heading "Independent Investigation," is deleted in its entirety.

5. Section 4 of the Act states that any provision in a franchise agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

6. Any claims arising under the Act shall be commenced within the period of limitation established in Section 27 of the Act.

7. Section 41 of the Illinois Franchise Disclosure Act of 1987 states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Franchise Agreement.

8. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

_____
Witness

ABM Franchising Group, LLC

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

_____
Witness

Franchisee

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

EXHIBIT O. 4
INDIANA AMENDMENT TO LINC SERVICE
FRANCHISE AGREEMENT

This Addendum relates to franchises sold in Indiana and is intended to comply with the Indiana statutes and regulations. The parties agree to supplement the Franchise Agreement as follows:

1. Pursuant to Section 23.2-2.7-1 of the Indiana Code, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an

official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:
(A) advertising campaign or contest;
(B) promotional campaign;
(C) promotional materials; or
(D) display decorations or materials;

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

2. If the Franchise Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Indiana Code will supersede the Franchise Agreement.

3. This Addendum will have effect only if the Franchise Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of the Indiana Code, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

_____
Witness

ABM Franchising Group, LLC

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

_____
Witness

Franchisee

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

EXHIBIT O. 5
MARYLAND AMENDMENT TO LINC SERVICE
FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the parties to the attached Linc Service Franchise Agreement (the "Agreement") agree as follows:

1. Section 29(c) of the Agreement; under the heading "Renewal," is amended to add the following:

   This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 31(a) of the Agreement, under the heading "Transfer by Franchisee," is amended to add the following:

   This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 39 of the Agreement, under the heading "Governing Law," is amended to add the following:

   Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

4. Section 40 of the Agreement, under the heading "Dispute Resolution," is amended to add the following:

   Any choice of forum for litigation is subject to Your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

   Any limitation on the period of time arbitration and/or litigation of claims must be brought shall not act to reduce the three year statute of limitations of afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Section 46 of the Agreement, under the heading "Construction," and Section 49 of the Agreement, under the heading "Independent Investigation," are each amended to add the following:

   The foregoing acknowledgments and representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

ABM Franchising Group, LLC

_____
Witness

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

Franchisee

_____
Witness

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

EXHIBIT O. 6
MINNESOTA AMENDMENT TO LINC SERVICE FRANCHISE AGREEMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Linc Service Franchise Agreement (the "Agreement") agree as follows:

1. Section 15 of the Agreement, under the heading "Use of Name and Mark," is amended to add the following:

   Franchisor will indemnify you against liability to a third party resulting from claims that your use of the Marks or the Works infringes trademark rights of the third party, provided that your use is in accordance with the requirements of the Franchise Agreement and the System.

2. Section 29 of the Agreement, under the heading "Renewal," is amended to add the following:

   Notwithstanding anything to the contrary in Section 29, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Section 29(c) of the Agreement, under the heading "Renewal," is amended to add the following:

   Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

4. Section 31(a) of the Agreement, under the heading "Transfer by Franchisee," is amended to add the following:

   Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

5. Section 35 of the Agreement, under the heading "Termination by FRANCHISOR," is amended to add the following:

   Notwithstanding anything to the contrary in Section 35, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

6. Section 40 of the Agreement, under the heading "Dispute Resolution," is amended by adding the following:

   Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota.

   Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

7. Section 46 of the Agreement, under the heading "Construction," and Section 49 of the Agreement, under the heading "Independent Investigation," are each amended to add the following:

   Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

ABM Franchising Group, LLC

_____
Witness

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

Franchisee

_____
Witness

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

EXHIBIT O. 7
NEW YORK AMENDMENT TO LINC SERVICE FRANCHISE AGREEMENT

In recognition of the requirements of the New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989), the parties to the attached Linc Service Franchise Agreement (the "Agreement") agree as follows:

1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Section 29(c) of the Agreement, under the heading "Renewal," is amended to add the following:

   The foregoing release of claims against Franchisor does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Section 30 of the Agreement, under the heading "Transfer by FRANCHISOR," is amended by adding the following:

   Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.

4. Section 31(a) of the Agreement, under the heading "Transfer by FRANCHISEE," is amended by adding the following:

   The foregoing release of claims against Franchisor does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

5. Section 34 of the Agreement, under the heading "Termination by FRANCHISEE," is amended by adding the following:

   You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

6. Section 39 of the Agreement, under the heading "Governing Law," is amended to add the following:

   Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

7. Section 49 of the Agreement, under the heading "Independent Investigation," is deleted in its entirety.

8. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

_____
Witness

ABM Franchising Group, LLC

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

_____
Witness

Franchisee

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

EXHIBIT O. 8
NORTH DAKOTA AMENDMENT TO LINC SERVICE FRANCHISE AGREEMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Linc Service Franchise Agreement shall be amended by the addition of the following:

The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner, has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Requiring that North Dakota franchisees consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Requiring that North Dakota franchisees pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this North Dakota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

ABM Franchising Group, LLC

_____
Witness

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

Franchisee

_____
Witness

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

_____
Witness

By:_____

EXHIBIT O. 9
RHODE ISLAND AMENDMENT TO LINC SERVICE FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Linc Service Franchise Agreement (the "Agreement") agree as follows:

1. Section 39 of the Agreement, under the heading "Governing Law," is amended to add the following:

   Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Section 40 of the Agreement, under the heading "Dispute Resolution," is amended to add the following:

   Notwithstanding the foregoing, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. Section 49 of the Agreement, under the heading "Independent Investigation," is deleted in its entirety.

4. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

_____
Witness

ABM Franchising Group, LLC

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

_____
Witness

Franchisee

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

EXHIBIT O. 10
WASHINGTON AMENDMENT TO LINC SERVICE FRANCHISE AGREEMENT

In recognition of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 to 19.100.940 (the "Act"), the parties agree to modify the Franchise Agreement as follows:

1. RCW 19.100.180 may supersede this Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede this Agreement in your relationship with us, including in the areas of termination and renewal of your franchise.

2. In the event of a conflict of laws, the provisions of the Act shall prevail.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either be in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, you may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

4. A release or waiver of rights executed by you may not include rights under the Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of yours, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of yours under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits us from restricting, restraining, or prohibiting you from (i) soliciting or hiring any employee of a franchisee of ours or (ii) soliciting or hiring any employee of ours. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

8. Section 49 of the Agreement, under the heading "Independent Investigation," is deleted in its entirety.

9. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and Franchisee satisfy all of the jurisdictional requirements of the Washington Franchise Investment Protection Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

ATTEST:

_____
Witness

ABM Franchising Group, LLC

By:_____
Martin A. Keyser
Senior Vice President
Franchise Operations

[CORPORATE SEAL]

ATTEST:

_____
Witness

Franchisee

By:_____
(Title)

[CORPORATE SEAL]

Each of the undersigned owns a five percent (5%) or greater beneficial interest in FRANCHISEE, each has read this Franchise Agreement and each agrees to be individually bound by the terms of Sections 17, 18, 22 and 31.

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

_____ By:_____
Witness

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATES	EFFECTIVE DATE
California	January 27, 2023
Hawaii	February 3, 2023
Illinois	January 27, 2023
Indiana	January 27, 2023
Maryland	January 30, 2023
Michigan	January 27, 2023
Minnesota	February 14, 2023
New York	January 27, 2023
North Dakota	January 30, 2023
Rhode Island	February 2, 2023
South Dakota	January 27, 2023
Virginia	February 7, 2023
Washington	February 22, 2023
Wisconsin	January 27, 2023

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 P.

RECEIPTS

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 ABM Franchising Group, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or fourteen (14) calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If ABM Franchising Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit H.

The franchisor is ABM Franchising Group, LLC, located at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317. Its telephone number is (724) 873-2940.

Issuance date: **January 27, 2023**

The franchise sellers for this Linc Service® franchise offering are **Bruce Phibbs, Martin Keyser, Jason Monaghan, and Loren Smith** at ABM Franchising Group, LLC, 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317, Phone: 724.873.2940.

ABM Franchising Group, LLC authorizes the respective agencies identified on Exhibit I to receive service of process for it in the particular state.

I received a disclosure document dated January 27, 2023 that included the following Exhibits:

A. Franchise Agreement
B. Satellite Branch Amendment
C. Remote Branch Amendment
D. Guarantee
E. Confidentiality Agreement
F. LincWare Software Agreement
G. General Release
H. State Administrators
I. Agents for Service of Process
J. List of Franchisees
K. Franchisees Who Left the System During Our Last Fiscal Year
L. Financial Statements, Independent Auditors' Acknowledgement Letter and Guarantee of Performance
M. COM Table of Contents
N. State Addenda to the Disclosure Document
O. Franchise Agreement Riders for Certain Registration States
P. Receipts

Signature

Print Name

Company Name

Home Address

Date

Control No.

PLEASE SIGN THIS RECEIPT IN DUPLICATE, RETAIN ONE FOR YOUR RECORDS, AND RETURN ONE SIGNED COPY TO: Martin Keyser, Senior Vice President, Franchise Operations, ABM Franchising Group, LLC, 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317

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 ABM Franchising Group, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or fourteen (14) calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If ABM Franchising Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit H.

The franchisor is ABM Franchising Group, LLC, located at 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317. Its telephone number is (724) 873-2940.

Issuance date: **January 27, 2023**

The franchise sellers for this Linc Service® franchise offering are **Bruce Phibbs, Martin Keyser, Jason Monaghan, and Loren Smith** at ABM Franchising Group, LLC, 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317, Phone: 724.873.2940.

ABM Franchising Group, LLC authorizes the respective agencies identified on Exhibit I to receive service of process for it in the particular state.

I received a disclosure document dated January 27, 2023 that included the following Exhibits:

A. Franchise Agreement
B. Satellite Branch Amendment
C. Remote Branch Amendment
D. Guarantee
E. Confidentiality Agreement
F. LincWare Software Agreement
G. General Release
H. State Administrators
I. Agents for Service of Process
J. List of Franchisees
K. Franchisees Who Left the System During Our Last Fiscal Year
L. Financial Statements, Independent Auditors' Acknowledgement Letter and Guarantee of Performance
M. COM Table of Contents
N. State Addenda to the Disclosure Document
O. Franchise Agreement Riders for Certain Registration States
P. Receipts

Signature

Print Name

Company Name

Home Address

Date

Control No.

PLEASE SIGN THIS RECEIPT IN DUPLICATE, RETAIN ONE FOR YOUR RECORDS, AND RETURN ONE SIGNED COPY TO: Martin Keyser, Senior Vice President, Franchise Operations, ABM Franchising Group, LLC, 501 Technology Drive, Suite 3000, Canonsburg, Pennsylvania 15317